

# Final Umzumbe Annual Report

2016/17 Financial Year



**DEVELOPMENT PLANNING UNIT**

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# 1. CHAPTER 1 MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## Mayor's Foreword and Executive Summary



I greet you in the name of service delivery

Steadily, our municipality is continuously growing from strength to strength. With the inauguration of our new council, this year marked a new wave for our IDP for which we take pride in the manner we have interacted with our community on service delivery programmes thus far. The results of our constant consultation with the community have significantly assisted us to align all our plans and activities with the needs of our people. Furthermore, our continuous engagement with our people has enabled us to deal with service delivery obstacles timeously.

Our ward committee system has effectively gained momentum through the introduction of rigorous capacity building and training sessions to ward committee members, which were aimed at strengthening public participation and advocacy. Similarly, our interactions with various stakeholders have brought about much needed collaboration in

service delivery. Our participation in the Premier's Flagship Programme (Operation Sukuma Sakhe) and our constant interaction with Government Departments such as the Department of Social Development, Home Affairs, Health, Education, SASSA and many others have enabled us to collectively plan and implement our service delivery programmes in a coordinated manner. It has also strengthened our intergovernmental relations thus improved service delivery efficiency and effectiveness.

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

As government, we continue to make meaningful progress towards our goal of providing descent shelter to our people. Together, with the Department of Human Settlements we have commissioned housing projects in most of our areas, where this has been a priority target in accordance with our housing plans. However, in our assessments, we have noted that housing has now become a priority to many of our people, due to the changing weather conditions, which have, in most areas, left many people without a descent roof over their heads. Our Disaster Management Unit, with other stakeholders, has worked tirelessly to provide relief to the areas of need. In other areas of our municipality we have constructed roads and bridges to allow free movement for our people. We have furthermore undertaken to refurbish and recondition our community facilities to be in a good usable state. These projects have been implemented through funding from the Municipal Infrastructure Grant (MIG).

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

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

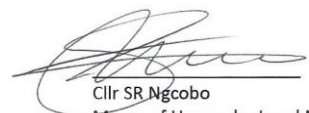
In responding to the call by the national government to ensure access to education for all children, we have continued to provide school uniforms to over 2500 children from low income households, to enable every child in school going age to have access to basic education. In addition, we have initiated a tertiary education support programme for students that have completed their matric and have applied to further their studies at a tertiary institution but have no financial means to fulfil the registration requirements. This programme provides students with registration fees to gain access into tertiary education and thereafter students will be expected to

seek financial assistance from their institutions through internal programmes, such as NSFAS to complete their studies. Through this programme we have assisted just over 200 students this year alone.

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

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

I Thank You



Cllr SR Ngcobo  
Mayor of Umzumbe Local Municipality

## Municipal Managers Overview



### MUNICIPAL MANAGER'S OVERVIEW 2016/17 FINANCIAL YEAR

It is that time of the year where we have to reflect on activities that the municipality had undertaken in fulfilling the needs as mandated by communities of Umzumbe. The 2016/17 financial year marked the beginning of the new council term of office, as it was inaugurated in August 2016 after the local government elections. Once again people of Umzumbe voted and with an additional ward added making the number of municipal wards to 20. The New council adopted the Integrated Development Plan (IDP) as reviewed by the outgoing council as per the legislative provisions as well as the budget respectively. Both the Political leg and the administrative jointly committed to implement what has been mandated by the community as clearly asserted in the IDP.

These developments led to the establishment of new ward committees. This processes spearheaded by Office of the Speaker led by Mrs. M Langa and her team led to the establishment to proceed smoothly.

Predetermined objectives gave rise to the functioning of the department in implementing what had been planned and budgeted for. The key Performance Areas (KPAs) formed the basis for the different departments to execute service delivery linked to the predetermined objectives. In this financial year, the municipality had set targets that were implemented by the respective departments. In advancing the functioning of the municipality in delivering basic services to our communities, two (2) departments Technical Services and Social and Community Services were the machinery in fulfilling it. National allocations in the form of Equitable Share, Municipal Infrastructure Grant (MIG), Disaster recovery grant and funds from the internal coffers assisted these departments in the provision of basic services.

Inkanini Indoor Sport Centre, one of its kind and the second in the district is in the process of being completed with the MIG being instrumental in funding this project in a multi-year approach. Coupled with this, is a construction of a virgin road Ntashana access road that will bring life to the community of ward 7.

In sustaining our existing road infrastructure, it then became prudent for the municipality to set budget aside specifically in expanding our roads maintenance plant by purchasing a low-bed truck. This will assist in transporting our plant due to the vastness of our wards. External service providers were appointed to augment the internal road maintenance program. In rendering Waste Management Services, the Municipality continued with the Service Level

Agreement with Umdoni Municipality to assist with waste on areas along the coast. An external service provider was appointed to collect waste inland of the municipal area of jurisdiction. Provision of electricity tokens and gel provision to our indigent families remained a key programme. Provision of gel is informed by a backlog we have as a municipality in terms of electricity provision. It must be mentioned with pride that the municipality is working hard in reducing this backlog with the assistance of allocation from the Department of Energy.

As a municipality we have high rate of poverty and unemployment which then led to the development of programs that will try to assist our communities. Programs came to implementation through Community Services Section for an example one home one garden in fulfilling strides towards food security.

Local Economic Development within our municipality is one of the key pillars in addressing socio-economic issues also uplifting SMMEs and Cooperatives within our municipality. Empowerment of our SMMEs and Cooperatives remained our focal point in the year under review. The rich heritage history of our municipality led the municipality to profile our heritage sites in promoting rural tourism.

In reminding our communities with our heritage, Ntelezi Msani and Isivivane Sika Shaka were commemorated. The support we are enjoying from the royal household is highly appreciated. Building of Thulini Mall will see the economic activities increasing in the municipality through creation of jobs.

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

Public participation through Izimbizo and IDP roadshows served as a communication channel between the council and communities.

Youth Development and Special Programmes continued to form the basis of community engagements through various programmes that we implemented in these units respectively. Issues of the HIV/AIDS were taken seriously by the municipality.

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

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

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

Information and Communication Technology (ICT) formed the basis for proper implementation of all the programmes of the municipality. In executing our legislative mandates, functionality of the ICT section was important.

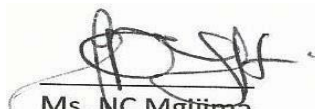
Financial viability and sustainability remained our focus as we are a grant dependent

municipality. Proper financial management and effective utilization of Council funds was critical and important. The municipality remains financially stable to honor its financial obligations.

Challenges of economic crisis that is being experienced, had an impact in us as we saw a reduction in the grants transferred to the municipality. Social ills remain a huge challenge that is facing our communities. High levels of unemployment and poverty is a growing concern which the municipality is trying to reduce with programs that are implemented. The vacancy rate at critical position of the municipality had a bearing as it made life difficult for the administration.

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

Executive Committee's role in seeing performance of the municipality in collaboration with the MPAC Chairperson was also applauded. This has led to a meaningful monitoring and evaluation, and accountability by the administrative wing of the municipality.



Ms. NC Mgljima  
Municipal Manager

## **Municipal Functions, Population and Environmental Overview**

### **Municipal Functions**

Umzumbe Local Municipality has the functions 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, Chapter 5 Section 83 and 84, makes provision for the division of powers and functions between the district and local municipalities. It assigns the day to day service delivery functions to the local municipalities.

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

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

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

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

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



## Demographics

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.

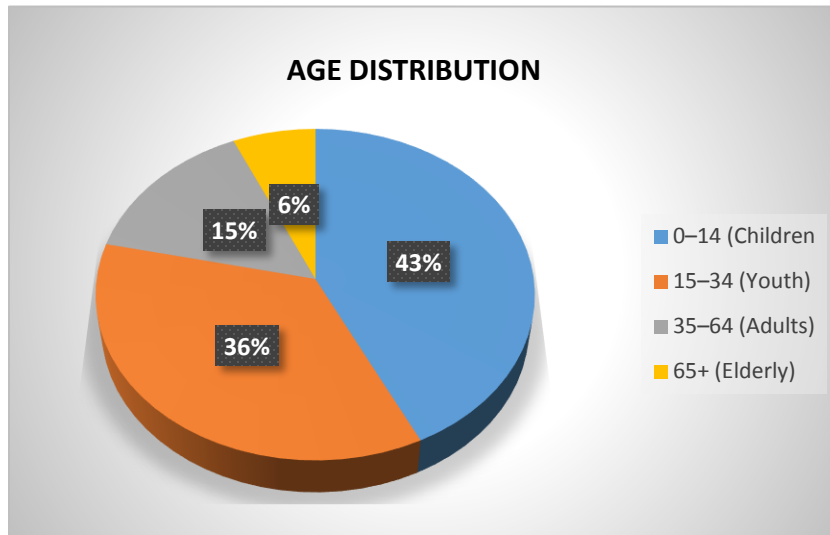
KZN213: Umzumbe	Male	Female	Total
	72501	79175	151676

*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

<b>Ward 17</b>	5,856
<b>Ward 18</b>	7,733
<b>Ward 19</b>	7,135
<b>Ward 20</b>	8,017

*Source: Stats SA Community Survey 2016*



*Source: Stats SA Community Survey 2016*

## Service Delivery Overview

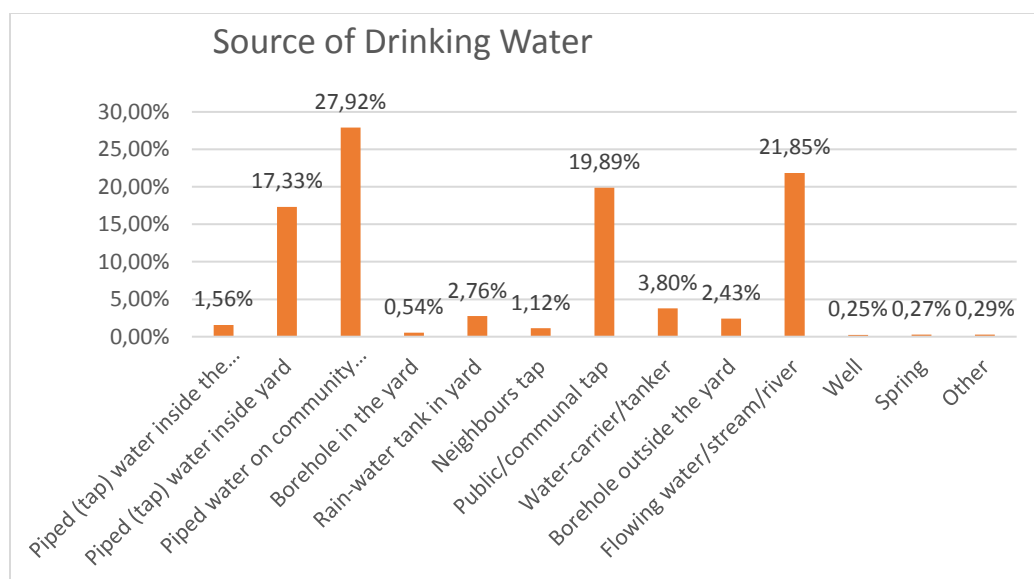
### Water

The UGu District Municipality is the Water Services Authority and the Water Service Provider for the District. They are responsible for the provision of water and sanitation services within the district. The basic water service in Umzumbe is community standpipes within 200m -800m radius of all households.

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

Mtwalume, 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 Tribal authority.

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%
Neighbors 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%

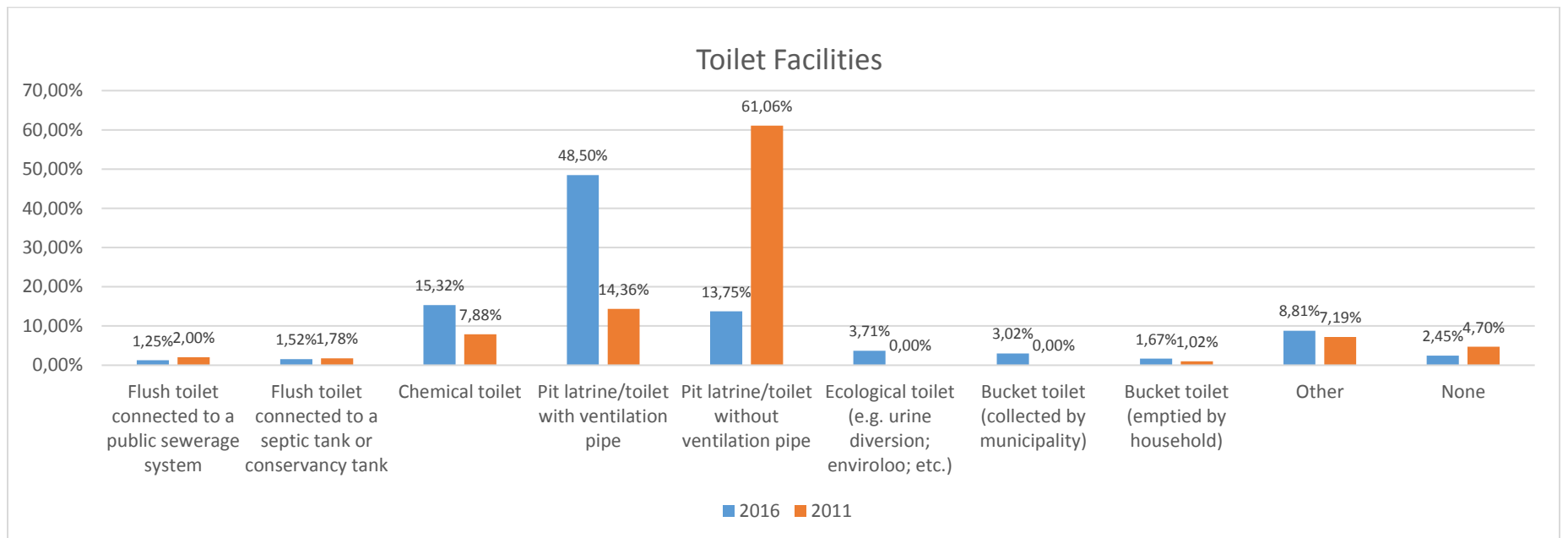


**Source: Stats SA Community Survey 2016**

### Sanitation

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

**Source: Stats SA Community Survey: 2016**



**Source: Stats SA Community Survey 2016**

### **Local Economic Development (LED)**

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

The other tourism areas within Umzumbe Municipality are the Msikazi Mountain, Sipofu Mountain, Umthwalume Mission Cluster, Sivivane Sika Shaka, Prophet Isaiah Shembe's Mission Centre, Gobela Arts and Crafts Centre, Turton Beach, Itshe la Maria Stone, Source of Umthwalume river, Initiation of Traditional Healers Place, KwaNdelu Landscape, Bhekumesiya (Shembe) Village and Summery of tourism products in Umzumbe Municipality. The Local Economic Development Strategy will assist the municipality in achieving its full economic potential whilst eradicating poverty and unemployment.

### **Housing**

Access to adequate housing is still a challenge to the most of the people within the municipality. A significantly large population resides within privately owned land. The Department of Rural Development and Land Reform introduced a plan to speed up the housing delivery process. The plan calls for a partnership between the local municipalities, Department of Human Settlement and Department of Rural Development and Land Reform in releasing land for housing development.

### **Roads**

As a municipality the projects were identified during the Public Participation events, Umzumbe Capital Investment Framework and Infrastructure Master Plan wherein they were prioritized and included in the IDP document as a planning tool.

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

### **Storm Water Drainage**

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

## **Local Planning Approvals**

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.

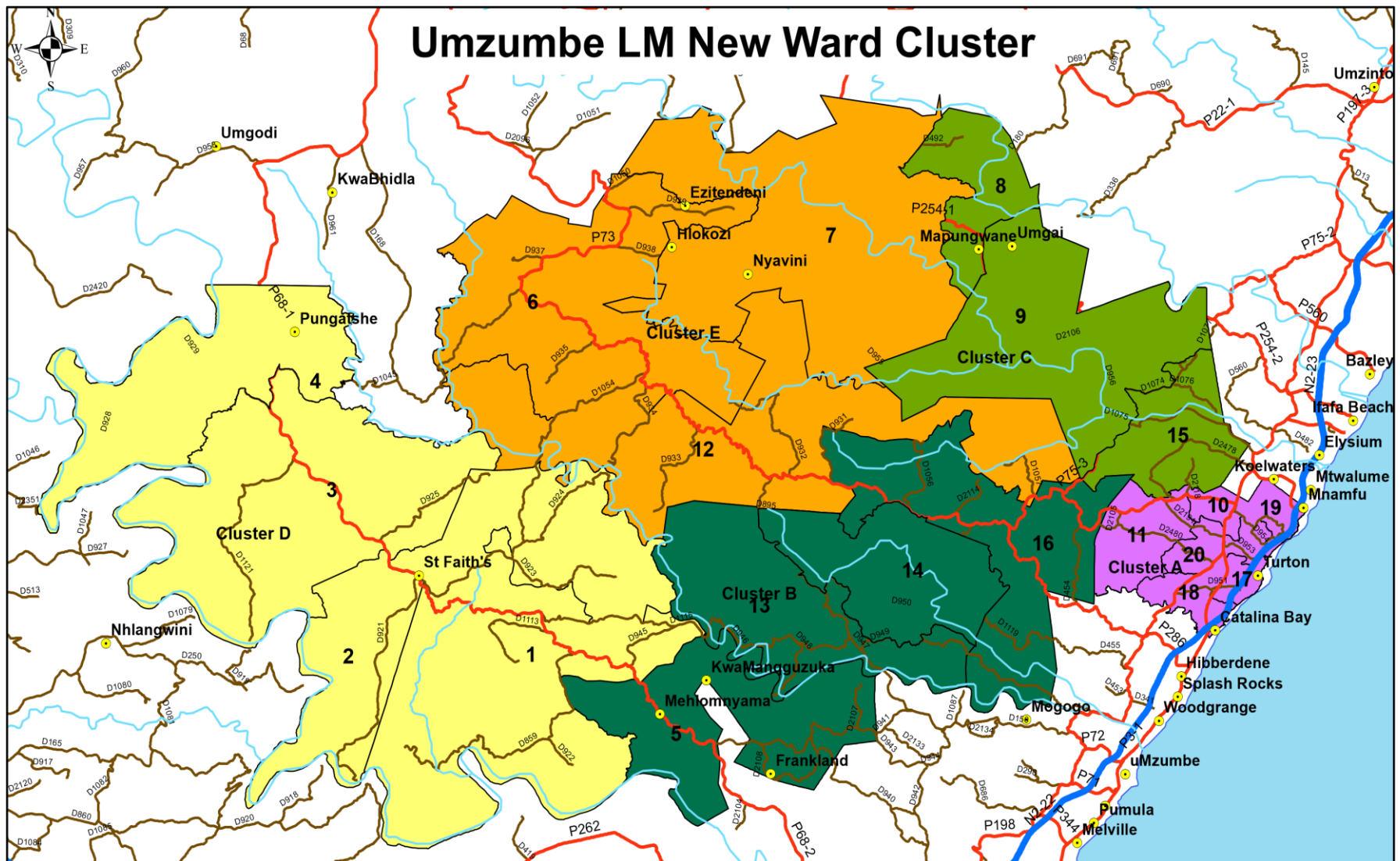
The Umzumbe wall-to-wall scheme will assist the municipality in:

- 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. Mr. MP Phosa 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.

The third of August 2016 saw the re-demarcation of municipal wards to accommodate for an additional ward, whilst two voting districts were lost to Ubuhlebezwe Local Municipality.

The map below indicates the new clusters and ward boundaries.





The re-demarcation of wards not only impacted on the population of Umzumbe but on the total number of settlements present with the area. The table below depicts the settlements which were not affected by the re-demarcation.

Settlement Type	Ward No.
KwaMaqhikizane	07
Mthwalume	Cluster A
Ngomakazi	07
Maqikizane	07
Nyavini	07
Esinyameni	07
Gugha	07
Gobhamehlo	07
Mgezankamba	07
Ngwenda	07
Thuthuka	06
Umzumbe NU	07
Umgayi	08
Mbiyane	08
Gubhuza	06
The Ridge Farm	08
Umgai	08
Mhlabatshane	04
KwaNtumeni	04
Eluphepheni	04
Imfomfo	04
Bhekameva	04
Nomageje	04
KwaMagugu	04
Sosibo	04
KwaNjongoma	04
Mthaleni	03
Oshamba	03
Wowana	03
Dunusa	03
Nhlengesi	03
Deyi	03
Dunuse	03
Phongolo	03
Goba	03
Thembelihle	03
Ngcengesi	03
Qoloqolo	09

Settlement Type	Ward No.
Inkulu	09
KwaBombo	09
Qurha	09
Isangqu	07
Ntabazu	07
Sipofu	12
Nyonyana	11
Inyonyana	11
Ndunge	16
Ntengela	16
Gubhugubhu	
Berea	
Nkangala	
Nomakhanzana	15
Dingimbiza	15
Mnamfu	19
Isiqungeni	18
Amahwaqa	18
Mpikanisweni	
Nhlalwane	04
Ncazolo	02
Odeke	14
Ixopo	13
Mbonje	
Mvuzane	01
KwaDweshula	01
Gcwalemini	01
Sunduza	01
Ngoleleni	12
Cathula	01
Dibi	01
Rosettenville	14
Cabhane	16 & 14
Velumemeze	16
Gqayinyanga	16
Nkalokazi	06
Ndumakude	14
Hlanzeni	01

Settlement Type	Ward No.
Mayekeni	01
Mawuleni	01
Mehlomnyama	05
Gumatane	03
Mathulini	18
Thaleni	03
Ndlovuzulu	03
Thuntutha	03
Enkulu	03
Ncane	03

## 2. CHAPTER 2: GOVERNANCE

### COMPONENT A:

#### 2.1 Political and Administrative Governance

##### Introduction to Political and Administrative Governance

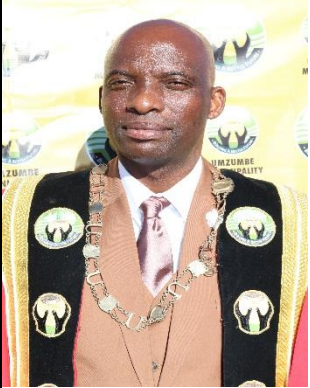
Umzumbe Municipality Political governance is led by the Mayor who is the head of the political side, chairing the Executive committee as well as the Finance portfolio committee. As a municipality we pride ourselves as having a female Deputy Mayor and Speaker. The Deputy Mayor is a member of the Exco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

The Speaker of the council chairs the council meetings of the municipality as well as chairing the Youth Committee of the council. The council has an executive committee made up of eight (8) full time councilors. In dealing with oversight role, the council has a Municipal Public Accounts Committee (MPAC) made up of five (5) non- executive committee members. There are five (5) portfolio committees: Human Settlement and Infrastructure Portfolio, Planning and LED Portfolio, Social and Community Services Portfolio, Finance Portfolio, Youth Development Committee and Corporate Services Portfolio Committees.


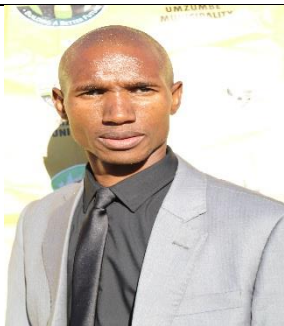

In assisting the MPAC and the Council, an external Audit Committee through a shared services approach has been established.



NAME OF MEMBER	QUALIFICATIONS	APPOINTED
Mr. Paul Preston	<ul style="list-style-type: none"><li>• BA LLB</li><li>• ND: Road Transportation Management</li></ul>	2016
Ms. Chantel Elliott	<ul style="list-style-type: none"><li>• B.Com (Hons), CA(SA)</li><li>• BCompt</li><li>• Postgrad Diploma: V.A.T</li><li>• Advanced Certificate: International financial Reporting standards</li></ul>	2016
Mr. Innocent Bheki Dladla	<ul style="list-style-type: none"><li>• Master's in Business Administration</li><li>• Hon. Human Resources</li><li>• B Admin Degree</li><li>• Graduate Diploma in Mining Engineering</li></ul>	2016
Ms. Bomgeka Jojo	<ul style="list-style-type: none"><li>• B Com: CA(SA)</li></ul>	2016

## Political Governance

	<p><b>POLITICAL STRUCTURE</b></p> <p><b>MAYOR</b></p> <p>Cllr S.R. Ngcobo</p> <p>EXCO. Chair and Head FBCC and Finance Portfolio Committee</p>	<p><b>Function</b></p> <p>In terms of Section 49 of Municipal Structures Act and Regulations 117 of 1998 the Executive Mayor presides at meetings of the executive committee; and performs the duties, including any ceremonial functions, and exercises the powers delegated to the mayor by municipal council or the executive committee.</p> <p><b>S56(2): The executive mayor must:</b></p> <ol style="list-style-type: none"> <li>Identify the needs of the municipality,</li> <li>Review and evaluate those needs in order of priority,</li> <li>Recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and</li> <li>Recommend or determine the best way, including partnerships and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.</li> </ol> <p><b>MFMA S54:</b></p> <p>Must provide general political guidance over the fiscal and financial affairs of the municipality; In providing such general political guidance, may monitor and, to the extent provided in this</p>
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		<p>Act, oversee the exercise of responsibilities assigned in terms of this Act, the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;</p> <p>Must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;</p> <p>Must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and</p> <p>Must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.</p>
	<p><b>DEPUTY MAYOR</b> Cllr M.P.L. Zungu</p> <p>Head: Human Settlement and Infrastructure Portfolio Committee</p>	<p>The Deputy Mayor exercises the powers and performs the duties of the mayor if the mayor is absent or not available or if the office of the mayor is vacant. The Mayor may delegate duties to the Deputy Mayor (Municipal Structures Act 1998, S49).</p>
	<p><b>SPEAKER</b> Cllr M.P. Shozi Chairperson of Council</p>	<p>In terms of Section 37 of the Municipal Structures Act and Regulations 117 of 1998 The Speaker of a Municipal Council-</p> <p>Presides at meetings of the council.</p> <p>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).</p>

		<p>Must ensure that the council meets at least quarterly;</p> <p>Must maintain orders during meetings</p> <p>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</p> <p>Must ensure that the council meetings are conducted in accordance with the rules and orders of the council.</p>
	<p><b>EXECUTIVE COMMITTEE</b></p> <p>Cllr M.Z. Luthuli</p> <p>Development Planning and Local Economic Development Portfolio</p>	<p>Member of Exco and Chairperson of the Development Planning and LED Portfolio oversees all matters within the section.</p>
	<p>Cllr M.S. Mdletshe</p>	<p>Member of Exco and Chairperson of Youth Committee.</p>
	<p>Cllr N.Y. Mweshe</p> <p>Corporate Services Committee portfolio</p>	<p>Member of Exco and Chairperson of Corporate Services Portfolio Committee.</p>

	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 Local Government Elections took place on 03 August 2016, which saw the inauguration of a new council and new executive council. The total number of councilors increased from 38 Councilors in the previous financial year to 39 councilors in the 2016/17. The council comprises of 19 females and 20 males for the year ended. Umzumbe Municipality experienced a decline in population due to the re-demarcation of the Municipal Wards, with 2 Voting districts taken to Ubuhlebezwe Local Municipality. However the municipality gained an additional ward making the total number of wards 20. Twenty (20) of them are ward Councilors and Nineteen (19) are Proportional Representatives.

Out of 39 Councilors, 30 belong to the ANC, 6 IFP, 1 EFF, 1 PAC and 1 DA. PAC's Pr. Councilor Z Cele was replaced by Councilor Ngubane. Councilor S.T Gumede resigned from the ANC and was replaced by Councilor R Mkhize.

## POLITICAL DECISION-TAKING

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



## 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 14 traditional leaders to sit in the Municipal Council. One traditional leader sits in the Municipal Executive Committee and all of them sit in portfolio committees. 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 her (section 56) wherein there were 2 vacant posts Directors Social and Community Services and the Technical Services. Each section 56 is responsible for the department as asserted above in the report. The second level of management is managers that report to the section 56 managers. This forms the extended top MANCO of the municipality.

	<p><b>MUNICIPAL MANAGER and ACTING DIRECTOR SOCIAL AND COMMUNITY DEVELOPMEN T : Ms N C MGIJIMA</b></p>	<p><b>Function</b></p> <p>The office of the Municipal Manager is responsible for the following services: <b>Development Planning and Local Economic Development, Communications, Mayoralty Youth Development and Special Programmes, and Internal Audit.</b></p> <p>Development Planning – functions are to drive the strategic planning of the municipality, spatial planning and Land Use Management, Geographic Information Systems and Performance Management System.</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</p>
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		the Mayor's Office and advance the interest of special groups and young people within Umzumbe.
	<b>CHIEF FINANCIAL OFFICER:</b> <b>Mr K Audan</b>	The Department is responsible for managing the financial administration of the municipality. It comprises sub departments i.e. <b>Expenditure and Assets, Budget, Treasury and Revenue and Supply Chain Management.</b>
	<b>DIRECTOR SOCIAL AND COMMUNITY SERVICES</b>  <b>:VACANT POST</b>	The Department comprises of two units namely, <b>Community Services</b> and <b>Disaster Management.</b> The unit facilitate with the upliftment of communities through poverty alleviation pogrammes, maintained/accessible government facilities and support given to households involved in natural disasters.
	<b>DIRECTOR CORPORATE SERVICES:MR B G Nyuswa</b>	Corporate Services Department is composed of three sections. These are <b>Human Resources, Administrative Support, Legal Services, Information and Communication Technology</b> Sections with different legislative mandate. The department is mainly operational in nature. It provides strategic direction and support to the services' departments, by ensuring that human/ physical resources are in place to enable the municipality to meet its service delivery objectives.
	<b>DIRECTOR TECHNICAL SERVICES:</b>  <b>VACANT POST</b>	This is the department that has been entrusted with delivery of basic services through operations and maintenance of existing infrastructural services as well as delivering new services so as to reduce backlog in the municipality. It consists of two units namely, <b>Housing Unit, Project Management Unit and Waste Management Unit</b>

#### COMPONENT B: INTERGOVERNMENTAL RELATIONS

## Introduction to Co-operative Governance and Intergovernmental Relations

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

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

### **2.3 Intergovernmental Relations**

#### Provincial Intergovernmental Structure

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

#### District intergovernmental structures

As a family of UGu District Municipality IGR Structures are in existence through District Mayor's forum and Municipal Manager's forum that are functional, with regard to other IGR structures they have been established and ready to operate and will be chaired by the MM's from the respective Municipality's. The Chief Financial Officer is the delegate representing the Municipality in the CFO's forums with the Senior Manager Development PLanning representing the municipality in the District and Provincial Planners Forums together with the IDP Forums. The Manager Information Technology represents the municipality in the District ICT forum with the Senior Manager Commincations, Youth Development, Mayoralty and Special Programmes representing the Municipality in the Commications Forum.

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### Overview of Public Accountability and Participation

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

#### **2.4 Public Meetings**

##### Communication, Participation and Forums

As the municipality at the beginning of each financial year a clear process plan on IDP and Budget issues were tabled. During the review of the IDP, a draft IDP was taken to public for comments and placed in strategic areas within the municipality area of jurisdiction, for members of community to comment and make meaningful contributions. The draft IDP was place at the following community facilities: Morrison Post, Mehlomanyama Police Station (ward 5), Assisi Clinic (ward 5), Ntimbankulu Clinic (ward 1), Phungashe Information Centre (Ward 3), Bhanoyi Community Hall (ward 7), Umzumbe Municipal Offices (ward 10), Mgai Clinic and social welfare (ward 7), Kwa Smith (ward 15), ward 19 Government offices, Ziyabanya Car wash (ward 17), Junction ward 2, Joyisi (ward 7), Mngomeni High, Bambumoya (Ward 2) and Mtwalume Clinic (Ward 11).

Monthly ward committee meetings were held to discuss developmental issues and chaired by the ward councilor of each ward. On a quarterly basis IDP Rep Forums are held and attended by various stakeholders as part of the public participation process to provide inputs to the Municipal Integrated Development Plan

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

Disability community interests found expression in the municipality's IDP in the sense that the

municipality had championed the rolling out of Special Programmes which cater, among others, Disability Programme. Youth Committee is in place being chaired by the one of the EXCO members. The committee oversees all matters related to youth development and sustainable livelihoods in the



***Photo: New Ward Committee members***

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	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

### Overview of Corporate Governance

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

## 2.6 Risk Management

In terms of MFMA section 62 (1) (c)(l), the accounting office of a municipality is responsible for managing the financial administration of the municipality and for this purpose take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent systems of risk management and internal controls.

### ENTERPRISE RISK MANAGEMENT ENCOMPASSES:

- Aligning risk appetite and strategy – Management considers the entity’s risk appetite in evaluating strategic alternatives, setting related objectives, and developing mechanisms to manage related risks.
- Enhancing risk response decisions – Enterprise risk management provides the rigor to identify and select among alternative risk responses – risk avoidance, reduction, sharing, and acceptance.
- Reducing operational surprises and losses – Entities gain enhanced capability to identify potential events and establish responses, reducing surprises and associated costs or losses.



- Identifying and managing multiple and cross-enterprise risks – Every enterprise faces a myriad of risks affecting different parts of the organization, and enterprise risk management facilitates effective response to the interrelated impacts, and integrated responses to multiple risks.
- Seizing opportunities – By considering a full range of potential events, management is positioned to identify and proactively realize opportunities.
- Improving deployment of capital – Obtaining robust risk information allows management to effectively assess overall capital needs and enhance capital allocation.

a) Top 5 risks (Inherent)

No.	Risk Name	Department	Risk Description
1.	Political Office Bearers: Speakers Office	Office of the Municipal Manager	Political interference in the administration of the Municipality.
2.	Business Process: Public Participation	Office of the Municipal Manager	Ineffective community participation and Consultation.
3.	Financial Management: Asset Management	Finance	Poor safeguarding of Municipal assets.
4.	Financial Management: Supply Chain Management Tenders	Finance	Irregular awarding of tenders.
5.	Financial Management: Budget	Finance	National budget cuts impacting on service delivery.

b) Top 5 risks (Residual)

No.	Risk Name	Department	Risk Description
1.	Business Process: Public Participation	Office of the Municipal Manager	Ineffective community participation and consultation.
2.	Political Office Bearers: Speakers Office	Office of the Municipal Manager	Political interference in the administration of the Municipality.
3.	Financial Management: Asset Management	Finance	Poor safeguarding of Municipal assets.
4.	Financial Management: Supply Chain Management Tenders	Finance	Irregular awarding of tenders.
5.	Financial Management: Budget	Finance	National budget cuts impacting on service delivery.

## 2.7 Anti-Corruption and Fraud

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.

No.	Functional Area/BA	Fraud Risk Title/Description	Root Cause	Internally/Externally Perpetrated	Impact on the organization	Likelihood of occurrence	Inherent risk exposure	Current business processes / controls in place to manage identified risks	Perceived control effectiveness	Residual risk exposure	Mitigating action plans to further address the residual risk exposure	Date of Action Plan	Action owner	Action status
1	Corporate Services-HR	Abuse of leave and absenteeism by municipal officials for not processing leave days taken or for not completing the documentation required for leave and documents not being authorized by management resulting in a loss to the Municipality.	1. Lack of monitoring and supervision by management; 2. Lack of reconciliation; 3. Unethical behavior by municipal officials; 4. Non-adherence to the Leave policy; 5. Authorization of leave not done timeously.	Internally	Significant	Almost certain	High	1. Leave policy is in place; 2. Biometric system is in place which monitor the attendance and access onto the municipal offices; 3. Manual attendance registers are utilized when the electronic (Biometric system) is not functional; 4. Payday electronic system is in place whereby electronic leave forms are submitted to managers/supervisors and once approved is submitted to the relevant HODs and thereafter to HR; 5. Exception report from the biometric system are printed and handed to the relevant HoD and tabled at the Exco meetings; 6. Code of Conduct is in place; 7. Sick notes are required when leave is taken for two or more days.	Satisfactory	Priority 3	1. HR policy to be reviewed on an annual basis and to include that sick notes must be produced if an official has taken sick leave on either a Monday or Friday; 2. HR policy to be workshopped biannually; 3. HR to conduct monthly leave reconciliations on leave taken vs. the attendance register and to attach all relevant supporting documentation; 4. Investigate to implement that a full leave audit be performed by an external consultant; 5. Ethics training to be workshopped to all municipal officials on an annual basis; 6. Management need to develop a reporting tool or document in order for supervisors/HODs to monitor time spent by municipal officials during site visits.	1. 31 December 2015;  2. 31 December 2015; 3. 1 August 2015 and thereafter on a monthly basis; 4. 30 June 2016; 5. 31 December 2015; 6. 1 August 2015 and thereafter on a monthly basis.	Director Corporate Services - HR Manager	Not yet commenced
2	HR	- Ghost employees created on payroll in order to divert salaries and benefits to existing employees or the lack of termination of employee contracts that result in funds being diverted. - Allowances paid to employees without proper/valid documentation	1. Lack of monitoring and supervision; 2. Negligence; 3. Unethical Behaviour; 4. Collusion between Municipal officials and third parties.	Both	Significant	Possible	Low	1. Annual Headcounts performed internally (internal audit); 2. Approved organogram in place and officials not reflected on organogram are not appointed without approval; 3. Biometric system in place that records the movement of municipal officials; 4. Segregation of duties is in place; 5. Communication between HR and payroll for new appointments and termination of municipal officials; 6. Monthly variance reports performed by the Finance department on the salaries paid and any deviations are investigated.	Good	Priority 5	1. Trend analysis to be conducted on a quarterly basis by Internal Audit; 2. Headcount needs to be performed regularly by Internal Audit/HODs; 3. A list of all municipal officials per department needs to be authorized and signed by the relevant HOD and then submitted to payroll in order for salary payments to be effected.	1. 30 June 2015; 2. 30 June 2015; 3. 10 June 2015 thereafter by the 10th of each month. And Directors submit approved reports back to HR by 15th of every month	All HODs Internal Audit HR Manager	Planned

No.	Functional Area/BA	Fraud Risk Title/Description	Root Cause	Internally/Externally Perpetrated	Impact on the organization	Likelihood of occurrence	Inherent risk exposure	Current business processes / controls in place to manage identified risks	Perceived control effectiveness	Residual risk exposure	Mitigating action plans to further address the residual risk exposure	Date of Action Plan	Action owner	Action status
3	Finance	Conflict of interest by municipal officials where financial business interests with other municipalities and stakeholders have not been declared which results in municipal officials favoring such suppliers to gain a financial benefit.	1. Unethical behaviour; 2. Non-adherence to the Code of Conduct; 3. Lack of vetting; 4. Collusion between municipal officials and service providers.	Both	Critical	Likely	High	1. MBD4 forms in place which requires suppliers to declare interest; 2. Declaration of interests for municipal officials and councilors done annually; 3. MFMA and Code of Conduct prohibits employee (councilors and employees) doing business with the state; 4. Vetting of suppliers via VAT number, tax clearance from SARS; 5. Cross referencing between Auditor General database and supplier database for potential Conflict of Interest.; 6. Ugu district has a hotline service that is shared between the local municipalities; 7. SCM processes are reviewed by internal audit on a biannual basis; 8. There is a fraud prevention plan that is updated annually done by internal audit.	Good	Priority 4	1. Investigate to implement a complete vetting service of supplier and employee databases by an external service provider; 2. Ethics and the Code of Conduct needs to be workshopped to all municipal officials on a regular basis; 3. SCM policy to be workshopped to all municipal officials.	1. 30 June 2016; 2. 31 December 2015; 3. 28 February 2016.	CFO - K Audan - SCM Manager in conjunction with the Director of corporate services - HR Manager	Planned
4	Corporate Services	Abuse or Unauthorized use of municipal assets such as laptops, cell phones or land lines (Telecommunications) by municipal officials for personal use/gain resulting in financial loss for the Municipality.	1. Unethical behavior; 2. Lack of enforcement of policies (IT, cell phone, internet and landline); 3. Lack of supervision and monitoring.	Internally	Minor	Possible	Insignificant	1. IT policy is in place; 2. Telecommunications policy is in place; 3. Soft locking for cell phones (usage limit varies per designation); 4. Pin codes for telephone use; 5. Asset Management policy in place; 6. Asset register in place.	Good	Priority 5	1. Investigate the possibility of an external service provider to assist with monitoring the usage of telephones by municipal officials and to provide itemized billing reports per official (Telkom); 2. Telecommunications policy to be reviewed and workshopped annually. 3. Each Employee to have telephone code with different access levels	1. 30 June 2015 and thereafter monthly; 2. 30 September 2015. 3. As soon as possible	Director Corporate Services - Manager: Administration	Planned

No.	Functional Area/BA	Fraud Risk Title/Description	Root Cause	Internally/Externally Perpetrated	Impact on the organization	Likelihood of occurrence	Inherent risk exposure	Current business processes / controls in place to manage identified risks	Perceived control effectiveness	Residual risk exposure	Mitigating action plans to further address the residual risk exposure	Date of Action Plan	Action owner	Action status
5	Corporate Services	Misuse of municipal vehicles for personal trips and theft of fuel by municipal officials for personal benefit resulting in a financial loss to the Municipality.	1. Unethical behaviour; 2. Non-adherence and lack of enforcement to the Fleet policy; 3. Lack of supervision and monitoring.	Internally	Significant	Likely	Moderate	1. Fleet Management policy is in place; 2. C-Track tracking unit is installed in all municipal vehicles; 3. Pre-authorization forms are authorized by the manager and the Fleet Officer with supporting documentation attached (Indemnity forms, request forms); 4. Fuel report (Wesbank) to monitor the consumption of fuel and is provided to the Municipality on a monthly basis; 5. Asset and Vehicle policies are in place; 6. Vehicle log book is updated on an ongoing basis.	Satisfactory	Priority 4	1. Review and workshop the Fleet Management policy on an annual basis; 2. Reports on all fleet issues need to be compiled and distributed to the relevant HODs. This will be an item on the agenda at the MANCO meetings; 3. Comparison of the fuel consumption vs kilometers travelled to be performed on a monthly basis by Corporate Services.	1. 30 June 2016; 2. 31 June 2015; 3. 31 June 2015.	Director Corporate Services - Manager: Administration	Planned
6	HR	The misrepresentation of experience and fabrication of qualifications by candidates during the recruiting process in order to be appointed by the Municipality. This could also happen in conjunction with nepotism or political influence, where a specific candidate is favoured without considering their qualifications.	1. Unethical behaviour; 2. Political influence and pressure; 3. Lack of pre-appointment screening for section officials below Section 54 and 56 managers; 4. Non-adherence to the Recruitment policy; 5. Lack of supervision and monitoring.	Both	Significant	Likely	Moderate	1. Recruitment and Selection policy in place; 2. Pre-screening of municipal officials only from section 57 upwards; 3. Vetting of the candidates for section 57 upwards. All new appointments from Nov 2014 have been vetted; 4. HR to conduct verification of qualifications through SAQA; 5. Reference checks are performed by HR; 6. Panel members who conduct the interview sign a declaration of interest; 7. Municipal Manager signs off on the selected candidate; 8. Psychometric testing are performed on section 57 appointments.	Good	Priority 5	1. HR to consider psychometric tests for all municipal officials in management roles; 2. A clause to be inserted in advertisement for the recruitment of staff - "disqualification of candidates for the falsifying of qualifications".	1. 30 June 2016; 2. 30 May 2015.	Director Corporate Services - HR Manager	Planned

No.	Functional Area/BA	Fraud Risk Title/Description	Root Cause	Internally/Externally Perpetrated	Impact on the organization	Likelihood of occurrence	Inherent risk exposure	Current business processes / controls in place to manage identified risks	Perceived control effectiveness	Residual risk exposure	Mitigating action plans to further address the residual risk exposure	Date of Action Plan	Action owner	Action status
7	Finance	Manipulation of tender specifications by municipal officials and/or tender consultant in order to favor a preferred service provider to obtain a financial benefit.	1. Unethical behavior;2. Political Influence;3. Collusion between the municipal official and service providers.	Both	Critical	Possible	Moderate	1. SCM policy is in place;2. Bid committees are in place;3. Declaration forms are signed for every sitting by committee members;4. Training and workshop of the SCM processes to SCM officials;5. Code of Conduct is signed by all SCM officials;6. Manual rotation of suppliers on the SCM database;7. Use of the tender defaulters list supplied by Treasury.	Good	Priority 5	1. SCM policy to be reviewed;2. SCM policy to be workshopped to all municipal officials.3. Ethics and the Code of Conduct needs to be workshopped to all municipal officials on a regular basis.	1. 30 June 2016;2. 30 June 2016;3. 31 December 2015.	CFO - SCM Manager Director Corporate - HR Manager	Planned
8	Finance	Abuse of section 36 or intentional late submission of requisitions resulting in bypassing of controls.	1. Poor planning; 2. Non-adherence to the SCM policy; 3. Collusion by municipal officials and service providers; 4. Late provision of funds from provincial government resulting in a pressure to utilize the funding.	Both	Significant	Possible	Low	1. Procurement plan submitted to SCM at the beginning of each FY; 2. All requisitions must be submitted to the SCM department 7 days prior to the event; 3. SCM policies and procedures are in place; 4. Requisitions are signed off and approved by the relevant supervisors; 5. Deviation forms has to be signed off by the HoD and MM and then reported to the Council; 6. Segregation of duties is in place; 7. Sample checks are done on Section 36 requests by Internal Audit; 8. Manual rotation of suppliers on the SCM database; 9. Report on business and cash plans in respect of grant funding to be utilized timeously.	Good	Priority 5	1. Enforce that the procurement plan is adhered to; 2. Training to all municipal officials on the SCM policy and procurement plan.	30 June 2016	CFO - SCM Manager Director Corporate - HR Manager	Planned

No.	Functional Area/BA	Fraud Risk Title/Description	Root Cause	Internally/Externally Perpetrated	Impact on the organization	Likelihood of occurrence	Inherent risk exposure	Current business processes / controls in place to manage identified risks	Perceived control effectiveness	Residual risk exposure	Mitigating action plans to further address the residual risk exposure	Date of Action Plan	Action owner	Action status
9	Finance	Payment for goods/services not rendered or for the poor quality/substandard work or the overstatement of progress on the project due to poor project management.	1. Poor planning; 2. Unethical behavior; 3. Negligence; 4. Vague specifications; 5. Unqualified supplier; 6. Falsification of completion certifications; 7. Lack of monitoring and supervision; 8. Collusion between municipal officials and service providers.	Both	Critical	Likely	High	1. SCM policy is in place; 2. Goods received note signed off by the user department; 3. Sign off by the respective Line manager of payment certificate prior to payment to verify services that have been rendered; 4. Invoices are authorized by the respective Line manager and submitted to Finance for payment; 5. Segregation of duties is in place; 6. All user departments to verify services provided; 7. Finance and Technical departments to report on progress on projects to their respective portfolio committees; 8. Site visits are done to check quality, specifications, measurements and a progress report is compiled on a monthly basis to which photographs are attached. This is performed by the project manager and contractor. This report submitted to Finance when payment is effected.	Good	Priority 4	1. SCM policy to be workshopped to all municipal officials; 2. All documentation including the updated CIDB certificate to be attached as supporting documents to the invoice before being submitted to the CFO for payment; 3. Impromptu site visits to be conducted by the MM/CFO/Internal Audit for the relevant projects; 4. Ethics and the Code of Conduct to be workshopped to all municipal officials on a regular basis.	1. 30 June 2016; 2. 1 July 2015; 3. 31 December 2015; 4. 31 December 2015.	MM - N.C Mjijima, all HODs and Internal Audit	Planned

No.	Functional Area/BA	Fraud Risk Title/Description	Root Cause	Internally/Externally Perpetrated	Impact on the organization	Likelihood of occurrence	Inherent risk exposure	Current business processes / controls in place to manage identified risks	Perceived control effectiveness	Residual risk exposure	Mitigating action plans to further address the residual risk exposure	Date of Action Plan	Action owner	Action status
10	Finance	Collusion by municipal officials with third parties in respect of the use of municipal property resulting in the illegal usage of municipal assets/land.	1. Collusion between municipal officials and third parties; 2. Unethical Behaviour; 3. Greed.	Both	Minor	Possible	Insignificant	<ul style="list-style-type: none"> <li>For (10) community facilities caretakers were employed on contractual basis for the period of 2years</li> <li>Two booking records are kept at ward level (one for community members and the other one for government departments.</li> <li>Bookings are made at ward levels through caretakers who in turn will inform the officer from Community Services to expect it.</li> <li>A form will be completed by the caretaker on establishing the availability of the hall for the date in question</li> <li>Facilities where there is no caretaker are not easy to manage and ward councilors are in charge of the bookings.</li> </ul>	Weak	Priority 5	<ul style="list-style-type: none"> <li>Cottages to be built for caretakers so that they are available for 24hours on the premises of the facility</li> <li>Alternatively, to appoint caretakers with licenses and have access to the company vehicles to curb the challenge of opening and closing at the end of the event.</li> <li>To appoint the supervisor for caretakers who will roam around all the 19 wards collecting money for bookings, checking for caretaker's and facility needs etc.</li> <li>Uniforms for caretakers to promote dignity of the person and the reputation of the institution.</li> <li>Challenges of community members residing a distance away from the municipality having to collecting refunds from the municipality can be curb through an EFT transaction.</li> <li>Due to financial constraints, facilities that do not have a caretaker to utilize ward committees that are paid for administration tasks as we are coming to the new round of ward committees.</li> <li>Purchasing of electricity for community facilities.</li> <li>Policy to be formalized with regards to leave for caretakers.</li> <li>In order to cater for community facilities situated far from the municipality to introduce the EFT system this will maximize the safety of these caretakers.</li> </ul>	Long term plans	Director : Social & Community service : Manager: Community Services	Not yet commenced
11	Finance	Abuse of S&T claims by claiming expenses that are not work related or to inflate S&T claims with fictitious claims, resulting in a financial loss for the Municipality.	1. Unethical Behaviour; 2. Collusion between municipal officials; 3. Lack of monitoring and supervision.	Internally	Significant	Possible	Low	a) HR Policy b) Claim Form c) Itinerary	Satisfactory	Priority 5	1. Standard KMs within Ugu radius 2. KM devices installed on vehicles	1. 30 June 2016; 2. Long term plan	Director : Corporate Services; CFO	Not yet commenced



No.	Functional Area/BA	Fraud Risk Title/Description	Root Cause	Internally/Externally Perpetrated	Impact on the organization	Likelihood of occurrence	Inherent risk exposure	Current business processes / controls in place to manage identified risks	Perceived control effectiveness	Residual risk exposure	Mitigating action plans to further address the residual risk exposure	Date of Action Plan	Action owner	Action status
12	Corporate Services	Unauthorized access to municipal systems and data shared folders i.e. access to Financial systems/SCM Master file system by IT or programmers including Super user access. This can result in the unauthorized alteration of information payroll/vendor information to divert payments - (including employees who have resigned/suspended and Interns still having access to Municipal systems).	1. Unethical Behaviour; 2. Non-compliance by municipal officials of the IT policy to gain unauthorised access; 3. Collusion between municipal officials and third parties; 4. Hacking.	Both	Catastrophic	Possible	High	a) Data Security Policy b) Network Security c) Firewall d) Audit Trails e) User Access Form (submitted by HR)	Good	Priority 4	1. The IT Policy will be reviewed and adopted by the Council 2. Staff will be workshopped on the Policy	1. 30 June 2016; 2. 31 September 2016;	Director : Corporate Services	Not yet commenced

The Risk register and the Anti-Corruption Strategy will be reviewed in 2017/2018 financial year.

## **2.8 Supply Chain Management**

The Municipality has a Supply Chain Management unit which forms part of 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 electronic accounting system called Sage Evolution. The swift response to the authorized purchase requisitions where possible is always ensured.

The municipality is striving to empower local businesses and cooperatives to improve our local economic development. The suppliers are rotated 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.

The Municipality commenced on preparations for the implementation of the Municipal Standard Charter of Accounts (MSCOA) as per circular 54 and 82 of the Municipal Finance Management Act (Act No. 56 of 2003). Budget and Development Planning Unit were part of the MSCOA committee, together they were responsible for the alignment of projects with the municipal budget.

## **2.9 By-Laws**

Section 11(3) (m) of the Municipal Systems Act No 32 of 2000, gives municipality's the right to pass by-laws in their area of jurisdiction. The SPLUMA bylaws were developed and Gazzeted by the municipality with the aim to institutionalize SPLUMA Principles across the entire municipality.

## 2.10 Municipal 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	2016 & 2017
All current budget-related policies	Yes	2017
The previous annual report (Year -1)	Yes	2016
The annual report (Year 0) published/to be published	Yes	2017
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	2016
All service delivery agreements (Year 0)	Yes	2017
All long-term borrowing contracts (Year 0)	N/A	N/A
All supply chain management contracts above a prescribed value (R 30,000.00) for Year 0	Yes	2017
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes	2016
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	N/A
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	2017

### **3 CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)**

#### **COMPONENT A: BASIC SERVICES**

##### **3.1 Water Provision**

The UGu District Municipality is the Water Services Authority and the Water Service Provider for the District. They are responsible for the provision of water and sanitation services within the district. The basic water service in Umzumbe is community standpipes within 200m -800m radius of all households.

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.



*Photo: Community Stand Pipe*

##### **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 %.



**Photo: VIP Toilets**

### **3.3 Electricity**

The Municipality through Eskom Network planning report has identified areas which are not constrained in terms of Electricity coverage. There are areas which are already covered with electricity and are energised. The project has managed to provide job opportunities to the Community. Umzumbe Municipality in working with Eskom has been tasked to facilitate the connection of electricity cables to the constrained households with Eskom focused on energising the households. The challenges that are normally faced by the Municipality is theft of infrastructure cables in a local area and illegal connections. There were 3 planned projects during the 2016/17 financial year with the Department achieving two out of three.

<b>Project Name</b>	<b>Annual Target</b>	<b>Annual Actual</b>
Mbiyana	192 Households connected	Target Achieved
Ekubusisweni Phase 1	48 Households connected	Target Achieved
Mahlaya	160 Households connected	Target not Achieved

The Municipality provides Cooking Gel in areas that do not have access to electricity at all, these households are supplied with a liquid gel by Social and Community Services department.

**Table indicating electricity service delivery levels**

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget No.	Budget No.	No.
<b>Formal Settlements</b>						
Total households	8,000	6,000	6,000	10,000	10,000	10,000
Households below minimum service level	1,063	750	550	3,600	3,600	3,600
Proportion of households below minimum service level	13%	13%	9%	36%	36%	36%

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

#### **Introduction to Waste Management**

The Municipality has identified areas where there is a huge need for waste removal and to comply with the Integrated Waste Management Plan of the municipality, Province and National Department (IWMP). There is a service level agreement with our sister municipality Umdoni to assist with the removal of skip bin per week with the programme targeting over 7800 families. The Municipality is also assisting the TB Hospital Dunstan Ferrell to make sure that their waste material is removed weekly. The programme has created a number of Job opportunities within the municipality.



**Photo: Community Works Programme**

Solid Waste Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Households Year 0
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<b><i>Solid Waste Removal: (Minimum level)</i></b>				
Removed at least once a week	685	562	560	200
<i>Minimum Service Level and Above sub-total</i>	685	562	560	200
<i>Minimum Service Level and Above percentage</i>	19.7%	15.7%	17.3%	6.8%

Table indicating solid waste delivery levels

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Households Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	8,000	6,000	6,000	100,000	100,000	100,000
Households below minimum service level	6,000	5,000	4,500	25,000	25,000	25,000
Proportion of households below minimum service level	75%	83%	75%	25%	25%	25%

### 3.5 Housing

The Municipality is a deep rural Municipality and it uses the Rural instrument in terms of Housing development .The Municipality took a clustered approach when submitting applications to the Department of Human settlement for housing development. The Municipality has managed to build 3818 housing units for the 2016/17 financial year. There is an land right agreement with Ingonyama Trust Board aimed at accelerating the provision of sustainable human settlement, the problem however lies with households residing on privately owned land.The Municipality is engaging with the the state land ownership to enter into a development right agreement for other programmes of housing development.





**Photo: Umzumbe Housing Project**

The table below indicates the performance and progress of the municipality on the Planned Housing project for the 2016/17 financial year:

Project Name	Annual Target	Annual Actual
Nhlangwini	178 Houses constructed	No houses constructed yet
Umzumbe Cluster C Phase 1	400 Houses constructed	No house constructed yet

**Table indicating percentage of access to basic services**

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	3818	3818	100.0%
Year -2	3000	3000	100.0%
Year -1	2000	2000	100.0%
Year 0	1000	1000	100.0%



**Table indicating employees for Housing**

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

The housing projects only depended on the allocation of funds from the Provincial Department of Human Settlement.

### **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 Social and Community Services department 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 table below indicates free basic services provided by the municipality together with the municipal performance during the 2016/17 financial year:

Project Name	Programe Discription	Annual Target	Annual Actual
Dress a child Campaign	School campaign to provide uniform for 2400 identified indigent learners	Provide School Uniform to 2400 vulnerable children	Target Achieved
One Home One Garden	Households distributed with one home one garden starter (Watering can, wheelbarrow, spade, folk, hoe, seed pack and manure)	200 Households	Target Achieved
Free Electricity Tokens	Free Basic Electricity	Provide 4000 indigent households with Electiricty Token (Monthly)	Target not Achieved
Gel Provision	Free Alternative Energy	Provide Gel to 200 Households per Quarter	Target Achieved
Indigent support	4 indigent support reports were compiled.	4 Indigent support reports	Target Achieved

## COMPONENT B: ROAD TRANSPORT

### 3.7 Roads

The Municipality has access roads which are being maintained by the Municipal Technical Services Department. During the compilation of the second generation IDP's the Municipality planned to purchase maintenance plant per Cluster, we currently have four Graders, two TLB, an Excavator and a Tipper Truck. The Municipality has drafted a maintenance plan to guide the access road maintenance programme. The Municipality procured a Lowbed in the 2016/17 financial year to assist in transporting the municipal plant to various locations within the municipality.



**Photo: Loadbed**

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

Project Name	Annual Target	Annual Actual	Expenditure
Ntashana Bridge and Access Road	Ntashana Bridge 50m and Access Road 2.6km	Target not Achieved	R16 229 603,24
Khathi access road	Rehabilitation of 1.8 km of new access road	Target Achieved	R3 046 097,82
Maqongo access road	Construct 2.1km of new access roads	Target Achieved	R1 611 625,45
Mfazazane Bridge	One new bridge constructed	Target not Achieved	
Guquka bridge	One new bride constructed	Target Achieved	R1 315 167,99
Mpisane Access road	Construct 0.75km of new access road	Target Achieved	R2 049 888,50
Nkanini Sports Complex	Complete 100 % Building finishes and external work	Target not Achieved	R7 225 967,58

The image below indicates Ntashana Access Road and bridge, located in ward 7. The project is aimed at linking settlements whilst reducing the traveling time to urban areas.



***Photo: Ntatshana Access Road***



***Photo: Ntatshana Bridge***





*Photo: Khathi Access Road handover*

**Table indicating number of gravel road Infrastructure**

Gravel Road Infrastructure				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -2	169	6		110
Year -1	178	8		125
Year 0	185	10		164

**Table indicating Cost of Construction/ Maintenance**

Cost of Construction/Maintenance						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year -2	10000000		3000000			
Year -1	8000000		6000000			
Year 0	6000000		2500000			

### 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.

## COMPONENT C: PLANNING AND DEVELOPMENT

Introduction to Development Planning and Local Economic Development

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

The availability of UGu district development and service delivery programme, if implemented will support the municipality in its accord towards developing sustainable human settlements. Being located along the South Coast Tourism region, Umzumbe municipality has an opportunity to grow in the tourism sector and thus contributing to local economic development. The KwaZulu Natal Planning and Development Act (Act No. 06 of 2008) together with Spatial Planning and Land Use Management Act (Act No.16 of 2013)

require municipalities to develop wall-to-wall scheme. In the 2016/17 financial year the Development Planning Unit commenced with the implementation of the adopted Umzumbe Wall-to-wall scheme to ensure orderly development and sustainable human settlements.

A lack of land ownership by the municipality becomes a challenge when enforcing land use clauses. In addressing the matter the Development Planning Unit planned to conduct a Land Audit, to assist the municipality in obtaining up-to-date information on land ownership. The scattered settlements and rugged terrain also make it difficult for densification. The high rate of unemployment within the municipality poses a challenge for economic development.

### **3.10 Development Planning**

The Development Planning Section is responsible for the development and implementation of Integrated Development Plan, Organizational Performance Management System and implementation of the Spatial Development Framework. The preparation of the Five year (2017/18 – 2021/2022) Integrated Development Plan of the municipality was an integrated participatory process that began July 2016 with the development of the IDP/Budget/PMS process plan following which the process plan was presented in the Top Management Committee, Planning Portfolio Committee, Executive Committee, IDP Representative Forum and Council. Members of the Community were afforded an opportunity to comment on the Plan through local newspapers and the municipal website. The municipality has been able to conduct measurement on quarterly basis where the performance targets were evaluated against the planned targets as per the Service Delivery and Budget Implementation Plan during the 2016/17 financial year. .

A total of five mayoral Izimbizo were held between October and November 2016, within and around the municipality taking a clustered approach in the participation of the community. Councilor S.R Ngcobo gave report backs on completed projects to the community, and on the planned projects from the previous financial year.



***Photo: Community Participation***

The IDP /budget roadshows were conducted between March and April 2016, where the Mayor presented the Annual Budget and planned projects for the 2017/18 financial year.

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

Attracting investment is a challenge but it can be unlocked through proper settlement planning, zoning of areas to assist in land management as well as environmental conservation. A large portion of the population lives in poverty and depends on social grants this needs to be addressed in order to improve the quality of life for all. Lack of sufficient infrastructure such as electricity and water supply is hindering the development and sustainability of economic activity in the sense that it does not boost investor confidence.

In complying with the SPLUMA requirements the municipality adopted Wall-to-wall scheme together with the Municipal bylaws. The scheme will ensure proper land use management and orderly development aligned to the Municipal Spatial Development Framework. During the 2016/17 Isibuko se-Africa

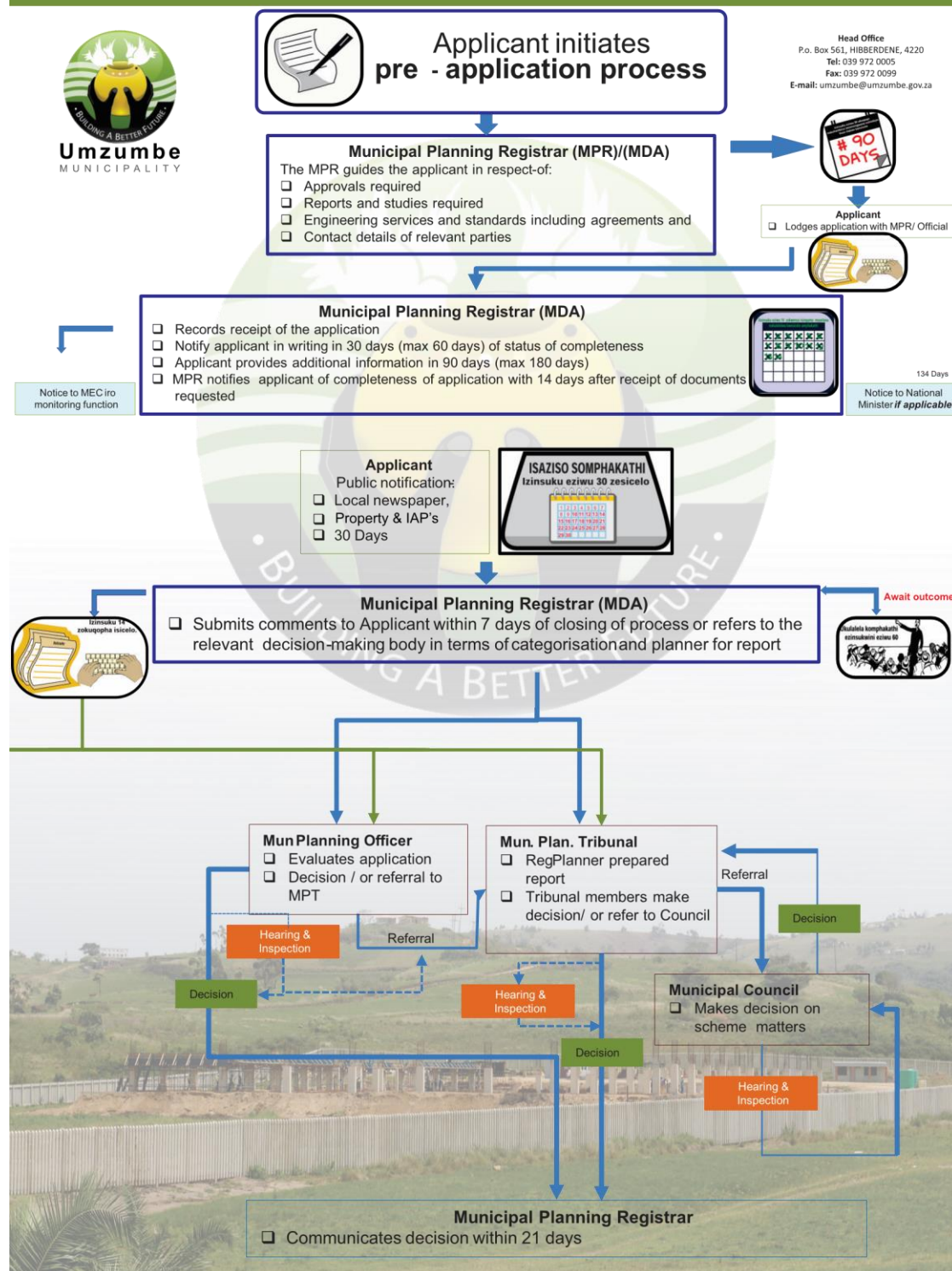


Development Planners was appointed to review the Spatial Development Framework in terms of Spatial Planning and Land Use Management Act (Act No. 16 of 2013).

Revenue Enhancement: as the municipality is predominantly rural with high level of unemployment and Poverty, it makes it difficult for the municipality to generate own revenue in terms of waste removal, electricity, sanitation and other municipal services.

In addition to Municipal IDP Roadshows and Mayoral Izimbizo, the Development Planning Unit conducted SPLUMA Awareness campaigns. The purpose of the awareness campaigns was to educate the community on the recently enacted Spatial Planning and Land Use Management Act no. 16 of 2013 together with the application procedures. 1000 Pamphlets and 100 posters SPLUMA educational material was procured and distributed during the Campaigns and Mayoral Izimbizo's.

# SPLUMA PROCESS, PROCEDURE AND OUTCOMES



**Table indicating Development Applications**

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	2	2	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

**Table Indicating Vacancy rate for Planning**

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

Planning Policy Objectives Taken From IDP				
Service Objectives	Outline Service Targets	Year 0		
		Target		Actual
Service Indicators		*Previous Year	*Current Year	
(i)	(ii)	(v)	(vi)	(vii)
<b>Service Objective xxx</b>				
Implementation of Spatial Planning and Land Use Management Act. 16 of 2013 and PDA	PDA Applications finalized within 90 days of receipt	No applications were received.	2 applications were received during 2016/17.	2
Complete and adopt Wall-to-wall scheme and land audit	Implementation of Land Use Management Systems	Adopted Scheme during 2015/16 year.	N/A	N/A
Investing in localities of economic growth	Development of sustainable economic nodes and corridors	Turton Beach development Framework adopted during 2015/16 year.	Umzumbe Spatial Development Framework adopted during 2016/17 year.	Target Achieved Adopted SDF
Increase awareness on development planning tools to various stakeholders	Awareness campaigns	2 SPLUMA/PDA awareness campaigns	7 SPLUMA awareness campaigns	Target Achieved

**Table indicating Financial Performance for Planning**

<b>Financial Performance Year 0: Planning Services</b>					
<b>R'000</b>					
<b>Details</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
<b>Total Operational Revenue</b>	3,400,175.00	3,460,000.00	3,460,000.00	-	%
Expenditure:					
Employees	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Operational Expenditure</b>	3,400,175.00	3,460,000.00	3,460,000.00	-	%

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

The Umzumbe Spatial Development Framework was adopted by Council during the 2016/17 financial year. The adoption of the SDF will assist in the orderly development of land and inclusion of previously disadvantaged areas. The SDF will assist the municipality in achieving its desired spatial vision.

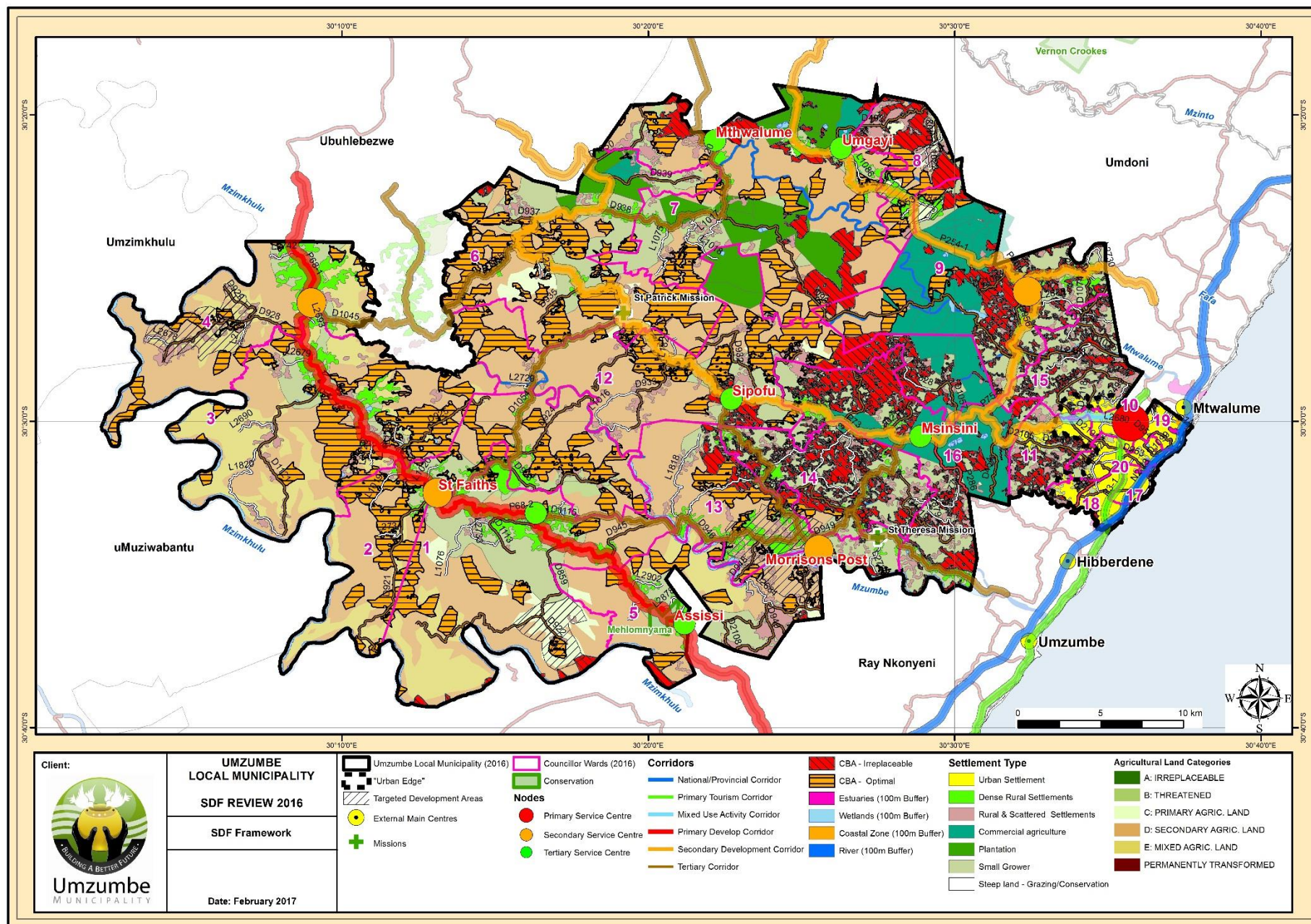
Isibuko seAfrica Development Planner were appointed to Review the 2012 Municipal SDF in alignment with the recently enacted Spatial Planning and Land Use Management Act (Act No. 16 of 2013) and other relevant plans and policies.

The Umzumbe Spatial Development Framework outlines a number of projects aimed at realizing the spatial vision of the municipality through an Area Based Management approach. Among these projects is the development of Local Area Plans in the designated Municipal Clusters. The table depicts the Local Area projects identified by the Municipal Spatial Development Framework together with the progress of the municipality in implementing these projects.

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



## Umzumbe SDF



### 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

For the 2016/17 financial year the Local Economic Development Unit could not fully perform its duties due to delays in filling the LED officer post. The Unit therefore had a Manager as the head of the unit, one officer and one intern. Despite the minor setback 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.

Table below depicts the expenditure under the relevant performance area:

Performance Area	Expenditure
Agricultural development programme	R 950,000.00
Co-operatives Development	R 800,000.00
SMME Development	R 500,000.00
Tourism Development	R 2,750,000.00
Arts and Culture and Arts Performance Development Programme	R 1,620,000.00
LED Strategy Review	R 497 870,80



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.

The LED unit was unable to achieve the annual target of 4 New SMME's to be placed under the Incubator programme but 3/4 SMME's were provided with inputs. The programme has in the past provided inputs for Steel works, manufacturing, block making and Catering.

#### Co-operatives Developments

This programme assists cooperatives in Umzumbe to develop through financial relief by providing inputs, training and mentorship. In addition 5 cooperatives were placed under the municipal incubation programme to receive inputs but out of the 5 co-operatives only 4 co-operatives were handed over with inputs.



**Photo: Co-operatives training**

## 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 5 new crafters provided with inputs was achieved 5 Crafters were assisted with inputs and 8 crafters were targeted to attend Exhibitions and the target was achieved 10 Crafters attended Exhibitions.



**Photo: Crafters Exhibition**



**Photo: Isicathamiya**

### 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 4 Community gardens were supplied with inputs and 40 gardens supported with the tractor programme.



***Photo: Community Gardens***

### 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.

An annual target of 2 heritage celebration events to be conducted i.e. Isisivivane sika Shaka and Ntelezi Msane was achieved.





***Photo: Isivivane sika Shaka***

#### Ntelezi Msane

This is the heritage project that seeks to commemorate the Heroes of Umzumbe that took part in the Poll tax uprising of 1906. The project is going to be a cornerstone of tourism and development within the Umzumbe municipality. The research done has linked Umzumbe to International avenues such as St Helena Island, where a tourism agreement should be signed. The project comprises lifestyle features such as museum, Amphitheatre, information centre, archive centre, library, art and etc.

Due to financial constraints, the project infrastructure will be done in phases, the project could not continue during 2016/17 financial year due to financial constraints.

#### Challenge

The Municipality owns no land, close to 40% of the land falls under Ingonyama Trust Board and about 35% is under private ownership and government departments, which makes it difficult for the municipality to have access to land required for developmental purposes.

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

Currently the municipality's economic strengths lie in agriculture; subsistence farming, tourism and manufacturing. The municipality has identified a number of projects and initiatives to develop it economy. In addition to the above statement, there is also potential in the retail, trade and services sectors. Ntelezi Msani

Memorial Site and Isivivane sika Shaka Heritage site are a portion of the flagship projects that have been identified by the municipality as the key project that will contribute in unlocking the tourism potential in the hinterland and also contributes in the transformation of the heritage sector. The Municipality is furthermore rich in natural resources with an aesthetic nature that appeals to the tourism industry. Moreover Informal trade is the backbone of Umzumbe's economy and has identified areas such as kwaPhungashe and Morrison as it economic nodes.

## **COMPONENT D: COMMUNITY AND SOCIAL SERVICES & FIRE FIGHTING SERVICES**

The Department of Social and Community services is headed by the Director: Social and Community Services. The post for Director: Social and Community Services was vacant for 2016/17 financial year. This department has two units, i.e. Community services and Disaster Management Services Unit & Fire Fight Services.

Social and Community Services is mandated to improve social development through targeted services. Programmes are established to improve the standards of life through a safety net of essential services. The Department is further mandated to respond to emergency and unforeseen circumstances through the Disaster Management unit.

The Community Services Department continued processes of establishing the Municipal Police unit with 2 awareness campaigns conducted to sensitize the community.

The Community Services unit had a target of supporting 20 schools with garden inputs and target was met, 20 schools were supported with inputs.



***Photo: School Greening Project***

### **3.12 Libraries; Archive's; Museums; Galleries; Community facilities; other**

Umzumbe Municipality currently has one Library situated KwaPhungashe for the community to utilize.

The employment of caretakers deemed effective and efficient in terms of monitoring and management of the furniture as well as the bookings made by our clients.

Community Services unit had an annual target to maintain 4 community facilities, the target was achieved with all 4 community facilities maintained. An additional 4 community facilities were to be provided with chairs and tables.

Service objectives

1. Securing and connection of burglar guards with the intention of minimizing vandalism
2. Acquisition of furniture to promote hiring of halls
3. Monitoring and management of community facilities through the 10 appointed caretakers to facilitate bookings and performs the supervisory services to 38 Women who clean the halls.

The Community Services unit together with Communications unit had a target of branding 6 community halls during the 2016/17 financial year. The images below indicates new branding and new burglar guards placed on the community halls.



*Photo: Ward 17 MPCC*



*Photo: Branded Ward 17 MPCC*



### **3.13 Child Care; Aged Care; Social Programmes**

“Dress a Child” campaign is a programme by the municipality aimed at providing school uniforms to scholars without proper or any uniforms. The Community Services Unit successfully achieved the annual target of providing 2400 uniforms to vulnerable children.



*Photo: Dress A Child*

## **COMPONENT E: ENVIRONMENTAL PROTECTION**

### **3.14 Bio-diversity; landscape (Incl. Open Spaces); and other (EG Coastal Protection)**

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

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

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



## Environmental Management

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

- Air quality plan and study was conducted
- The Coastal Management Plan was conducted by the District
- (IWMP) was developed by the municipality to be reviewed in the 2017/18 financial year
- Environmental Management Framework is near completion for the whole district.

## COMPONENT F: HEALTH

### 3.15 Clinics

According to the Department of Health, Umzumbe Municipality has 1 Community Health Center in Mtwalume, 13 clinics and 3 mobile clinic stopping points.

## COMPONENT G SECURITY AND SAFETY

### 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 a SPLUMA Application for a proposed police station in KwaNdelu Ward 12, aimed at reducing crime statistics and accessibility of government facilities to the community.

### 3.17 Fire

#### Fire Fighting Services

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

In addition to effective response measures, the Disaster Management Unit seeks to reduce the number of lightening incidents affecting the community. Twenty six lightening conductors out of the annul target of 38 have been installed.

**Table Indicating Fire Service Data**

Metropolitan Fire Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year			37	
2	Total of other incidents attended in the year			47	
3	Average turnout time - urban areas				
4	Average turnout time - rural areas			45 minutes	
5	Fire fighters in post at year end			2	
6	Total fire appliances at year end			2 vehicles	
7	Average number of appliance off the road during the year				

Fire Service Policy Objectives Taken From IDP									
Service Objectives  <i>Service Indicators</i> (i)	Outline Service Targets  (ii)	Year -1		Year 0			Year 1	Year 3	
		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>Turnout time compared to National guidelines</i>	% turn out within guidelines (total number of turn outs)	T0% within guidelines	A0% within guidelines or x if x is larger	T1% within guidelines or A0% if that is larger	70% within guidelines or A0% if that is larger	A1% within guidelines	75% within guidelines or A1 if that is larger; (xxxxx emergency turn outs in year)	95% within guidelines or A4 if that is larger; (xxxxx emergency turn outs in year)	95% within guidelines or A4 if that is larger; (xxxxx emergency turn outs in year)
					70.00%	9.50%			

**Table Indicating Vacancy rate for Fire Services**

Employees: Fire Services					
Job Level	Year -1	Year 0			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy	none				
Other Fire Officers	none				
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	0
13 - 15	0	0	0	6	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	0	0	0	0	0

**Table indicating Financial Performance for Fire Services**

Financial Performance Year 0: Fire Services					
R'000					
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	0	0	0	0
Expenditure:		400 000		0	
Fire fighters		305 161.92			
Other employees	0	168 000	0	168 000	0
Repairs and Maintenance	0	0	0	0	0
Other	0	0	0	0	0
<b>Total Operational Expenditure</b>	0	0	0	0	0
<b>Net Operational Expenditure</b>	0	0	0	0	0

**Table Indicating Capital Expenditure for Fire Services**

Capital Expenditure Year 0: Fire Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	400 000		0	#VALUE!	
Project A	0	0	0	0%	280
Project B	0	0	0	0%	150
Project C	0	0	0	#DIV/0!	320
Project D	0	0	0	#DIV/0!	90

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

#### Disaster Management Section

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 a combination of community involvement and setting up systems for operations. Below are the programs and projects that were implemented, successes and challenges met and how those were approached and dealt with.

#### Programmes

##### Mitigation of Disasters in Municipal Events

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

The section participated in events such as Indigenous Music Festival, Youth Day, IDP and Budget Roadshows, Isicathamiya, Isivivane sika Shaka etc. It remains a gap that service providers are not knowledgeable or do not often adhere to the laws and regulations surrounding the services that they provide. They often do not comply with such regulations which poses a threat and deems the municipality vulnerable to lawsuits should incident occur. For an example, the erection of temporal structures (tents, marquees, stages, electric connections, etc.) requires that the service provider appoints an engineer who will assist those responsible

for evacuation with important information relating to strength of the structure, wind notches, etc. Without this certificate the municipality stands to be sued should the structure collapse.

#### Awareness Campaigns

Five (5) awareness campaigns were conducted in the 2016/17 financial year. The campaigns were conducted in 8 community halls and 5 schools. These were done strategically to highlight vulnerabilities of these particular areas and measures to prevent or mitigate those risks. Disaster Management section plays a coordinating role and invited stakeholders who are competent in different fields that needed to be addressed.

#### Stakeholders Advisory Forum

Disaster Management Stakeholders' Advisory Forum is meeting on a quarterly basis. Special meeting was convened to discuss and plan for the eventuality of xenophobic attacks. Attacks that were reported in other parts of the province so Umzumbe had to assess and compile a preparedness plan. This year the section held 4 Stakeholders Advisory Forums. Stakeholders include the following departments (among others):

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

- Department of Education

#### Trainings

The training was conducted as part of a resolution taken during the Disaster Management Local Advisory Forum. The forum raised the training as a necessity due to the fact that councilors are sometimes the first people to get to the scene of the incident. The training will therefore assist the number of preventable deaths on the crime scene

#### 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.

#### Disaster Management Plan

The Disaster Management Plan was last adopted by council in June 2015. The plan would assist in the implementation of programmes that will respond to relevant risks.

#### Challenges

##### Mitigation of Disasters in Events

Events planning meeting are necessary in order to plan for events to avoid incidents and to make proper arrangements considering that there are other disaster management stakeholders that have to be brought on board from planning stage up to the day of event.

#### 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 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 Motor 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.

### **3.19 Sport and Recreation**

The Construction of Umzumbe Indoor Sport Centre, under cluster A (ward 18) continued during the 2016/17 financial year, with the an annual target of Building walls and a roof delayed by suppliers. Sixty (60) sport fields had the grass cut during Quarter 2 and 3 of the 2016/17 financial year.

There are 37 sports fields under the administration of the Municipality, with the remaining 23 sport fields located within educational facilities or private ownership.

According to the CSIR planning standards, there should be atleast on sports field per 7700-1200 people.

A fully functional Umzumbe Sport Confederation Committee that regularly meets monthly to assist the office for sport programmes implementation was established during the 2016/17 financial year.

1. Mayoral Cup Finals Saturday 27, May 2017 at Bhekameva Sport fields
2. Youth Run Athletics & SPAR Ladies selection held on Sunday 14, May 2017 at Nkanini Sport Fields
3. Beach Games held on Saturday 25, February 2017 at Turton Beach
4. SALGA Games held on 05-11 December 2016 at UGu Sport and Leisure Centre in Margate



***Photo: Umzumbe Mayoral Cup games***





***Photo: Umzumbe Beach Games***



***Photo: Umzumbe Golden Games***

## **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 aims;

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

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

### **3.21 Financial Services**

Introduction 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 utilization 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 of 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 utilized, 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 manners which are transparent, competitive, equitable, cost effective and fair.

The finance department has performed very well over the year and achieved 16 out of the 17 annual targets from the SDBIP. The budget was compiled in compliance with regulations and was adopted by council within the stipulated timeframes. The annual financial statements were prepared in accordance with GRAP and were audited by the auditor general. The AG report commended the municipality on the preparation of the annual financial statement as they were free from any material misstatement. Key deadlines in terms of other reporting requirements were also met.

### **3.22 Human Resource Services**

#### **Introduction to Human Resource**

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. This is evident from the many achievements received by the municipality in the year of reporting together with the previous financial years. The Human Resources unit had a target of filling 11 vacant posts and they overachieved by filling 36 posts for 2016/17 financial year.

**Table Indicating Vacancy Rate for Managers**

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 S56 Managers (excluding Finance Posts)	4	1	25.00
Senior management: Levels 13-15 (excluding Finance Posts)	5	0	0.00
Manager: (excluding Finance posts)	12	1	8.33
Manager: (Finance posts)	3	0	0.00
<b>Total</b>	<b>26</b>	<b>2</b>	<b>7.69</b>

### **3.23 Information Communication Technology (ICT) services**

#### Introduction to Information and 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 authorized departments and users internally and externally at all times. This data must be secured against unauthorized users and viruses.

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

We have virtualized our servers and a new server was procured for replication in order to ensure that the backups are done efficiently and effectively and the restore is done with minimum disruption of the services. Our main aim is to improve the network connectivity in order to speed up transaction processing especially with the MSCOA implementation.

#### SERVICE STATISTICS FOR ICT SERVICES

2 X Domain Controllers

7 X Servers

88 X Active Directory User Accounts

+/- 60 Printers

+/- 100 Desktops / Laptops

Handle an average of 12 issues / faults a day.

**Table indicating the employees for ICTs**

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

Our largest capital project is the procurement of computer equipment and software in order to support the other departments. There will also be a network upgrade as we are having challenges with the network connectivity. The website will also be re-done. There are no foreseen variations.

#### **COMPONENT J: MISCELLANEOUS**

Due to the municipal area predominantly being rural, the Umzumbe Municipality is currently not at a state to fulfill the objectives under this section.

**COMPONENT K: ORGANIZATIONAL PERFORMANCE SCORECARD**

UMZUMBE LOCAL MUNICIPALITY																					
2016/2017 FINANCIAL YEAR																					
UMZUMBE ANNUAL PERFORMANCE REPORT																					
IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJE CTIVE	STRAT EGY	PROGRA MME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT		
													CURRENT YEAR								
									2015/16 (Target)		2015/16 (ACTUAL)		DEMAND	BACKLOG						2016/17 (TARGET)	
Municipal Transformation and Institutional Development																					
1.1.a.		1.1 To Ensure Improved organizational stability and sustainability	Staff recruitment and selection (filling of vacant posts)	Human Resource Management	Recruitment and Selection	Internal	15 posts filled	Number of vacant posts filled	15 vacant posts filled	Target Met: 30 Staff Members were employed	11	0	11 vacant posts filled	Target Met: 36 Employees appointed including 10 unemployed graduates	Achieved	N/A	N/A	Signed Letter of appointment and Acceptance Letters (Q1-Q3)	Corporate Services		
				Human Resource Management		Internal	5	Number of critical posts filled	1 critical post filled (Director Social and Community Services)	Target Not Met	3	3	3 critical post filled (MM, Director Social and Community Services and Director Technical Services)	Target not met	Not Achieved	Advice from KZN COGTA MEC was that posts must be readvertised because it was out of time frame as per the Regulations on appointment of Senior Managers	Posts will be filled in in Financial Year 17/18	Signed employment contract	Corporate Services		
1.1.b.				Organizational Performance Management System	Quarterly reviews	All	4 quarterly reviews	Number of quarterly reviews conducted	4 quarterly reviews conducted	Target Met: 4 Quarterly Reviews held	4	0	4 quarterly reviews	Target Met: 4 Quarterly reviews were held	Achieved	N/A	N/A	Minutes and Attendance register	Office of the Municipal Manager / Development Planning and Local Economic Development		
R 60 000,00																					
					Annual Performance Report 2013/2014	N/A	Annual Performance Report 2013/2014	Date Completed Annual Performance Report submitted to Auditor General	Adopt Annual Performance Report by 2015-08-30	Target Not Met: Annual Performance Report Compiled and Adopted by Council	1	0	Adopt Annual Performance Report by 2016-08-31	Target Achived: 2015/2016 Annual Performance Report Adopted on the 29 August 2016	Achieved	N/A	N/A	Council Resolution , APR and Acknowledgement of Receipt	Office of the Municipal Manager / Development Planning and Local Economic Development		
					Submission of Mid-year Performance Report	N/A	2013/2014 Annual Report)	Number of reports	Reports submitted on performance in terms of MFMA S 72-25 January 2015	Target Met: Mid-Year Performance Report Compiled and Adopted by Council	1	0	Submit reports on performance in terms of MFMA S 72-25 January 2017	Target Achieved: Mid-Year Performance Report Adopted by Council on the 24 January 2017	Achieved	N/A	N/A	Council Resolution and Mid year Performance Report	Office of the Municipal Manager / Development Planning and Local Economic Development		
	PMS Framework Policy		Internal	2015/2016 PMS Policy	Date	N/A	N/A	N/A	1	0	Review and Develop Comprehensive PMS Policy	Target Achieved: PMS Policy Adopted by EXCO on the 29 June 2017 on Behalf of Council	Achieved	N/A	N/A	Q4: Council Resolution and Final PMS Policy	Office of the Municipal Manager / Development Planning and Local Economic Development				
				</																	

UMZUMBE LOCAL MUNICIPALITY																															
2016/2017 FINANCIAL YEAR																															
UMZUMBE ANNUAL PERFORMANCE REPORT																															
IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJECTIVE	STRATEGY	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT												
											CURRENT YEAR																				
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)																	
				2014/2015 Annual Report	2014/2015 Annual Report	All wards(1-19)	2013/2014 Annual Report	Annual Report Adoption date	2014/2015 Annual Report adopted by March 2016	Target Met: Annual Report Compiled and Adopted by Council	1	0	2015/2016 Annual Report adopted by 31 March 2017	Target Achieved: Annual Report adopted by Council on the 30 March 2017	Achieved	N/A	N/A	Council Resolution and Annual Report	Office of the Municipal Manager / Development Planning and Local Economic Development												
				Human Resource Management	Implementation of Performance Contracts	Internal	5	No of Performance Agreements signed	R200 000	R 54 738,38	5	2	R 200 000,00	R 91 000,00	Not Achieved	N/A	N/A	Signed Performance Contracts	Corporate Services												
						Internal	Employment Equity Report	Number of reports for Employment Equity (Level 1-3 posts)	4 Employment Equity Report	Target not met: 2 out of the 4 employment Equity reports done	4	2	4 Employment Equity Report	Target Achieved: Two reports were submitted to dept of Labour	Not Achieved	Employment Equity Reports were taken to TOPMANCO and could not be submitted to EXCO due to busy schedule of Councillors	N/A	4 report, and Top Manco, EXCO and Council Resolutions	Corporate Services												
													N/A	N/A																	
					Review Occupational health and safety plan by 30 June 2017	Internal	Adopted OHS Policy	Date	N/A	N/A	1	0	Occupational Health and Saftey Plan by 30 June 2017	Target Achieved: Adopted on the 29th of June 2017	Achieved	N/A	N/A	Q1: First Draft OHS Plan and Top Manco Resolution, Q3: Council Resolution and Occupational Health and Saftey Plan	Corporate Services												
																								N/A	N/A						
					Furniture Procurement Policy	Internal	New Project	Date	N/A	N/A	1	0	Developed Furniture Procurement Policy by 31 December 2016	Target Achieved: Adopted on the 29th of June 2017	Achieved	N/A	N/A	Q1: First Draft Furniture Procurement Policy and Top Manco Resolution, Q2: Council Resolution and Policy	Corporate Services												
																								R 100 000,00	N/A						
					S & T Policy	Internal	HR Policy	Date	N/A	N/A	1	0	Developed Subsistence and Travelling Policy by 31 March 2016	Target Achieved: Adopted on the 29th of June 2017	Achieved	N/A	N/A	Q2: Draft of S & T Policy, Top Manco Resolution, Q3: Council Resolution and Policy	Corporate Services												
																								R 100 000,00	N/A						



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													CURRENT YEAR								
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)							
					Telephone and Cellphone Policy	Internal	Adopted Telephone and Cellphone Policy	Date	N/A	N/A	1	0	Reviewed Telephone and Cellphone Policy by 30 June 2017	Target Achieved: Adopted on the 29th of June 2017	Achieved	N/A	N/A	Q2: Reviewed Draft and Top Manco Resolution, Q3: Council Resolution and Policy	Corporate Services		
					Portfolio Management Framework	Internal	New Project	Date	N/A	N/A	1	0	Adopted ICT Portfolio Management Framework by 30 April 2017	Target Achieved: Adopted on the 29th of June 2017	Achieved	N/A	N/A	Q2: Draft of ICT Portfolio Management Framework Top Manco Resolution, Q3: Council Resolution and Framework	Corporate Services		
1.1.e				Implementation of Back to Basics Programme	Back to Basics	N/A	4	Number of Reports	4 Back to Basics Reports	Target Met: 4 Quarterly Reports	4	0	4 Back to Basics Reports	Target Achieved: 4 B2B Reports were submitted to COGTA	Achieved	N/A	N/A	Q1-Q4: Back to Basics Reports	Office of the Municipal Manager / Development Planning and Local Economic Development		
1.1.c				Risk management	Risk Management	N/A	2014/2015 Risk Register	Date of adoption of Comprehensive Revised Risk Register compiled	1 x Comprehensive Revised Risk Register compiled by 30 September 2015	Target Met: Risk Register Compiled and Adopted by Council	1	0	1 x Comprehensive Revised Risk Register compiled by 30 September 2016	Target Achieved	Achieved	N/A	N/A	Council Resolution and Risk Register	Office of the Municipal Manager / Internal Audit		
1.1.d				Implementation of Batho Pele Programme	Awareness Campaign	All	New Project	by Date, 30 September 2015 & 31 March 2016	pamphlets & Batho Pele principle posters	Target Met: 14 000 Copies	14000	0	Posters and Pamphlets	Target Achieved (the posters& translation was done by one service provider)	Achieved	N/A	N/A	Purchase Order	Office of the Municipal Manager/ Office of the Municipal Manager		
									R 260 000	R 232 480,00			R200 000	R 138 000,00							
					Development of Complaints and suggestion policy		New Project	by Date	Adopted complaints and suggestion policy by 31 December 2015	Target not Met: No Policy in place	1	1	Suggestion and complaint boxes	Target Achieved: Policy Adopted	Achieved	N/A	N/A	Purchase Order	Office of the Municipal Manager/ Office of the Municipal Manager		
									R 60 000	R 0			R100 000	R36 000							

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													CURRENT YEAR									
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)								
					Good Governanc e launch		New Project	by Date	N/A	N/A	1	0	Batho Pele Strategy	Target Achieved. Tabled to Council meeting held on 30 May 2018	Achieved	N/A	N/A	Council Resolution and Strategy	Office of the Municipal Manager/ Office of the Municipal Manager			
					Reviewal and Translation of Service Commitme nt Charter		0	0	Adopted and translated service commitment charter by 31 March 2016	Target not met. Charter completed but not adopted.	1	0	Adopted and translated service commitment charter by 31 March 2017	Target Achieved Council meeting held on 30 March 2017.	Achieved	N/A	N/A	Council Resolution and the Service commitment charter	Office of the Municipal Manager/ Office of the Municipal Manager			
1.2.a		1.2 To ensur e compl iance with polici es and internal contr ols	Develo pment and implem entatio n of Workpl ace Skills Plan (Staff and Council lor Trainin g)	Skills Develop ment	Induction	Internal	3 report for inducted employees	Number of new staff inducted within 2 weeks of assuming duty	Induct 10 new employees	Target met : 12 new employees undergone induction	11	0	Induct 11 new employees	Target Achieved: All appointed employees were inducted	Achieved	N/A	N/A	Q1-Q3: Attendance register and Training Manual	Corporate Services			
					Skills Developme nt (Councillor s and staff)	Internal	34	Number of Councillors trained	Train 24 Councillors	Target not met : 20 out of the 24 Councillors trained	39	0	Train 39 Councillors	Target Acheived: All 39 Councillors were trained in various educational fields	Achieved	N/A	N/A	Q1: Attendance Register, Q2: Attendance Register, Q3: Attendance Register and Proof of registyration, Q4: Attendance Register and Proof of registration, and Completion Certificates.	Corporate Services			
						Internal	20	Number of Employees trained	70 Employees	Target Met: 73 employees trained	41	0	41 Employees	Target Achieved: 90 employees were trained in various training needs	Achieved	N/A	N/A	Proof of Registration, Attendance register, Invoices, and Certificates	Corporate Services			
					Workplace skills plan	Internal	Adopted WSP	Date Adopted WSP	Adopted WSP by 30 April 2016	Target met: WSP adopted on 29 April 2016	1	0	Adopted WSP by 30 April 2017	Target Achieved: WSP was adoted on the 29th of April 2017	Achieved	N/A	N/A	Q1: Receipt Register for Skills audit forms, Q2: Skills Audit form, Q4 Council Resolution and Confirmation of receipt from LGSeta	Corporate Services			
1.2.b		Updati ng and monito ring of the Organo	Human Resource Manage ment	Organogra m	Internal	Adopted Organogra m	Date Adopted Organogram	Adopted Organogram 30 September 2014	Target Met: Adopted organogram by 30 June 2016	1	0	Review and Adopt Organogram 30 June 2017	Target Achieved: Organogram adopted on the 29th June 2017	Achieved	N/A		Council Resolution and organogram	Corporate Services				
												N/A	N/A									

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											CURRENT YEAR																																						
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)																																			
1.2.c			Formulating and review of policies and plans	Human Resource Management	ICT Strategy	Internal	ICT Governance Framework	Date Developed ICT Strategy Adopted	Developed ICT Strategy by 31 March 2016	Target met: Developed ICT Strategy	1	0	Developed ICT Management Framework by 30 June 2017	Target Achieved: Adopted on the 29th of June 2017	Achieved	N/A	N/A	Q2: Draft of ICT Management Framework Top Manco Resolution, Q3: Council Resolution and Framework	Corporate Services																														
1.2.e			Corporate branding	Marketing (Cooperative Image)	Marketing Strategy	N/A	1	Date	Review Marketing Strategy by 31 March 2016	Target not Met: The strategy not developed		1	1	Develop and Adopt Marketing Strategy 30 June 2017	Target not Achieved	Not Achieved	Human Resource Capacity problems	To be done in 2017/2018	Council Resolution and Marketing Strategy	Office of the Municipal Manager / Communications Mayoralty and Youth Development																													
																					R 100 000,00	R 60 420,00	N/A	N/A																									
																					Branding	All	Community Facilities, Heritage site, Fleet, Stationery and Municipal Building	Number of branded items and facilities	6 Municipal Boundaries, 10 Community Halls, Stationery (445), 2 Vehicles, 8 Banners	Target not met: 6 Municipal Boundaries, 10 Community Halls, Stationery (445), 8 Banners was done	6	6	Branding of 06 community facilities,	Target not Achieved	Not Achieved	Community services submitted 4 halls ready to be branded.	Await Community Services to send a list of the remainder	Q2: Pictures& Purchase Order	Office of the Municipal Manager / Communications Mayoralty and Youth Development														
																																				R120 000	0												
																																				5	0	Brand 5 Fleet	Target not achieved	Not Achieved	Awaiting approval of new design	Await for EXCO resolution on the branding specifications to be done by September 2017							
																																											R100 000	0					
																																											4	0	4 municipal boundaries signage	Target achieved : 4 Municipal Boundaries signaged	Achieved	N/A	N/A
																							R 430 000	R 134 000,00	2550	2550	Procure Branded stationery (such as folders and writing pads, pens), 2000 A1 Calendars, 200 Desk Calendars, 300 A4 Diaries, 50 A5 Agenda Planners	Target not Met	Not Achieved	Waiting for delivery from service providers.	Communicate with service provider to fast track the delivery																		
		Umzumbe Intranet	All	New intranet published	Number of Intranet Update Reports	48 Intranet Update Reports	46 Reports	4	0	4 Intranet Update Report	Target achieved	Achieved	N/A	N/A	Q1-Q4 Intranet Update Reports	Office of the Municipal Manager / Communications Mayoralty and Youth Development																																	
										N/A	N/A																																						

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											CURRENT YEAR								
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)					
					Municipal website	All	New website published	Number of updates for website content	12 Reports: Update Website content	Target Met: 12 Reports: Update Website content was done	12	0	12 Website Content Update Reports	Target Achieved	Achieved	N/A	N/A	Q1-Q4 Website Content Update Reports	Office of the Municipal Manager / Communications Mayoralty and Youth Development
2.1.g		2.1 To improve the overall financial management in the	Develo pment of Annual Procur ement Plan	Supply Chain Manage ment	Annual Procureme nt Plan	N/A	N/A	Date of approval of Procurement Plan	Adopt Procurement Plan First Week of each Quarter	Target Met	1	0	Adopt Procurement Plan by First Week of July 2016	Target Achieved	Achieved	N/A	N/A	Q1-Q4: Procurement plan and Topmanco Resolution	1. Development Planning, 2. Internal Audit, 3. Communications, Mayoralty and Youth Development, 4. Manager Office of the Municipal Manager
1.3.a		1.3 Improved communication network systems	Procur e, maintain and monitor information technology systems	IT Upgrade	Computer software licensing	Internal	6 licenses	Number of Licenses acquired	10 Licenses	Target Met: 11 Licenses	10	0	10 Licenses	Target Achieved: 10 Licences acquired	Achieved	N/A	N/A	Q1-Q4 Purchase Order and ICT Asset Register	Corporate Services
									R 315 000	R 340 615,13			396000	R 495 542,09					
					Computer equipment acquisition	Internal	4 laptops and 4 desktops	Number of Laptops, Desktops and other computer related equipment's	10 Laptops, 5 Desktops and other computer related equipment's procured	Target Met: 11 Laptops, Desktops , 2 Scanners and a printer	35	18	30 Laptops, 5 Desktops	Target not Achieved: 17 laptops procured	Not Achieved	Appointment was finalised in the last month of Q4	Delivery to be done in Q1 of 17/18 FY	Q2: Purchase Order and Asset Register	Corporate Services
									R550 000	R 272 637,49			R488 000	R 343 835,35					
					Server	Internal	2	Number of Servers procured	Procured1 Server	Target Met: 1 server procured	1	0	1 Procure Server	Target Achieved: server procured	Achieved	N/A	N/A	Q2: Purchase Order and Asset Register	Corporate Services/IT Section
									R 100 000,00	R 121 984,90			R 100 000,00	R 80 117,34					
					Software Procured	Internal	1	Number of software procured	Procure 3 software	Target Met	2	0	Procure 2 software	Target Achieved: 2 software procured	Achieved	N/A	N/A	Q2: Purchase Order and Asset Register	Corporate Services
									R 340 000,00	R 82 699,89			R300 000	N/A					
					Software Maintenan ce and other IT Upgrade	Internal	4	Number of software maintained	Maintain 4 Software's	Target Met :4 Software maintenance done	5	0	Maintain 5 Software's	Target Achieved: 5 software maintained	Achieved	N/A	N/A	Q1-Q3: Purchase Order and Asset Register	Corporate Services/IT Section
									R 340 000,00	R 105 208,68			R300 000	N/A					
					Internet Installation (Youth Centres)	2 Wards	New Project	Number of Youth Centres installed with internet	N/A	N/A	2	2	Install 2 Youth Centres with Internet	Target not Achieved: Only one Youth Centre is functional	Not Achieved	Identification of a suitable venue and personnel by Youth Office since it should be a venue that is properly secured	Identification of secured venue and appointment of suitable personnel will be finalised in Q3	Q1-Q2: Purchase Order and Asset Register	Corporate Services/IT Section
													R 50 000,00	R 0,00					

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											CURRENT YEAR									
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)						
				Registry Manage ment	Conversion to eFiling System	Internal	eFiling System	Date	Functional eFiling system by 30 September 2015	Target met: conversion done and registry Personnel trained	1	1	Functional eFiling system by 30 December 2016	Target not Achieved	Not Achieved	There was a delay in finalisation of scanning of all documents.	Project is planned for Q1 of Fincial year 17/18	Report	Corporate Services	
1.5.i		1.5 Ensure proper mana gement of movab le and immo vable assets	Mainte nance of Munici pal Assets	Fleet	Procureme nt of Municipal Fleet		4 vehicle	Number of vehicles procured	Procure 5 Vehicles	Target Met : 2 Tractors, 20 seater minibus, 4x4 Bakkie and Etios	6	1	Procure 6 Vehicles	Target not met: 5 vehicles were procured	Not Achieved	There was no responsive tenderer	Project is planned for Q1 of Fincial year 17/18	Q2: 4 Log Books, Q3: 2 Log Books	Corporate Services	
				Registry Manage ment	Filing Steel Rack	Internal	1	Number	2			1	0	1 Filing Rack	Target Achieved: Filing rack was procured	Achieved	N/A	N/A	Purchase Order	Corporate Services
1.5.h		Acquisi tion of fleet	Roads maintena nce equipme nt	Plant and Equipment	All	4 Graders, 1 Tipper Truck, 1 Excavator acquired,	Date of Acquisition	1 TLB by 31 December 2015	1 TLB procured	1	0	1 Loadbed by 30 June 2017	Target Achieved: 1 Loadbed procured	Achieved	N/A	N/A	Q2: Tender Advert, Q2: Appointment letter, Q3: Log book	Corporate and Technical Services Department		
				Legal complian ce	Panel of Attorneys	Internal	New Project	Date	N/A	N/A	1	0	Appoint Panel of Attorneys 31 December 2016	Target Not Achieved:	Not Achieved	N/A	N/A	Q2: Appointment Letters	Corporate Services	
									</											

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													CURRENT YEAR								
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)							
					Staff empower ment workshops	N/A	N/A	Date	N/A	N/A	1	0	Staff empowerment workshop by 31 December 2016	Target Achieved: Staff empowerment done in May	Achieved	N/A	N/A	Attendance register and Training Manual	Corporate Services		
2.1.g		2.1 To improve the overall financial Plan	Development of Annual Procurement Plan		Annual Procurement Plan	N/A	N/A	Date of approval of Procurement Plan	Adopt Procurement Plan First Week of each Quarter	Target Met	1	0	Adopt Procurement Plan by First Week of July 2016	Target Achieved: Procurement plan approved in July						Achieved	N/A
													N/A	N/A							
BASIC SERVICE DELIVERY AND INFRASTRUCTURE																					
6.1.a	Basic Service Delivery and Infrastructure	6.1 To ensure universal access to basic services and infrastructure delivery	To construct and maintain community access roads	Roads maintenance equipment	Road Maintenance	1,2,3,4 & 6	Gravelling 10km's of roads associated storm water structures	Km of roads maintained	Gravelling 9 km's of roads associated storm water structures	Target Met: 10.8km's maintained	1.5km	700m	Gravelling 1,5 km's of roads associated storm water structures	Target not Achieved 800m/ 1.5 km's maintained	Not Achieved	Contractor appointed on the 11 April 2017 for a 16weeks contract duration	Project to be completed on the 10th August 2017 as per contract period	Q3: Progress Report, Q4: Completion Certificate	Technical Services		
									R 6 000 000,00	R 4 741 399,21				R 3 000 000,00						R 1 317 911,36	
					Disaster Management Projects	Construction of Access Roads	Ntatshana Access road and Bridge	8	New Project	Km of new access road constructed	1,5km Earthworks	Target not Met : Bridge to be constructed in 2016/17 FY	50m bridge, 2.6km road	0	Construct New Ntatshana bridge 50m and Access Road 2.6km	Target not Achieved: Earthworks,roadbed preparation, gravel wearing course,stormwater,bridge bases and piers	Not Achieved	Delays due to blasting, inclement weather conditions, community unrest	Contractor has applied for extension of time till end of November 2017	Q1-Q3: Progress Report Q4: Completion Certificate	Technical Services
														R 11 568 295,91	R 17 019 885,85						
						Rehabilitation of Khathi Access Road	14	Rehabilitated 2 kms of access road	Km of new access road rehabilitated	N/A	N/A	1.8km	0	Rehabilitation of 1,8 km of access road	Target Achived: 1,8km's of road rehabilitated	Achieved	N/A	N/A	Q3: Progress Report, and Ghant Chart, Q4: Practical Completion Certificate	Technical Services	
														R 4 400 000,00	R 3 658 526,41						
						Maqonqo access road	10	Rehabilitated 1,5 kms of access road	Km of new access road constructed	N/A	N/A	2.1km	0	Constructed 2,1 km of new access road	Target Achieved: 2,1km's of road rehabilitated	Achieved	N/A	N/A	Q3: Progress Report, and Ghant Chart, Q4: Practical Completion Certificate	Technical Services	
														R 2 300 000,00	R 1 913 005,62						
						Mfazazana Bridge	17	New Project	No of new bridge constructed	N/A	N/A	1	1	Constructed 1 No of new bridge	Target Not Achieved	Not Achieved	Contractor appointed on the 31st May 2017 for a 12 weeks contract duration	Project to be completed on the 29 August 2017	Q1: Tender Advert, Q2: Appointment Letter, Q3: Progress Report, and Ghant Chart, Q4: Practical Completion Certificate	Technical Services	
														R 2 438 830,65	R 0,00						
					Guquka Bridge	15	New Project	No of new bridge constructed	N/A	N/A	1		Constructed 1 No of new bridge	Target Achieved: 1 Bridge constructed	Achieved	N/A	N/A	Q1-Q2&Q3: Progress Report, and Ghant Chart, Q4: Completion Certificate	Technical Services		
												R 2 000 000,00	R 1 465 744,66								



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											CURRENT YEAR										
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)							
					Mahlaya	8	New Project	Number of households connected	N/A	N/A	160	160	160 households connected at Mahlaya Village	Target Not Achieved: 121 Connections achieved, 39 connections to be achieved on the 20th July 2017	Not Achieved	121 Connections achieved, 39 connections to be achieved on the 20th July 2017	To be done in First Quarter of 2017/2018	Q1: Progress Report, Q2: Progress Report, Q3: Progress Report, Q4: Completion certificates	Technical Services		
					Sport fields maintenance (Grass cutting)	All Wards	25 Municipal Sports field grass cutting was done 2013/2014	Number of sports fields	30 sports field in Each Quarter (Q2-Q3)	Target Met	60	0	60 sports field Cleaned (Q2-Q3)	Target Achieved	Achieved	N/A		Q2-Q3:invoices and letters from Cllrs	Social Development and Community Services / Community Services		
2.2.f			Provision of free basic services: electricity and gel using indigent registers (8 and 11)	Free Basic Energy	Gel Provision	11 & 12	206 Households benefited per quarter	Number of Households	Provide Gel to 206 Households per quarter	Target Met	200	0	Provide Gel to 200 Households per Quarter	Targetert met	Achieved	N/A	N/A	Q1-Q4: Purchase Order and Distribution Register	Social Development and Community Services / Community Services		
					Free Electricity Token	All wards	4 000 Electricity Tokens per month	Number of Households receiving Free Basic Electricity	Provide 4 000 indigent Households with Electricity Tokens (Monthly)	Target Met	4000	0	Provide 4 000 indigent Households with Electricity Tokens (Monthly)	Target not met	Not Achieved	N/A	N/A	Q1-Q4: Purchase Order and Distribution Register	Social Development and Community Services / Community Services		
6.3.a		6.3 Ensure Environmental	Collection of solid waste in	Waste management	Refuse removal	3,6,10, 16 & 19	Waste collected aim Wards 3,6,10,16 and 19	Number of collections twice a month	192 collections	Target Met : 202 collections done	192	0	192 collections	Target Met: 230/192 Collections	Achieved	N/A	N/A	(Q1-Q4): Collection register and Purchase Order	Technical Services		
2.1.g		2.1 To improve the overall financial	Development of Annual Procurement	Supply Chain Management	Annual Procurement Plan	N/A	N/A	Date of approval of Procurement Plan	Adopt Procurement Plan	Target Met	1	0	Adopt Procurement Plan by First Week of July 2016	Target Achieved	Achieved	N/A	N/A	Q1: Procurement plan and Topmanco Resolution	Technical Services		
LOCAL ECONOMIC DEVELOPMENT																					
4.1.b		4.1 Improving the quality of life and reducing absolute poverty	Implement poverty alleviation programmes	Poverty Alleviation	One home one garden	All wards	95 (5 HH per Ward)	Number of Household distributed with one home one garden starter Pack	190 (10 HH per Ward) Households distributed with one home one garden starter (Watering can, wheelbarrow, spade, falk, hoe, seed pack and manure)	Target not Met: 180 Households	200	0	200 (10 HH per Ward) Households distributed with one home one garden starter (Watering can, wheelbarrow, spade, falk, hoe, seed pack and manure)	Target Achieved	Achieved	Needs Assessment was not properly done in Ward 9 as households indicated that they did not want this intervention	To be done in 2017/2018	Q2-Q3: Distribution register & Purchase Order	Social Development & Community Services / Community Services		



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IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJE CTIVE	STRAT EGY	PROGRA MME	PROJECT	WARD	BASELINE / STATUS QU0	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT														
											CURRENT YEAR																						
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)																			
					Seed distributio n	All wards	700 (the number of beneficiarie s)	Number of beneficiaries benefited from the seed packs distribution	800 beneficiaries supported with seed packs distribution	Target met	800	0	800 beneficiaries supported with seed packs distribution	Target Achieved	Achieved	N/A	N/A	Q2-Q4: Distribution List and Purchase Order	Social Development & Community Services / Community Services														
					Indigent support	All wards	80	Number of indigent families supported	Support 80 indigent families	180 families assisted	4	0	4 Indigent Support Reports	Target Achieved	Achieved	N/A	N/A	Q1-Q4: Reports and Distribution List	Social Development & Community Services / Community Services														
4.4.a		4.4 .Incre ased Food Securi ty	Agricul tural suppor t and develo pment	School Greening	School Greening	All Wards	New Project	Number of schools distributed with garden inputs	19 schools supported with gardens inputs	Target Met: 19 Schools	20	0	20 schools supported with gardens inputs	Target met	Achieved	N/A	N/A	Q1: Needs Assessment Report/Schools List, Q2: Distribution List and Purchase Order	Social Development & Community Services / Community Services														
4.2.a		4.2 Resto re and prese rve local histor y and cultur al devel opme nt	Develo pment and Implem entatio n of Touris m Plan	Tourism Develop ment	Commemo ration of Heritage Sites	10 & 15	2 Events	Number of Events conducted	2 Heritage Commemoration Events conducted (Ntelezi and Isivivane)	Target met: 2 commemoration events were held	2	0	2 Heritage Commemoration Events (Ntelezi and Isivivane)	Target Achieved	Achieved	N/A	N/A	Q3 and Q4 Programme of the Day with Concept document	Office of the Municipal Manager / Local Economic Development														
					Service Level Agreement s	N/A	New project	by Date	Signed SLA with South Coast Tourism by 30 June 2016	Target Met: SLA with South Coast Tourism Signed	2	0	2 Signed SLA with South Coast Tourism & South Coast Development Agency by 30 June 2017	Target Achieved	Achieved	N/A	N/A	Signed SLA	Office of the Municipal Manager / Local Economic Development														
Visit to St. Helena and Freedom Park	N/A	New Project	by Date	N/A	N/A	1	1	Visit to St Helena by end December 2016 & Freedom Park Visit by 30 June 2017.	Target not Achieved	Not Achieved	St. Helena visit was removed from SDBIP By Council.	To be done in 2017/2018	Q2 Report on the Trip & Q4 Report on Freedom Park	Office of the Municipal Manager / Local Economic Development																			
Story Telling Boards in 3 wards	7, 18 & 19	New Project	Number of story telling boards erected	N/A	N/A	3	0	3 Story Telling Boards Erected by March 2017.	Target Achived	Achieved	N/A	N/A	Q3 Transcript of the Story Telling.	Office of the Municipal Manager / Local Economic Development																			
4.3.a		Review and Implem entatio n of LED	LED Strategy	Reviewal LED Strategy	N/A	LED strategy last reviewed in 2010	by Date	Adoption of LED Strategy by 30 June 2016	Target not met: Service provider had just been appointed.	1	1	Adoption of LED Strategy by 30 June 2016	Target not Achieved: Strategy did not go to Council	Not Achieved	Service provider submitted the final draft after last Council Meeting	To be included in the first Council Meeting of the 2017/2018	Council Resolution and LED Strategy	Office of the Municipal Manager / Local Economic Development															

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									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)								
3.2.c	Local Economic Development				Summer Beach Festival	N/A	New Project	Date Summer Beach Hosted	Summer Beach Festival hosted by 31 December 2015	Target met, Summer Beach festival was held	1	0	Summer Beach Festival hosted by 31 December 2016	Target Met: Summer Beach Festival was held on the 16 December 2016	Achieved	N/A	N/A	Programme and concept document	Office of the Municipal Manager / Local Economic Development			
4.3.a					Isicathamiya music festival	19	New project	Date of the Event	Isicathamiya Festival conducted by June 30	Target Met: Isicathamiya Event was held on the 18 June 2016	1	0	Isicathamiya Festival conducted by 30 June 2017	Target Met: Isicathamiya was held on the 10 June 2017	Achieved	N/A	N/A	Programme concept document	Office of the Municipal Manager / Local Economic Development			
4.3.a					Training	Artist workshop	N/A	New Project	by Date	Artist Workshop by 31 December 2015	Target Met: artist workshop was done on the 4th of February 2016 at karridene Hotel	20	0	Support 20 Artists	Target Met: 23 Artist identified and recorded in Q3	Achieved	N/A	N/A	Q1: List of Artists.Q2 Manual and attendance register	Office of the Municipal Manager / Local Economic Development		
4.3.a					Arts and Craft	Craft & Marketing	Exhibition for Crafters	N/A	4	Number of Crafters in the Exhibiting	Attend 4 Exhibitions	Target Met: 4 Exhibitions were attended by crafters (Royal Show and Africa Bike Week)	8	0	8 Crafters to attend Exhibitions	Target Met 10/8 Crafters attended Exhibitions	Achieved	N/A	N/A	Q1-Q4: Attendance registers	Office of the Municipal Manager / Local Economic Development	
4.3.a					Development of tourism sites	Heritage Site	Ntelezi Msane Heritage Centre	10	N/A	Percentage Construction of Information Centre	Construction of Information Centre	Target not met	1	1	Develop Implementation Plan for Ntelezi Msani Heritage Site	Target not Met	Not Achieved	Service provider did not finish in time	To be done in the 2nd Quarter of 2017/2018 Financial Year	Q4 Council Resolution and Implementation Plan Document	Technical Services	
4.3.a					4.3 Create an environment that promotes development of local economy (SMME development)	Implementation of LED strateg	LED Forum	LED Forum Quarterly Meetings	All	4 LED Forum meetings held	Number of LED Forum Meetings held	4 LED Forum Meetings held	Target Met: 4 LED Forum meetings were held	4	1	4 LED Meetings held	Target not met : 3/4 LED Forums held	Not Achieved	Busy Schedule of Councillors	Convene 2 LED Forums in Quarter 1 of 2017/2018	Q1-Q4: Attendance Register and Minutes	Office of the Municipal Manager / Local Economic Development
4.3.a					Capacity building SMMEs	SMME Development	SMME Incubation	N/A	40	Number of SMME's Incubation Programme.	20 NEW SMME'S Incubation Programme (4 categories).	Target not Met: 1 Category of SMME was provided with inputs.	4	1	4 New SMME's	Target not Met: 3/4 SMME's were provided with inputs	Not Achieved	4th service provider did not deliver in time	To deliver to the 4th beneficiary on the 1st Quarter of 2017/2018	Q3: Needs Assessment Report. Q4 Distribution List	Office of the Municipal Manager / Local Economic Development	
4.3.a					Informal Traders Policy	All	New Project	Date of adoption	Develop and Adopt Informal Traders Policy 31 December 2015	Informal Traders policy was adopted by Top Manco and not the Council	1	1	Review Informal Traders Tariff Policy by 30 June 2017	Target not Met	Not Achieved	Tariff policy was not adopted by Council	Tariff policy to be taken to Council in the 2nd Quarter of the 2017/2018 financial year	Q4: Council Resolution	Office of the Municipal Manager/ Local Economic Development			

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											CURRENT YEAR								
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)					
		nt)			Tarrif Policy	All	New project	Date of policy adoption	Tariff Policy developed by 30 June 2016	Target Met			N/A	0					
					Cooperativ es developme nt incubator programm e	13,14,16, 17	6	Number of corporatives receiving inputs	Inputs on 5 new Cooperatives under incubation programme	Only 1 Corporative was provided with inputs	5	0	Inputs on 5 new Cooperatives under incubation programme	Target met in Quarter 4 & 4 Co-operatives were handed over with inputs as per assesment report.	Achieved	N/A	N/A	Q2: Needs Assessment Report Q3 Distribution list and Purchase Order. Q4 Close Out Report	Office of the Municipal Manager / Local Economic Development
									R 865 271,51	R 268 285,00			R 800 000,00	R 632 148,00					
4.4.a		4.4 Increased security food	Agricul tural suppor t and develo pment	Communi ty Gardens	10 Communit y Gardens cultivated	2 per cluster	6 community gardens were cultivated	Number of Community Gardens Supported	Support 10 Community Gardens Supported	Target met Inputs were distributed to projects	4	0	Support 4 community Gardens	Target Met: 4 Community gardens were supplied with inputs	Achieved	N/A	N/A	Q1: Needs Assessment Report, Q3: Distribution list & Purchase Order	Office of the Municipal Manager / Local Economic Development
									R 1 000 000,00	R384, 135.30			R 800 000,00	R 433 925,00					
					Training of community Gardens Beneficiari es		0	Number of beneficiaries trained	N/A	N/A	16	2	16 beneficiaries trained	Target not met: 2/16 beneficiaries were trained	Not Achieved			Q1: Needs Assessment Report, Q3: Distribution list & Purchase Order	Office of the Municipal Manager / Local Economic Development
													R 150 000,00	R 17 500,00					
				Tractor program me	support community gardens	19	New project	Number of community gardens assisted	40 gardens supported	Target Met: more than 40 Community Gardens were supported	40	0	40 gardens supported	Target Met	Achieved	N/A	N/A	Q1, Q2, Q3 and Q4: Request Letter and Register	Office of the Municipal Manager/Local Economic Development
									N/A	R 101 136,30			N/A	N/A					
2.1.g		2.1 To improve the overall financ ial	Develo pment of Annual Procur ement	Supply Chain Manage ment	Annual Procureme nt Plan	N/A	N/A	Date of approval of Procurement Plan	Adopt Procurement Plan First Week of each Quarter	Target Met	1	0	Adopt Procurement Plan First Week of each Quarter	Target Met	Achieved	N/A	N/A	Q1: Procurement plan and Topmanco Resolution	Office of the Municipal Manager/Local Economic Development
													N/A	N/A					
4.5.a		Facilita tion and implem entatio n of job creatio	Maintena nce Communi ty Facilities			All wards	38 women	Percentage payment of 38 women	Payment of stipends for 38 Women	Target not Met	38	38	100% Payment of 38 Women (maintaining Community Facilities)	Target not met	Not Achieved	Payments are done backward		Q1-Q4: 3 months payment schedule	Social Development & Community Services / Community Services
									R400 000,00				R 456 000,00	R 141 000,00					
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																			
2.1.a		2.1 To improve the overall financ ial mana geme nt in	Prepar ation of Annual Budget	Budget, Reporting & Complian ce	2016/2017 Annual Budget	N/A	Adopted by 31 May	Date 2016/2017 Annual Budget approved	Approved 2016/2017 Annual Budget by 31 May 2016	Target Met	1	0	Approved 2017/2018 Annual Budget by 31 May 2017	Target achieved : adopted final annual budget on 31 May 2017	Achieved	N/A	N/A	Q1: Council Resolution and IDP/Budget/PMS Process Plan, Q3: Council Resoultuion and Draft Budget, Q4: Final Budget and Council Resolution	Finance Department / Budget, Revenue & Treasury unit
													N/A	N/A					

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													CURRENT YEAR									
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)								
2.1.i	Financial Management	the Municipality by developing and implementing appropriate financial management policies, procedures and systems	Conduct Mid-year Budget / SDBIP Performance Review		Mid term performance assessment and adjustment budget for 2015/2016	N/A	Adopted by 31 January	Date 2015/2016 performance assessment and adjustment budget Approved	Approve 2015/2016 performance assessment and adjustment budget by 25 January 2016	Target Met	1	0	Approve 2016/2017 performance assessment and adjustment budget by 25 January 2017	Target achieved : adopted performance assesement & adjustment budget on 24 January 2017	Achieved	N/A	N/A	Council Resolution and Budget Adjustment and Assessment Report	Finance Department / Budget, Revenue & Treasury unit			
2.1.c						Preparation of monthly budget statement	Monthly Budget Statements in terms of section 71 of the MFMA	N/A	Approved monthly	No of Monthly Financial Reports Submitted to the Accounting Officer and Provincial Treasury	12 Monthly Financial reports submitted to the Accounting Officer and Provincial Treasury	Target Met	12	0	12 Monthly Financial reports submitted to the Accounting Officer and Provincial Treasury	Target achieved: 12 reports submitted	Achieved	N/A	N/A	Monthly reports and EXCO Resolution (Q1-Q4)	Finance Department / Budget, Revenue & Treasury unit	
2.1.d						Preparation of GRAP compliant annual financial	2014/2015 GRAP compliant annual financial statements	N/A	Submitted by 31 August	Date of submission of Annual Financial Statements for 2014/2015	Annual Financial Statements for 2014/2015 submitted by 31 August	Target Met	12	0	Annual Financial Statements for 2015/2016 submitted by 31 August 2016	Target achieved:Submitted AFS on 31 August 2016	Achieved	N/A	N/A	Q1: Acknowledgement of Receipt and copy of AFS 2014/2015	Finance Department / Budget, Revenue & Treasury unit	
2.1.j						Addressing corrective measures from AG	Corrective Action Plan	Corrective Action Plan	N/A	2013/2014 Audit Report	Date of Submission	Submit Audit Report and Corrective measures to Council by 31 January 2016	Target Met	1	0	Submit Audit Report and Corrective measures to Council by 31 January 2017	Target achieved : tabled during the 24 January 2017 council	Achieved	N/A	N/A	Council Resolution, Audit Report and Corrective Action Plan	Finance Department / Budget, Revenue & Treasury unit
2.1.f						Recording all transactions accurately and completely	Transactions Management	Cashbooks	N/A	12	Number of cash books	12 Updated cash books	Target Met: 12 were done	12	0	12 Updated cash books	Target achieved: 12 cash books prepared	Achieved	N/A	N/A	Cash book (Q1-4)	Finance Department / Expenditure & Assets unit
				General Ledger	N/A			12	Number of updated General Ledger	12 Updated General Ledger	Target Met: 12 were done	12	0	12 Updated General Ledger	Target achieved: 12 General Ledgers updated	Achieved	N/A	N/A	General Ledger (Q1-4)	Finance Department / Expenditure & Assets unit		
				Bank Reconciliations	N/A			12	Number of Bank reconciliations	12 Bank reconciliations	Target Met: 12 were done	12	0	12 Bank reconciliations	Target achieved:12 Bank recons prepared	Achieved	N/A	N/A	Bank Reconciliation (Q1-4)	Finance Department / Expenditure & Assets unit		
				Creditors Reconciliations	N/A			12	Number of Creditors Reconciliations	12 Creditors reconciliations	Target Met: 12 were done	12	0	12 Creditors reconciliations	Target achieved:12 creditors recons prepared	Achieved	N/A	N/A	Creditors Reconciliation (Q1-4)	Finance Department / Expenditure & Assets unit		

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									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)					
	Municipal Financial Viability and Sustainability				Debtors Reconciliations	N/A	12	Number of Debtors Reconciliations	12 Debtors reconciliations	Target Met: 12 were done	12	0	12 Debtors reconciliations	Target achieved:12 debtors recons prepared	Achieved	N/A	N/A	Debtors Reconciliation (Q1-4)	Finance Department / Expenditure & Assets unit
					VAT Compliance	N/A	Submitted VAT returns	Number of VAT 201 returns submitted	Submission of 12 VAT 201 returns to SARS	Target Met: 12 were done	12	0	Submission of 12 VAT 201 returns to SARS	Target achieved:12 VAT returns submitted	Achieved	N/A	N/A	VAT Returns and SARS Confirmation (Q1-4)	Finance Department / Expenditure & Assets unit
2.1.k			Implementatio n of Supply Chain Management Policy	Supply Chain Management	Sitting of bid committees	N/A	Bid documents were evaluated and adjudicated	Number of Bid committee reports	12 bid committee meetings Reports (Bid Spec, Evaluation and Adjudication Committees)	Target Met: 12 were done	N/A	0	12 bid committee meetings Reports (Bid Spec, Evaluaton and Adjudication Committees)	Target achieved: 12 bid committee reports prepared	Achieved	N/A	N/A	Q1-Q4: 3 bid committee meetings Reports	Finance Department / Supply Chain Management unit
2.1.g			Develo pment of Annual Procur ement Plan	Annual Procureme nt Plan	N/A	Developed procuremen t plan	Date of approval of Procurement Plan	Approved Procurement Plan by 30 June 2016	Target met	N/A	N/A	Adopt Reviewed SCM Policy by 31 of March 2017	Target achieved: adopted on the 30 March 2017	Achieved	N/A	N/A	Council Resolution and SCM Policy	Finance Department / Supply Chain Management unit	
2.1.h			Timeous payme nt of service provide rs upon receipt of invoice s (30 days)	Expenditu re Management	Payment of Service providers upon receipt of invoice	N/A	Payments made within 30 days	Percentage payment of service providers within 30 days on receipt of invoice	100% payment of service providers within 30 days on receipt of invoice	Target not Met	100%	30%	100% payment of service providers within 30 days on receipt of invoice	Target not achieved	Not Achieved	There has been a steady improvement in paying within 30 days.However there is still delays caused by invoices delayed by departments, invalid tax invoices received from suppliers & delays in receiving statements from suppliers.Also delays by requesting department officials in providing adequate documents/GRN's	Q1-Q4: Payment vouchers report	Finance Department / Expenditure & Assets unit	

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											CURRENT YEAR								
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)					
2.2.a		2.2 To ensure accurate billing and improved	Maintain valuation roll	Revenue Management	Maintenance of rates billing system	N/A	Rates billed and approved valuation roll	Number of post billing reports and valuation rolls	3 post billing report and 1 approved valuation roll	Target met	1	0	3 post billing report and 1 approved valuation roll	Target achieved: 3 post billing report and 1 approved valuation roll prepared	Achieved	N/A		Q1: Valuation roll Q2-Q3: Billing reports	Finance Department / Budget, Revenue & Treasury unit
2.3.a		2.3 To improve asset management	Update GRAP compliant assets register	Asset Management	Updated GRAP compliant assets register	N/A	Updated GRAP compliant assets register	Date of finalization of GRAP compliant asset register	GRAP compliant asset register by 31 August 2015	Target met	1	0	GRAP compliant asset register by 31 August 2016	Target achieved	Achieved	N/A	N/A	Assets Register	Finance Department / Assets & Expenditure
									R 400 000	R 476 306			R 500 000	R 416 608					
Good Governance and Public Participation																			
3.1.a		3.1 To ensure an environment free of fraud and corruption	Reporting fraud and corruption	Fraud and anti-corruption	Reports Compilation	N/A	4 Progress reports on reported issues	No of progress reports on fraud and corruption issues	4 Progress reports on reported issues	Target Met: Fraud and Corruption issues are standing agenda items on all TopMANCO, MPAC, EXCO, Council and Audit Committee meetings	4	0	4 progress reports on fraud and corruption issues	Target Achieved	Achieved	N/A	N/A	Q1,Q2,Q3 and Q4 Progress Report	Office of the Municipal Manager/Internal
3.2.a		3.2 To enhance a culture of accountability, participation and good governance	Attending queries as reported on presidential hotline	Presidential Hotline	Attend Presidential Hotline			Number of presidential report submitted to Council	Submit 4 Progress reports to council	Target not met: 2 Reports submitted	4	1	4 Presidential Hotline Reports	3 out of 4 Reports	Not Achieved	Council meeting last held in 30 May 2017	To be tabled in the next Council meeting	Council Resolution	Office of the Municipal Manager/Office of the Municipal Manager
3.2.b			Compilation of quarterly progress	Good Governance practices (dashboard)	Compliance Checklist	N/A	N/A	Number of checklists submitted to EXCO	4 Compliance Checklists submitted to EXCO	Only 2 Reports were submitted instead of 4	4		4 Compliance Checklists	2 out of 4 Reports	Not Achieved	Capacity issues	Acting Manager was appointed	Top Manco Resolution	Office of the Municipal Manager/Office of the Municipal Manager
3.2.c			Implementation of youth development programmes	Youth Structures	School Outreach Programmes	17 wards	Annual School visits	Number of schools visited	Visit 38 High Schools	Target Met: 58 school visits were conducted for 2015/16 FY	35	5	35 High Schools visited	Target not met: 30/35 Visits conducted	Not Achieved			Q1, Q3 & Q4: School Visit Report (Signed and Stamped)	Office of the Municipal Manager/ Youth Development
					Youth Council	N/A	Quarterly meetings	Number of Youth Council meetings	04 meetings	Target Met: 5 meetings were held for 2015/16 FY	4	0	4 Youth Council Meetings	Target Achieved: 4/4 Meetings	Achieved	N/A	N/A	(Q1-Q4): Attendance Registers and Minutes	
									R 40 000,00	R 5 000,00			R 40 000,00	R 5 800,00					
					Career Subject selection seminar	All	Conduct Career Subject Selection Seminar for Grade 9	Date	N/A	N/A	1	0	Career Subject Selection Seminar in Quarter 1	Target Met	Achieved	N/A	N/A	Attendance Register and Program	
													R 70 000,00	R 5 500,00					
					Youth Special General Meeting	N/A	One meeting conducted by Q1	Date	Youth Special General Meeting	Target Met: 1 Special General Meeting was held for 2015/16 FY	1	0	1 Youth Special General Meeting	Target Achieved: 1/1	Achieved	N/A	N/A	Q1: Attendance Registers and Minutes	
									R 30 000,00	R 12 272,35			R 40 000,00	R 34 000,00					

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											CURRENT YEAR											
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)								
					Umzumbe Local Sport Confederation	N/A	Monthly meetings	Number Local Sports Confederation	10 Meetings	Target not Met : 9 meetings were held for 2015/16 FY	10	4	10 Umzumbe Sport Confederation Meetings	Target not Achieved: 6/10 meeting achieved	Not Achieved			Attendance Registers and Minutes (Q1-Q4)				

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											CURRENT YEAR										
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)							
					Umzumbe Matric High Achievers Awards	All	Umzumbe Top 10 Matriculant s awarded based on their	Date Matriculate Ceremony held	Matriculants Ceremony by 31 March 2016	Target Met: 1 Matric Awards was held for 2015/16 FY	1	0	Conduct Matric Ceremony by 31 March 2017	Target Met	Achieved	N/A	N/A	Attendance Register, Programme and Concept Document	Office of the Municipal Manager/ Youth Development		
						R 180 000,00	R 97 586,16			R 150 000,00	R 86 240,80										
					Mayoral Tertiary Registratio n Fess	All	148 learners assisted with Tertiary registration fees in 2013/2014	Number of learners assisted with registration fees	100 learners assisted with registration fees (31 March 2016)	Target Met: 152 learners were assisted with Registration Fee Assistance for the 2015/16 FY	100	0	100 learners assisted with Registration Fees	Target Met	Achieved	N/A	N/A	Beneficiary List, Proof of Payment and Report	Office of the Municipal Manager/ Youth Development		
							R 700 000,00	R 518 295,00			R 650 000,00	R 646 168,00									
					Career Guidance and Expo	All	Annual Career Guidance and Expo conducted for Grade	Date	Career Guidance and Expo (Grade 9 and 12)	Target Met: 1 Career Exhibition was held for 2015/16 FY	1	0	Conduct Career Guidance EXPO by 31 March 2017	Target Met	Achieved	N/A	N/A	Attendance Register,Concept document and Programme	Office of the Municipal Manager/ Youth Development		
							R 170 000,00	R 145 199,00			R 180 000,00	R 215 449,00									
					Annual Youth Developme nt Summit	All	Annual 3 day Youth Developme nt Summit held per annum	Date	Youth Development Summit held per annum	Target Met: 1 Youth Development Summit was held for 2015/16 FY	1	0	Conduct Youth Development Summit by 31 March 2017	Target Met	Achieved	N/A	N/A	Attendance Register,Concept document and Programme	Office of the Municipal Manager/ Youth Development		
							R 360 000,00	R 212 860,00			R 300 000,00	R 218 450,00									
					Mayoral Cup Games	All	Mayoral cup games conducted annually	Date	Mayoral cup sport event	Target Met: Mayoral Cup Games were held for the 2015/16 FY	1	0	Conduct Mayoral Cup Tournament by 30 June 2017	Target Met	Achieved	N/A	N/A	Attendance Register,Concept document and Programme	Office of the Municipal Manager/ Youth Development		
							R 550 000,00	R 546 476,70			R 475 000,00	R 535 657,83									
					Youth Day Commemo ration	All	Annual Youth Day Commemor ation	Date	Conduct Youth Day Commemoration by 30 June 2016	Target Met: One Youth Day Commemoration was held on 18 June 2016 for 2015/16 FY	1	0	Conduct Youth Day Commemoration by 30 June 2017	Target Met	Achieved	N/A	N/A	Attendance Register,Concept document and Programme	Office of the Municipal Manager/ Youth Development		
		R 450 000,00	R 437 420,54			R 475 000,00	R 315 413,55														
3.2.o			Roll out service deliver y events	Service Delivery Events	Service Delivery Events	Cluster B and D	2	Date	Conduct 2 events on Bringing Government Services Closer to the People (Services on wheels) 31 December 2015	Target Met: 2 Events	2	0	Conduct 2 events on Bringing Government Services Closer to the People (Services on wheels).	Target met	Achieved	N/A	N/A	Q3-Q4: Programme of the Day and Attendance Register	Social Development & Community Services / Community Services		
3.2.d			Supporting of NGO's	NGO Program mes	Incubator Programm e	6 Wards	6 NGOs	Number of NGO's supported	Provide inputs to 6 NGO's	Target Met	10	0	Provide inputs to 10 NGOs/NPOs	Target met	Achieved	N/A	N/A	Q1: Needs Identification Report,Q2-Q4: Attendance Register, Distribution List and	Social Development and Community Services /Community Services		
								Number of NGOs/NPOs capacitated	N/A	N/A			Capacity Building to 10 NGOs/NPOs	Target Achieved: 10 NGOs Trained	Achieved			Q1: Identification Report, Q3: Close Out Report and Attendance Register	Social Development and Community Services /Community Services		
													R 100 000,00	R98 460,00							



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											CURRENT YEAR								
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)					
5.2.e			Social Crime Prevention	Awareness Campaigns	Social Crime Prevention campaign	All wards	2 events	Number of campaigns conducted	3 Campaigns	Target Met: 3 Social crime awareness campaigns	3	0	3 Campaigns	Target met	Achieved	N/A	N/A	Q1-Q2:Program and Attendance Register	Social Development and Community Services /Community Services
									R400 000,00	R250 850.00			R 200 000,01	R361 008.80					
				Moral Regeneration	Awareness Campaigns	N/A	Number of campaigns conducted	2 campaigns	Target Met: 2 Moral Regeneration awareness campaigns conducted	2	0	2 campaigns	Target met	Achieved	N/A	N/A	Social Development and Community Services /Community Services		
								R100 000,00	R250 850.00			R 100 000,00	R152 700.00						
				municipal Police Service	Sudy Tour/ Workshop	All Wards	New Project	Number of Study Tours/ Workshops Conducted	N/A	N/A	2	0	2 Programmes	Target met	Achieved	N/A	N/A	Q2-Q3: Reports	Social Development and Community Services /Community Services
													R200 000.00	R7 459.70					
				Cemetery Management	Consultative Workshops / Meetings	All Wards	New Project	Number of Consultative Workshops/ Meetings	N/A	N/A	2	0	2 campaigns	Target met	Achieved	N/A	N/A	Q2 & Q4: Programme and Attendance Register	Social Development and Community Services /Community Services
													R200 000.00	R17 690.00					
				Parks & Recreation	Parks& Recreation Maintanance: Purchase	5 Clusters	New Project	Number of slashers bought.	N/A	N/A	3	0	3 Slashers	Target met	Achieved	N/A	N/A	Purchase Order	Social Development and Community Services /Community Services
													R150,000.00	R114 000.00					
				Parks & Recreation	Purchase of Equipment for Parks & Recreation	5 Clusters	New Project	Number of Clusters and sites provided with Recreational Equipments	N/A	N/A	1	1	1 Cluster/Site to be provided with Recreational Equipment.	Target not met	Not Achieved	The budget provided insufficient.	Dept of Sports & Rec has been requested to do presentation to the municipality for best approach.	Q3: Purchase Order	Social Development and Community Services /Community Services
													R200,000.00	R 0,00					
3.2.f			Implem entatio n of Special Progra mmes (vulner able groups)	Disability Sports Day	Disability Sports Day	All	Disability sports day take place in district level	Date	1 disability sport day event held by 30 September 2015	Target Met	1	0	1 disability sport day event held by July 30 2016	Target Met	Achieved	N/A	N/A	Concept Document, Programme and Attendance Register	Office of the Municipal Manager / Special Programmes
								R 292 663,15	R 85 000,00	R 150 000,00			R 110 000,00						
				Disability awareness in HIV/AIDS	All	New project	Date	Disability awareness HIV/AIDS by 31 December 2015	Target Met	1	0	Disability awareness HIV/AIDS by 31 December 2016	Target Met	Achieved	N/A	N/A	Concept Document, Programme and Attendance Register	Office of the Municipal Manager / Special Programmes	
							R 20 000,00	R 20 000,00	R 50 000,00			R 40 000,00							
				Disability Day	All	Disability day place take place every December	Date	1 disability day event by 31 December 2015	Target Met	1	0	Disability day event by 31 December 2016	Target Met	Achieved	N/A	N/A	Concept Document, Programme,Attendanc e Register	Office of the Municipal Manager / Special Programmes	
							R 292 663,15	R 292 663,15	R 50 000,00			R 140 000,00							

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													CURRENT YEAR								
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)							
Good Governance and Public Participation				HIV/AIDS Programme	LAC Meetings	All	LAC meetings take place 4 times in a year	Number of LAC Meetings held	4 LAC Meetings	4 meetings	4	2	4 LAC Meetings	Target not met : 2/4 meetings held	Not Achieved			(Q1-Q4): Attendance Register and Minutes	Office of the Municipal Manager / Special Programmes		
									R 38 950,00	R 38 800,00										R 40 000,00	R 18 500,00
					Assist WAC campaigns	All	New Project	Number of Campaigns			5	0	5 Campaigns					Attendance Register and Programmes	Office of the Municipal Manager / Special Programmes		
									N/A	N/A										R 70,000.00	R 34 000,00
					World Aids Day	All	Word Aids Day takes place in November every year	Date	Commemoration of World AIDS Day and Candle light by 01 December 2015 and 31 May 2016	2 events	1	1	Commemoration of World Aids Day and Candle light by 31 December 2016	Target not Met	Not Achieved	There was District AIDS Summit	To sit twice in the next roster meeting	Concept Document, Programme,Attendance Register	Office of the Municipal Manager / Special Programmes		
														R 97 103,50						R 27 800,00	
				Gender Programme	16 Days of Activism	All	Takes place December of every year	Date	1 event of 16 Days of Activism 10 December 2015	1 event	1	0	16 Days of Activism Event by 31 December 2016	Target Met	Achieved	N/A	N/A	Concept Document, Programme,Attendance Register	Office of the Municipal Manager / Special Programmes		
														R 550 000.00						R110,000.00	
					Boys to Men (Umkhosi woselwa)	All	1 Event	Date	1Boys to Men (Umkhosi woselwa) event by 30 November 2015	Target Met :1 event	1	0	Boys to men event 31 March 2017	Target met	Achieved	N/A	N/A	Concept Document, Programme,Attendance Register	Office of the Municipal Manager / Special Programmes		
														R 250 000,00						R 250 000,00	
					Women empowerment	All	1 event	Date	Women empowerment workshop 30 August 2015	Target Met: 1 event held	1	0	Women empowerment workshop by 30 August 2016	Target Met	Achieved	N/A	N/A	Concept Document, Programme,Attendance Register	Office of the Municipal Manager / Special Programmes		
														R 105 638,50						R110,000.00	
				Men and Women dialogue	All	New project	Date	Men and Women dialogue by 30 September 2015	Target not met: one event outstanding	1	0	Men and Women dialogue by 30 September 2016	Target Met	Achieved	N/A	N/A	Concept Document, Programme,Attendance Register	Office of the Municipal Manager / Special Programmes			
													R322,946.50						R322,946.50		
				Senior Citizens	Golden Games	All	District, Provincial and National games every Q1-Q2	Date	3 Golden games	Target Met: All events held	4	0	4 Golden games and trainings from July 2016-July 2017	Target Met	Achieved	N/A	N/A	Q1-Q4 Attendance Register	Office of the Municipal Manager / Special Programmes		
														R565000						R520,000.00	
					Intergenerational Dialogue	All	New project	Date Intergeneration al dialogue held	N/A	N/A	1	0	Intergenerational dialogue by 31 July 2016	Target met	Achieved	N/A	N/A	Concept Document, Programme,Attendance Register	Office of the Municipal Manager / Special Programmes		

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											CURRENT YEAR									
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)						
					Awareness of rights of senior citizens	All	Took place at ward 15	Date Awareness campaign citizens campaign for senior citizens held	Senior citizens rights awareness campaign by 31 July 2015	Target not Met	1	0	Senior Citizens rights awareness campaign 30 September 2016	Target Met	Achieved	N/A	N/A	Concept Document, Programme,Attendance Register	Office of the Municipal Manager / Special Programmes	
									R 60 000,00	R0			R 34 000,00	R 30 000,00						
				Rights of a child	Rights of a child meetings	All	New project	Date Right of a Child Forum Established	Launch Right of a Child Forum by 31 December 2015	Target Met	4	2	4 Rights of a Child Forum meetings	Target not Met: 2/4 meetings held	Not Achieved			Attendance Register, Adopted Terms of Reference by the Forum	Office of the Municipal Manager / Special Programmes	
													R 40 000,00	R 18 000,00						
					Back to school and Sanitary dignity campaign	All	2	Date	Back to school and Sanitary Dignity Campaign by 28 February 2016	Target Met:1 event held	1	0	Back to school campaign by 28 February 2017	Target Met	Achieved	N/A	N/A	Concept Document, Program and Attendance Register	Office of the Municipal Manager / Special Programmes	
													R 100 000,00	R 90 000,00						
				Mini umkhosi womhlanga	Mini umkhosi womhlanga	All	Takes place before umkhosi womhlanga at Nyonkeni	Date Mini umkhosi womhlanga held	Mini umkhosi womhlanga by 30 September 2015	Target Met: 1 event held	1	0	Mini umkhosi womhlanga by 10 September 2016	Target met	Achieved	N/A	N/A	Concept Document, Program and Attendance Register	Office of the Municipal Manager / Special Programmes	
									R212,094.42	R220,000.00			R 220 000,00	R 200 000,00						
				Umkhozi womhlanga (Enyokeni)	Umkhozi womhlanga (Enyokeni)	All	Takes place every year in September	Date Umkhozi womhlanga held	Umkhozi womhlanga by 30 September 2015 (Enyokeni)	Target met: 1 event held	1	0	Umkhosi womhlanga by 30 September 2016	Target met:	Achieved	N/A	N/A	Concept Document, Programme and Attedance Register	Office of the Municipal Manager / Special Programmes	
									R212,045.00	R210,000.00			R 220 000,00	R 190, 000.00						
				Vulnerabl e Children Program mes	Dress a child	All wards	s	Number of vulnerable children benefitted from (school uniform)	Provide School Uniform to 2400 vulnerable children	Target Met: 2400 children received school uniforms	2400	0	Provide School Uniform to 2400 vulnerable children	Target met	Achieved	N/A	N/A	Q3: Beneficiary Report, Q4: Distribution List and GRN	Social Development and Community Services /Community Services	
									R1 200 000,00	R920 100.00			R1,000,000,00	R983 060.00						
3.2.g				Approv al of interna l audit plan	Functiona lity of Audit Committee Meetings	N/A	5	Date of Internal Audit plan Approved by the Audit Committee	Approval of Internal Audit plan by the Audit Committee by 30 Sep 2015	Target Met: Internal Audit Plan developed and approved by the AC	1	0	Approval of Internal Audit plan by the Audit Committee by 30 Sep 2016	Target Achieved	Achieved	N/A	N/A	Audit Committee Minutes and the Internal Audit Plan	Office of the Municipal Manager / Internal Audit	
													N/A	N/A						
3.2.h				Approv al of interna l audit charter	Internal Auditing	Internal Audit Plan	N/A	N/A	Date Internal Audit Charter approved by the Audit Committee	Approval of Internal Audit Charter by the Audit Committee by 30 Sep 2015	Target Met: IA Charter was approved by the AC	1	0	Audit Committee Charter approved by Council by 30 Sept 2016	Target Achieved	Achieved	N/A	N/A	Audit Committee Minutes and Audit Charter	Office of the Municipal Manager / Internal Audit
														N/A	N/A					
				Approv al of interna l audit plan	Internal Auditing	Internal Audit Plan	N/A	1	Date of Internal Audit plan Approved by the Audit Committee	N/A	N/A	1	0	Internal audit charter by the Audit committee by the 30 Sep 2016	Target Achieved	Achieved	N/A	N/A	Audit Committee Minutes and the Internal Audit Plan	Office of the Municipal Manager / Internal Audit
														N/A	N/A					

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											CURRENT YEAR												
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)									
5.2.k			Financial Support towards Ward Capacity building	Ward Committees Support	Ward committee stipends	All	100% ward committees paid stipend per seating	Percentage of stipends paid to ward committees	100% ward committees paid stipend per seating	Target Met: All Ward Committee Members have been paid	100%	0	100% payment of stipends per seating	Target achieved	Achieved	N/A	N/A	Q1-Q4: Schedule of payment,	Office of the Municipal Manager / Speakers office				
							R 1 000 000,00		R 800 250,00			R1 125 000,00	R 900 050,00										
					Training of Ward Committees	All	Ward Committees trained on modules 1-6	Date Ward Committee training sessions held	Train Ward Committees on module 7 & 8 by 30 September 2015	Target Met: All Ward Committees Trained	N/A	N/A	Train 220 Ward Committee Members	220 Ward Committee members trained	Achieved	N/A	N/A	Attendance Register and Training manual	Office of the Municipal Manager / Speakers office				
							R 440 000,00		R 449 980,00			R 1 006 000,00	R 688 739,00										
					Functionality of Ward Committees	Ward committee meetings	All	All ward committee meetings seating as per schedule	Number of ward committee meetings held	190 ward committee meetings	Target Met: All Ward Committee Meeting held	240	120	240 ward committee meetings	Target Not Achieved: 120 Meetings held	Achieved	The ward Committees members were still undergoing traing in Q2	Reviewed SDBIP Target	Q1-Q4: Attendance Register and Minutes	Office of the Municipal Manager / Speakers office			
														N/A	N/A								
			Report back meetings	Public Participation	Community meetings	All	61 meetings held	Number of community meetings	N/A	N/A	80	40	80 Community meetings (one meeting per ward per quarter)	Target Not Achieved: 40/80 Meetings held	Not Achieved	The community meetings sat but there is no evidence	Communicate with Ward Councillors to submit POEs	Q3-4: Minutes and Attendance Register	Office of the Municipal Manager / Speakers office				
5.2.l			Performing of assessments as per internal plan (IT infrastructure and disaster recovery, review of general and application controls, review of assets management, review of revenue management	Internal Auditing	Implementation of internal Audit plan	N/A	8 Project completed as per Audit Plan	Completion of reports by date	Review of Q4 PMS by 30 September 2015	Target Met: Quarter 4 PMS review was conducted and approved by the AC	1	0	Review of Q4 PMS by 30 September 2016	Target Achieved	Achieved	N/A	N/A	Reports, Top Manco Resolutions and Minutes of the Audit Committee	Office of the Municipal Manager / Internal Audit				
													N/A	N/A									
									Review of Q1 PMS by 31 December 2015	Target Met: Quarter 1 PMS review was conducted and approved by the AC	1	0	Review of Q1 PMS by 31 December 2016	Target Achieved	Achieved	N/A	N/A		Office of the Municipal Manager / Internal Audit				
									N/A	N/A	1	1	Review of Corporate Services: Contract Management (Legal Services) by 31 December 2016	Target Not Achieved	Not Achieved	Delays in approving the plan where the Contract Management was not part of the plan. It was then included as the recommendation of the Audit Committee. Draft report has been issued to management.	The report will be presented to the Audit Committee in July 2017.		Office of the Municipal Manager / Internal Audit				
										Target not Met: Quarter 2 Review not completed	1	0	Review of Q2 PMS by 31 March 2017	Target Achieved	Achieved	N/A	N/A		Office of the Municipal Manager / Internal Audit				

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											CURRENT YEAR									
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)						
			ement, review of performance management systems, review of financial discipline and follow up on previous reports							Target Met: Review of Assets Management not Conducted	1	0	Review of Assets Management Review by 31 March 2017	Target Achieved	Achieved	Deviation from the Internal Audit Plan as the Asset count was already underway by PWC		Office of the Municipal Manager / Internal Audit		
									N/A	N/A	1	1	Review of Q3 PMS by 30 June 2017	Target Not Achieved	Not Achieved	The plan was approved late and had backlog of meeting previous year targets		The IA Plan has been reviewed and the project will be conducted in the next financial year	Office of the Municipal Manager / Internal Audit	
									N/A	N/A	1	1	Review of LED Projects by 30 June 2017	Target Not Achieved	Not Achieved	The plan was approved late and had backlog of meeting previous year targets		The IA Plan has been reviewed and the project will be conducted in the next financial year	Office of the Municipal Manager / Internal Audit	
									N/A	N/A	4	0	4 Audit Committee Meetings	Target achieved: 4 Audit Committee Meetingd Held during the 2016/17 FY]	Achieved	N/A		N/A	Attendance Register and Minutes (Q1-Q4)	Office of the Municipal Manager / Internal Audit
									N/A	N/A										
3.3.a		3.3 To ensure access to municipal information (communication)	Review and implementation of communication strategy	Communications	Inkanyezi Yomzumbe Newspaper & Translation of annual report	N/A	24 000 copies of Inkanyezi Yomzumbe printed and distributed	Number of Newspapers published and distributed quarterly	24 000 copies of Inkanyezi Yomzumbe printed	Target not Met :18 000 copies of Inkanyezi Yomzumbe printed	40000	16000	40 000 copies of Inkanyezi Yomzumbe	Target not Achieved : 24000/40000 copies of Inkanyezi have been printed and circulated in Umzumbe	Not Achieved	There was no SLA with mainstream media but 24000 copies of Inkanyezi have been printed and circulated in Umzumbe	Fast track the appointment of a Mainstream Media House SLA	Q1-Q4: Hard Copy of Inkanyezi Yomzumbe and Purchase Order	Office of the Municipal Manager / Communications Mayoralty and Youth Development	
					Communication Strategy	Communication strategy reviewed and submitted to top	2012 communication strategy	Date of Adoption	Adopt Reviewed Communication Strategy by 31 March 2016	Target Met: Reviewed Communication Strategy adopted by Council on the 30 June 2016	1	0	Review and adopt communication strategy in Quarter 2	Target Achieved	Achieved	N/A	N/A	Q2: Council Resolution and Reviewed Communication Strategy	Office of the Municipal Manager / Communications Mayoralty and Youth Development	
					Radio slots and print advertisement	All	12 radio slots with Gagasi and 12 with RSS	Number of radio slots	36 radio slots	Target Met :36 Radio Slots were done with Gagasi FM/ RSS/ UYR	36	0	36 radio slots and 9 print advertisement	Taget met	Achieved	N/A	N/A	Q1-Q4: Invoice, GRN, Clips, Printed adverts	Office of the Municipal Manager / Communications Mayoralty and Youth Development	
					Print Advertisement	All	9	Number of Print Advertisement	9 Print advertisement	Target not met: 4 adverts published on the newspapers	9	0								
									R 20 250,00	R 12 416,42			R 750 000,00	R 500 460,00						

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											CURRENT YEAR								
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)					
					Mayoral Column	All	8 Mayoral Column	Number of Mayoral Column in the local newspaper	8 Mayoral Column	Target Met: 8 Mayoral Columns were done with the local newspaper (South Coast Fever)	8	8	8 Mayoral Columns	Target not met	Not Achieved	unavailability of space on the newspaper	Target to be moved to Addendum	Copies of Advert	Office of the Municipal Manager / Communications Mayoralty and Youth Development
									R 9 000,00	R 0,00			R 30,000.00	R 0,00					
3.2.m		3.3 To entrench a culture of accountability, participation and good governance	Host public participation events	Public Participation Events	Mayoral Imbizo	All	5	Number	5 Mayoral imbizo	Target Met: 5 Imbizo's held	5	0	5 Mayoral Izimbizo	Target met	Achieved	N/A	N/A	Q2: 5 Attendance Registers, Photograps, Videos and Program	Office of the Municipal Manager / Communications Mayoralty and Youth Development
									R 1 900 000,00	R 512 076,06			R 800 000,00	R 859 839,00					
					IDP Roadshows	All	5	Date	5 IDP Roadshows	Target Met: 5 IDP Roadshows held	5	0	5 IDP Roadshows	Target met	Achieved	N/A	N/A	Q3: 5 Attendance Registers, Photographs, Videos and Program	Office of the Municipal Manager / Communications Mayoralty and Youth Development
									R 700 000,00	R 908 689,00			R 700 000,00	R963 741					
					Nelson Mandela Day Celebration		1 Nelson Mandela Day Celebration	Date Nelson Mandela Day Celebration hosted	N/A	N/A			1 Nelson Mandela Day Celebration	Target met	Achieved	N/A	N/A	Q3: 5 Attendance Registers, Photograps, Videos and Program	Office of the Municipal Manager / Communications Mayoralty and Youth Development
													R 300 000,00	R 165 129,34					
3.4.e		3.4 To ensure functionality and sustenance of Ward Committees (Ward Committees)	Support Ward Committee structures	Ward Committees Support	Table of ward committee report to Council	All	Minutes of Ward Committees submitted to Council	Number of ward committees reports submitted to Council	4 Ward Committee Meetings Report	Target not Met	4	3	4 Ward Committee Meetings Report	Target Not Achieved: 1/4 Reports	Not Achieved	Ward Committees were busy with trainings		Q1-Q4: Council Resolution	Office of the Municipal Manager / Speakers office
													N/A	N/A					
3.4.b			Review and implement community-based plans	Community Based Planning	Review of ward plans	All	19 ward plans developed	Number of ward plans reviewed	Review 19 ward plans	Target Met: 19 Ward Plans Reviewed	20	0	Develop 20 ward plans	Target achieved. 20 Ward plans developed & tabled to Council meeting held on 30 March 2017.	Achieved	N/A	N/A	Q1-Q2: Council Resolution and Ward Plans	Office of the Municipal Manager / Speakers office
									R 60 000,00	R 32 850,00			R 176 184,90	R 105 000,00					

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									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)							
2.1.g		2.1 To improve the overall financial management in the Municipality	Development of Annual Procurement Plan	Supply Chain Management	Annual Procurement Plan	N/A	N/A	Date of approval of Procurement Plan	Adopt Procurement Plan First Week of each Quarter	Target Met	1	0	Adopt Procurement Plan First Week of each Quarter	Target achieved	Achieved	N/A	N/A	Q1-Q4: Procurement plan and Topmanco Resolution	1. Communications Mayoralty and Youth Development (Communications, Speaker's Office, Special Programmes, and Youth Development), 2. Internal Audit		
													N/A	N/A							
Cross Cutting Interventions																					
5.1.a		5.1 To ensure efficient and credible strategic and spatial municipal planning	To review and develop credible IDP	Credible IDP	Review and develop credible IDP	All	Adopted 2014/2015 IDP	Date of adoption	Credible 2015/2016 IDP adopted by Council by 30 June 2016	Target met : IDP Adopted	1	0	Credible 2017/18-2020/2021 IDP adopted by council by 30 June 2017	Target Achieved: IDP Adopted by Council on the 30 May 2017	Achieved	N/A	N/A	Q1: Council Resolution, Q3: Council Resolution and Draft IDP, Q4: Council Resolution and Final IDP	Office of the Municipal Manager / Development Planning and Local Economic Development		
						Internal	4	Number of IDP Rep Forums	R 200 000,00	R 89 729,40			R 200 000,00	R 110 000,00							
									N/A	N/A			3 IDP Rep Forums	Target Not Achieved: 2 out of 3 IDP Rep Forums Held	Not Achieved	Q1 IDP Rep Forum could not convene due to Council establishment processes	The annual target had to be restructured to align with IDP processes	Q1-Q4: Minutes and Attendance Register	Office of the Municipal Manager / Development Planning and Local Economic Development		
									N/A	N/A			R 35 750,00	R 30 500,00							
			Translate IDP into IsiZulu	Communications	Translation of Annual Report and IDP	N/A	None	Date of translation of Annual Report and IDP	Translation of 2013/2014 Annual Report by 30 June 2016 and 2015/2016 IDP by 30 September 2015	Target Not Met	1	1	Translate IDP (Q1) and Annual Report (Q3)	Target not Met	Not Achieved	N/A	N/A	Q1 & Q 4: Printed copy	Office of the Municipal Manager / Communications Mayoralty and Youth Development		
									R 20 000,00	R0			R 20 000,00	0							
5.2.a		To create conducive environment for service delivery and improve spatial municipal planning	SDF Implementation	Review SDF	Review SDF	All	2012 SDF	Date of Adoption of reviewed SDF	Review SDF	Target not achieved: Service provider still to be appointed	1	0	Review SDF by 31 March 2017	Target Achieved: SDF Adopted by Council on the 30 May 2017	Achieved	N/A	N/A	Q1: Inception and Council Resolution, Q2: Draft SDF and Council Resolution, Q3: Council Resolution and Final Document	Office of the Municipal Manager / Development Planning		
									R 400 000,00	R0			R 299 763,00	R 299 763,00							
5.2.b			Local Area Plans	Phungashe LAP	Phungashe LAP	3	New Project	Date of Adoption of Phungashe LAP	N/A	N/A	1	1	Develop and Adopt Phungashe LAP by 30 June 2017	Target Not Achived	Not Achieved	Delays from Evaluation Committee	Re-advertisement	Q1 TOR, Q2 Inception Report, Q3 Draft LAP, Q4 Final Adopted Phungashe LAP	Office of the Municipal Manager / Development Planning		
													R 600 000,00	R 0,00							

UMZUMBE LOCAL MUNICIPALITY																									
2016/2017 FINANCIAL YEAR																									
UMZUMBE ANNUAL PERFORMANCE REPORT																									
IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJE CTIVE	STRAT EGY	PROGRA MME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT						
											CURRENT YEAR														
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)											
5.3.a	Cross Cutting Interventions		Comple te and adopt Wall-to wall schem e and Land audit	Develop ment Planning	Land Audit	All	new Project	Date of adoption	N/A	N/A	1	1	Umzumbe Land Audit Report by 30 June 2017	Target Not Achieved	Not Achieved	Delays in research and Evaluation Committee	Readvertisement	Q1: Terms of Reference, Q2: Council Resolution and Inception Report Q3: Exco Resolution Q4: Council Resolution and Land Audit Report	Office of the Municipal Manager / Development Planning						
5.3.b			Implem entatio n of SPLUM A and PDA	Develop ment Planning	SPLUMA/P DA Application s	All Wards	2 Applications	percentage of SPLUMA/PDA Applications	100%	Target not Met	100%	0	100%	Target Achieved						Achieved	N/A	N/A	MPT, Authorised Officer's Report and Council Resolution	Office of the Municipal Manager / Development Planning and Local Economic Development	
5.3.d			Increas ing awaren ess on develo pment plannin g tools to various stakeh olders	Awarenes s campaign s	Awareness campaigns	all wards (1-19)	5	Number of Development Planning awareness campaigns	5 Development Planning awareness campaigns	Target Met:5 Awareness Campaigns Held	5	0	Conduct 5 Development Planning Awareness Campaigns	Target Achieved: 5 Awarenness Campaigns	Achieved	N/A	N/A	Attendance Register and Programme	Office of the Municipal Manager / Development Planning and Local Economic Development						
2.1.g		2.1 To improve the overall I	Develo pment of Annual Procur ement	Supply Chain Manage ment	Annual Procureme nt Plan	N/A	N/A	Date of approval of Procurement Plan	Adopt Procurement Plan First Week of each Quarter	Target Met	1	0	Adopt Procurement Plan First Week of each Quarter	Target Achieved	Achieved	N/A	N/A	Q1-Q4: Procurement plan and Topmanco Resolution	Development Planning						
5.4.a		5.4 To ensure improved respo nse to disast ers	Enhanc ement of disaste r manag ement structu res and system s	DM Advisory Forum	Facilitation of DM Advisory Forum	N/A	4 Quarterly Forums	Number of ocal DM Advisory Forum meetings	4 Local DM Advisory Forum Meetings	Target Met: 4 Local DM Advisory Forum Meetings held	4	0	4 Local DM Advisory Forum Meetings	Target Achieved: 4 Advisory Forum meetings were held.						Achieved	N/A	N/A	Q1-Q4: Minutes and Attendance Register	Social Development and Community Services / Disaster Management	



UMZUMBE LOCAL MUNICIPALITY																											
2016/2017 FINANCIAL YEAR																											
UMZUMBE ANNUAL PERFORMANCE REPORT																											
IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJE CTIVE	STRAT EGY	PROGRA MME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT								
													CURRENT YEAR														
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)													
													R250000	R102 636.00													
				DM Capacity Building and Training	Capacity Building	6	Trainings	Number of trainings conducted	6 trainings	Target Met: All Trainings were conducted	2	2	2 trainings	Target not met	Not Achieved	DDMC will only be supporting local municipalities in the next financial year (2017/2018)	Business Plan is submitted and draft SLA is being processed by the District for 2017/2018.	Attendance Register, copy of Certificates and GRN	Social Development and Community Services / Disaster Management								
					Disaster Incident Support	All wards	4 Reports	Number of Disaster Incident Reports	4 Reports on the Disaster incidents	Target Met: All 4 reports were submitted	4	0	4 Disaster Incident Reports	Target Achieved: 4 quarterly reports were submitted	Achieved	N/A	N/A	Q1-Q4: Reports and Purchase Order	Social Development and Community Services / Disaster Management								
				Disaster Incident Support	All			Procurement of Fire Fighting Equipment by 30 June 2016	Target not Met	1	0	Acquire Fire Fighting Equipments	Target not met	Not Achieved	The document is with the Bid Committees awaiting appointment.	Roll over is applied for to secure funds.	Appointment Letter and Purchase Order	Social Development and Community Services / Disaster Management									
								38 Lightning Conductors	Number Lightning Conductors			38 Lightning Conductors Installed (2 per ward)	Target not met:						40	40	40 Lightning Conductors	Target not met	Not Achieved	The document is with Bid Committees awaiting appointment	Roll over is applied for to secure funds.	Appointment Letter and Purchase Order	Social Development and Community Services / Disaster Management
				DM Volunteer Meetings	All Wards	8	Number of meetings conducted	8	Target met: 8 meetings were held.	8	0	8 Meetings	Target Achieved: 8 volunteer meetings were held.	Achieved	N/A	N/A	Q1-Q4: Attendance Register and Programme	Social Development and Community Services/ Disaster Management									
				DM Volunteer Meetings	All		Number	13 Awareness Campaigns conducted	Target met: 13 awareness campaigns were conducted, 8 community and 5 schools.	5	0	5 DM Awareness Campaigns	Target Achieved: 5 DM Awareness Campaigns were conducted.	Achieved	N/A	N/A	Q1-Q4: Attendance Register and Programme	Social Development and Community Services / Disaster Management									
								R 1 139 998,00	R747 684.50				R 500 000,00	R625 487.50													
ADDENDUM-NOT CORE FUNCTIONS OF UMZUMBE LM																											
6.2.c		Facilit ation and proje ct manag ement of rural housi ng devel opme nt	Facilita tion and project manag ement of rural housin g develo pment	Human Settleme nts	Nhlangwini	4	Site Established,	Number of houses constructed	100 houses constructed	Target not Met: 64 Houses constructed	178	178	178 houses constructed	The actual annual Target has not been met	Not Achieved	Redetermination of project boundary		Reports from Department of Human Settlements	Technical Services								
								Cluster C Phase 1	1, 2, 3 and 6	Beneficiarie s Approved	Number of houses constructed	100 houses constructed	Target not Met: 4 Houses constructed	400	400	400 houses constructed	The actual annual Target has not been met due to varius challenges faced by the project.	Not Achieved	The Implementing Agent establish the site later with regard to our anticipated time frame.		Reports from Department of Human Settlements, List of Beneficiary approve and Happy Letters.	Technical Services					
													N/A	N/A													

UMZUMBE LOCAL MUNICIPALITY																				
2016/2017 FINANCIAL YEAR																				
UMZUMBE ANNUAL PERFORMANCE REPORT																				
IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJE CTIVE	STRAT EGY	PROGRA MME	PROJECT	WARD	BASELINE / STATUS QU0	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT	
											CURRENT YEAR									
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)						
					Cluster B Phase II	5,7,12,13 and 14	1400 Beneficiaries Approved	Number of beneficiary approved	600 beneficiaries approved	Target met: 2000 beneficiaries approved	1	1	Approval of the Project	Target not met	Not Achieved	N/A			Technical Services	
6.2.e		6.2 Eradicate backlogs in order	Provision of free basic services	Energy Supply	Electricity Infrastructure Installation	All	N/A	Number of households with free basic electricity	As per Eskom Plan	Target Met	4	0	N/A As per Eskom Plan	N/A Target Met: Reports for all 4 quarters have been received	Achieved	N/A	N/A		Technical Services	
3.2.n			Report back meetings	Public Participation	Community meetings	All	76 Meetings Held	Number of community meetings	76 Community meetings (one meeting per ward per quarter)	Target not met	80	40	80 Community meetings (one meeting per ward per quarter)	Target Not Achieved: 40/80 Meetings held	Not Achieved	Unavailability of Councillors due to busy schedule.		Q1-4: Minutes and Attendance Register	Office of the Municipal Manager / Speakers office	
3.2.f			Implementation of Special Programmes (vulnerable groups)	Disability	Disability Meetings	All	Four disability meetings in a year	Number of disability meetings conducted	4 meetings	Target Met: 4 Meetings held	4	1	4 disability meetings	Target not Met: 3/4 meetings held	Achieved	N/A	N/A	(Q1-Q4): Attendance Register and Minutes	Office of the Municipal Manager / Special Programmes	
										R 60 000,00	R 29 950,00			R 60 000,00	R 32 800,00					
					Forum on traditional healers (HIV/AIDS)	All	New project	Number	4 Meetings of Traditional Healers Forum	Target not Met: 3 Meetings held	4	1	4 Meetings of Traditional Healers Forum in all quarters	Target not met : 3/4 meetings held	Not Achieved	Late establishment of the Forum		4 Meetings of Traditional Healers Forum in all quarters	Office of the Municipal Manager / Special Programmes	
									R 24 000,00	R 14 600,00			R 40 000,00	R 29 000,00						
					Gender Programme	Gender Meetings	All	4	Number of gender meetings held	4 Gender meetings	Target not Met: 3 Meetings held	4	0	4 Meetings	Target met	Achieved	N/A	N/A	Attendance Register and Minutes (Q1-Q4)	Office of the Municipal Manager / Special Programmes
									R 24 000,00	R 20 400,00				R 40 000,00	R 34 200,00					
					Senior Citizens	Senior Citizens meetings	All	4 meeting in four quarters	Number of Senior Citizens meetings	4 meetings	3 Meetings held	4	0	4 meetings	Target Met	Achieved	N/A	N/A	Attendance Register and Minutes (Q1-Q4)	Office of the Municipal Manager / Special Programmes
									R 26 000,00	R 19 700,00				R 40 000,00	R 30 000,00					
					Rights of a child	Rights of a child meetings	All	4 meeting in four quarters	Number of Rights of a child meetings convened	3 meetings Number	Target not Met 2 Meetings	3	2	4 Rights of a Child Forum meetings	Target not Met: 2/4 meetings held	Not Achieved	Stakeholders were committed		Attendance Register, Adopted Terms of Reference by the Forum	Office of the Municipal Manager / Special Programmes
									R5,700.00	R17,700				R 40,000.00	R 18 000,00					
2.1.g		2.1 To improve the overall financial management in the Municipality	Development of Annual Procurement Plan	Supply Chain Management	Annual Procurement Plan	N/A	N/A	Date of approval of Procurement Plan	Adopt Procurement Plan	Target Met	1	0	Adopt Procurement Plan	Target Met	Achieved	N/A	N/A	Q1: Procurement plan and Topmanco Resolution	1. Communications Mayoralty and Youth Development (Communications, Speaker's Office, Special Programmes, and Youth Development)	
									N/A	N/A			N/A	N/A						

UMZUMBE LOCAL MUNICIPALITY																				
2016/2017 FINANCIAL YEAR																				
UMZUMBE ANNUAL PERFORMANCE REPORT																				
IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJE CTIVE	STRAT EGY	PROGRA MME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT	
											CURRENT YEAR									
									2015/16 (Target)	2015/16 (ACTUAL)	DEMAND	BACKLOG	2016/17 (TARGET)	2016/17 (ACTUAL)						
3.2.m		To entrench a culture of accountability, participation and good governance	Host public participation events	Public Participation Events	Sod Turning	All	10	Date	4 Sod turning	Target not Met: 4 Sod turnings not done	8	5	8 sod turning	Target not Met: only 3/8 sod turnings were held	Not Achieved	Busy schedule of Councillors		Q1-4: Program, Photos	Office of the Municipal Manager / Communications Mayoralty and Youth Development	
					Hand Over	All	10	Number of Projects	4 project hand over	Target :4 project handovers not done	4	0	4 project handover	Target met	Achieved	N/A	N/A	Q1-4: Program, Photos	Office of the Municipal Manager / Communications Mayoralty and Youth Development	

#### 4. CHAPTER 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE COMPONENT AN INTRODUCTION TO THE MUNICIPAL PERSONNEL

##### 4.1 Employee Totals, Turnover and Vacancies

Employees					
Description	Year -1	Year 0			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Communication , Mayoralty & Youth Development	0	20	15	4	20.0
Internal Audit	2	2	2	0	0.0
Waste Management	1	2	1	1	50.0
Housing	1	2	1	1	50.0
Roads	6	15	13	2	13.3
Planning (Strategic & Regulatory)	3	4	4	0	0.0
Local Economic Development	5	9	4	5	55.6
Community & Social Services	3	3	3	1	33.3
Finance	14	17	14	3	17.6
Disaster Management / Fire & Rescue	4	6	4	2	33.3
Human Resources	2	4	3	1	25.0
Auxiliary Services		28	23	5	17.9
Legal Services	1	1	1	0	0.0
ICT Unit	2	3	2	1	33.3
<b>Totals</b>	<b>98</b>	<b>116</b>	<b>90</b>	<b>26</b>	<b>22.4</b>

#### COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

##### 4.2 Polices

Table indicating 2016/17 adopted polices

	Name of Policy	Status	Quarter of Adoption
1	Leave policy	Done	31 May 2017
2	Farewell Policy	Done	31 May 2017
3	Fleet Management Policy	Done	31 May 2017
4	Cellphone and Telephone Policy	Done	31 May 2017
5	ICT Disaster Recovery Plan	Done	31 May 2017
6	Recruitment and Selection Policy	Done	31 May 2017
7	Subsistence and Traveling Policy	Done	31 May 2017
8	Support Staff Policy	Done	31 May 2017
9	Supply Chain Management Policy	Done	31 May 2017

### 4.3 Injuries, Sickness and Suspensions

Table depicting Cost of Injury's

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

Table depicting Employee Suspensions

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
Technical Services	Misconduct		Resigned	2017

Table depicting Cases of disciplinary Action

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

#### 4.4 Performance Reward

Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female				
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S56	Female	1			
	Male	2			
Total		3			

## 4.5 Skills Development and Training

Human Resources unit had a target of training 41 employees and the target was met, 90 employees were trained for 2016/17 financial year. The training forms part of the Workplace Skills Plan that was adopted by Council to enhance employees' skills and productivity in the workplace.

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

## 5 EMPLOYEE EXPENDITURE CHAPTER 5 – FINANCIAL PERFORMANCE

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

#### INTRODUCTION TO 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 statement for the financial year 2015/2016 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 third consecutive clean audit received by the municipality. Accordingly the municipality prepared a corrective action plan to address the audit queries. The audit report and corrective action plan was tabled to council.

The annual financial statements for the financial year 2016/2017 is currently being compiled in terms of Generally Recognized Accounting Practice (GRAP) and is on target to be submitted by the 31 August deadline.

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

#### 5.2 Grants

GOVERNMENT GRANTS AND SUBSIDIES- ALLOCATION	Medium Term Income and Expenditure			
	Framework			
	2016/2017 budget	Original	2016/2017 Budget	Adjusted
-				
<u>National Grants Allocations</u>				
Equitable share	119 488 000.00		119 488 000.00	
Municipal Systems Improvement Grant (MSIG)	-		-	
Local Government Financial Management Grant (FMG)	1 825 000.00		1 825 000.00	
Municipal Infrastructure Grant (MIG)	32 622 000.00		35 897 703.00	
Disaster Management Grant	10 000 000.00		10 783 820.00	
Integrated national Electrification Programme	9 000 000.00		10 149 655.00	
Extended Public Works Programme	1 083 000.00		1 083 000.00	
Sub Total - National Grant Allocations	174 018 000.00		179 227 178.00	
<u>Provincial Grants Allocations</u>				
Maintenance Grant - Sport Facilities	-		-	
Project Consolidate	-		99 885.00	
GIS Grant	-		7 985.00	



<b>Low Cost Housing</b>	-	<b>568 408.00</b>
<b>Tourism Grant/Ntelezi Msane</b>	-	-
<b>KZN Sports</b>	-	<b>524 774.00</b>
<b>Scheme Support Programme</b>	-	-
<b>Massification Programme Grant</b>	-	<b>2 002 159.00</b>
<b>Sub Total - Provincial Grants Allocations</b>	-	<b>3 203 211.00</b>
<b>TOTAL GRANT ALLOCATIONS</b>	<b>174 018 000.00</b>	<b>182 0 389.00</b>

### 5.3 Asset Management

#### Introduction to Asset Management

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

Assets management falls under the Expenditure and Assets unit within finance department. The municipality has an asset management policy in place which also incorporates elements of GRAP. The municipality compiled the fixed assets register for the 2015/16 financial year in accordance with GRAP. This formed part of the process of the annual financial statements preparation.

Less repairs and maintenance was incurred than anticipated due to the well serviced and good condition of plant and equipment.

### COMPONENT B: 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 from government grants.

#### a. Capital Spending on 5 Largest Projects

Number	Project Name	Expenditure
1	Ntashana Bridge and Access Road	R16 229 603,24
2	Khathi access road	R3 046 097,82
3	Maqongo access road	R1 611 625,45
4	Guquka bridge	R1 315 167,99
5	Mpisane Access road	R2 049 888,50
6	Nkanini Sports Complex	R7 225 967,58

b. Sources of Finance

GOVERNMENT GRANTS AND SUBSIDIES- ALLOCATION	Medium Term Income and Expenditure			
	Framework			
	2016/2017 budget	Original	2016/2017 Budget	Adjusted
-				
<u>National Grants Allocations</u>				
Equitable share	119 488 000.00		119 488 000.00	
Municipal Systems Improvement Grant (MSIG)	-		-	
Local Government Financial Management Grant (FMG)	1 825 000.00		1 825 000.00	
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Extended Public Works Programme	1 083 000.00		1 083 000.00	
Sub Total - National Grant Allocations	174 018 000.00		179 227 178.00	
<u>Provincial Grants Allocations</u>				
Maintenance Grant - Sport Facilities	-		-	
Project Consolidate	-		99 885.00	
GIS Grant	-		7 985.00	
Low Cost Housing	-		568 408.00	
Tourism Grant/Ntelezi Msane	-		-	
KZN Sports	-		524 774.00	
Scheme Support Programme	-		-	
Massification Programme Grant	-		2 002 159.00	
Sub Total - Provincial Grants Allocations	-		3 203 211.00	
<b>TOTAL GRANT ALLOCATIONS</b>	<b>174 018 000.00</b>		<b>182 430 389.00</b>	

## **COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENT**

### **c. Cash Flow**

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

### **d. Borrowing 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, 6 million. Interest is earned at competitive rates. The municipality does not have any borrowings.

### **e. Public Private Partnership**

No public private partnerships were entered into during the 2016/17 financial year.

## **COMPONENT D: OTHER FINANCIAL MATTERS**

### **f. 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.

### **g. GRAP Compliance**

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 statement for the financial year 2016/2017 was compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted by the 31 August deadline to the Auditor General.

## **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 (Previous Year)**

The municipality received a clean audit (unqualified audit with no other matters) for the previous financial year.

The report was tabled to council together with corrective measures to address the audit findings.

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

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

The Municipality has once again retained its clean Audit Status for the 2016/17. The continued success emanates from the positive working relation between the Political and Administrative structures of the municipality, who have shared their leadership qualities with the municipal staff.

Auditor-General of South Africa

uMzumbe Municipality – audit report  
2016-17

# Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the council on the 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 2017, 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 2017, and its financial performance and cash flows for the year then ended in accordance with 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, 2016 (Act No. 3 of 2016) (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 report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Other matters

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

### Unaudited disclosure notes

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

## Unaudited supplementary schedules

8. The supplementary schedules set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

## Responsibilities of the accounting officer for the financial statements

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

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

11. 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.
12. 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

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
14. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods

that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

15. 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 objective 2 – basic service delivery and infrastructure development on pages x to x, presented in the annual performance report of the municipality for the year ended 30 June 2017.
16. I performed procedures to determine whether the reported performance information 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.
17. I did not raise any material findings on the usefulness and reliability of the reported performance information for the basic service delivery and infrastructure objective.

#### **Other matters**

18. I draw attention to the matters below.

#### **Achievement of planned targets**

19. The annual performance report on pages x to x includes information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of targets.

#### **Adjustment of material misstatements**

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the basic service delivery and infrastructure objective. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

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

#### **Introduction and scope**

21. 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.
22. I did not raise material findings on compliance with the specific matters in key legislation as set out in the general notice issued in terms of the PAA.



## Other information

23. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the mayor's report and the municipal manager's report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported on in the auditor's report.
24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
25. 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 objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that it contains any material misstatements, 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. If it is corrected, however, this will not be necessary.

## Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon.
28. I did not identify any significant deficiencies in internal control.

*Auditor General*

Pietermaritzburg

30 November 2017



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives 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 the 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 council, which constitutes the accounting officer.
  - conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements by the council, which constitutes the accounting officer. 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 municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern.
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## Corrective Action Plan

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	PROGRESS	RESPONSIBILITY
<b>ANNEXURE B: OTHER IMPORTANT MATTERS</b>					
1	AOPO: Reported information not reliable.	The IDP, SDBIP and APR will be reviewed regularly to ensure that there is accuracy and reliability of the reported information. All identified errors and inconsistencies will be corrected.	30 June 2018		Municipal manager
2	Awards to employees in the service of the municipality.	The municipality will instill processes in place to identify whether employees have in interest in suppliers who trade with the municipality through strictly monitoring declarations. For employees that have made false declarations the municipality will institute consequence management.	30 June 2018		Municipal manager
3	Awards to partners or business associate of persons in service of the municipality – false declarations.	The municipality has flagged these suppliers and will investigate the matter further with the suppliers. The municipality, where possible, will not continue to do business with these suppliers and will try to recover all costs, losses or damages it has incurred or suffered as a result of that person's conduct.	30 June 2018		Municipal manager
4	Awards to suppliers in the service of the state - false declarations.	The municipality has flagged these suppliers and will not continue to do business with them. In addition all attempts will be made by the municipality to liaise with the government departments and where possible to recover all costs, losses or damages it has incurred or suffered as a result of that person's conduct.	30 June 2018		Municipal manager

Signed (Chief Financial Officer)

Dated.....30 June 2017

## GLOSSARY

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

<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<p>Service delivery &amp; infrastructure</p> <p>Economic development</p> <p>Municipal transformation and institutional development</p> <p>Financial viability and management</p> <p>Good governance and community participation</p>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	<p>Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to</p> <p>which an output has been achieved (policy developed, presentation delivered, service rendered)</p>
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by

	describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<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>
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<b>Integrated Development Plan (IDP)</b> <b>Plan</b>	Set out municipal goals and development plans.
<b>National performance areas</b> <b>Key</b>	Service delivery & infrastructure Local Economic development Municipal transformation and institutional development Financial viability and management Good governance and community participation
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an



	institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
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## Appendices

### Appendix A - Councilors; Committee Allocation and Council Attendance (Before 03 August 2017)

Councilors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Cllr D K Msomi	PT	LLF/Community Services-ANC	Ward 1	0	0
Cllr C S Ngwabe	PT	Housing-Independent	Ward 2	0	0
Cllr M R Mqadi	PT	Housing-ANC	Ward 3	100	0
Cllr S P Maluleka	PT	Planning-ANC	Ward 4	100	0
Cllr S T Gumede	FT	EXCO/FBCC-ANC	Ward 5	75	25
Cllr S E Radebe	PT	LED-ANC	Ward 6	0	0
Cllr T L Peters	PT	Housing-ANC	Ward 7	0	0
Cllr M J Mkhize	PT	MPAC/LED-ANC	Ward 9	100	0
Cllr N E Mhlangu	PT	FBCC/Youths-ANC	Ward 11	100	0
Cllr P A Hlongwa	PT	Community Services-ANC	Ward 17	100	0
Cllr IB Mbhele	PT	FBCC-ANC	Party represented	100	0
Cllr M C Hlongwa	PT	FBCC-NFP	Party represented	0	0
Cllr T S Khuzwayo	PT	Planning-NFP	Party represented	0	0
Cllr S Lushaba	PT	MPAC/LED-NFP	Party represented	0	0
Cllr L M R Ngcobo	PT	Community Services-DA	Party represented	0	0
Cllr EB Qumbisa	PT	Planning	Party represented	100	0
Cllr KS Doncabe	PT	Community Services	Party represented	0	0

Councilors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Cllr N Caluza	PT	Community Services-ANC	Party represented	100	0
Cllr B N Shozi	PT	LED-NFP	Party represented	100	0
Cllr M Ndlovu	FT	Youth/Recess Planning/EXCO-NFP	Party represented	0	0
Cllr Y L Duma	FT	FBCC/EXCO-NFP	Party represented	100	0
Note: * Councillors appointed on a proportional basis do not have wards allocated to them					

### Newly Inaugurated Council on 03 August 2016

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Cllr S R Ngcobo	FT	EXCO- Finance committee	Party represented	75	25
Cllr M P Shozi	FT	Ex officio/ Council – ANC	Party represented	83	17
Cllr M P L Zungu	FT	EXCO/ Human Settlements	Ward 15	83	17
Cllr N Y Mweshe	FT	EXCO/ Corporate Services	Party represented	100	0
Cllr M Z Luthuli	FT	EXCO/ Planning & LED-ANC	Party represented	83	17
Cllr C L Shezi	PT	Soc & Com Serve- ANC	Ward 1	100	0
Cllr DDB Dlamini	PT	Human Settlements-ANC	Ward 2	100	0
Cllr Z Sithole	PT	Soc & Com Serve- ANC	Ward 3	90	10
Cllr HZ Ndimande	PT	LLF- ANC	Ward 4	82	18
Cllr OT Luthuli	PT	Corporate Services-	Ward 5	90	10
Cllr NE Xaba	PT	Finance- ANC	Ward 6	82	18
Cllr TC Myende	PT	Finance- IFP	Party represented	82	18

Councilors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
ClIr JP Mtambo	PT	MPAC- ANC	Ward 7	82	18
ClIr P Zamisa	FT	EXCO/ Soc & Com Serve- ANC	Ward 12	82	18
ClIr SR Cele	PT	Human Settlements- ANC	Ward 13	100	0
ClIr MS Mdletshe	FT	EXCO/ Youth –ANC	Ward 14	55	45
ClIr BB Luthuli (Female)	FT	EXCO/ Planning & LED- IFP	Party represented	100	0
ClIr BB Luthuli (male)	PT	Youth- ANC	Ward 16	100	0
ClIr D Z Shoji	PT	Planning & LED- ANC	Ward 18	73	27
ClIr A E Zindela	PT	Planning & LED- ANC	Ward 19	82	18
ClIr BT Mfeka	PT	LLF/ Planning & LED- ANC	Ward 20	100	0
ClIr ZC Cele/ S Ngubane	PT	Planning & LED- APC	Party represented	82	18
ClIr TJ Radebe	PT	Finance- DA	Party represented	64	36
ClIr WN Hlophe	PT	EFF	Party represented	90	10
ClIr RSW Khanyile	PT	Human Settlements- IFP	Party represented	73	27
ClIr PL Habile	PT	Youth- ANC	Party represented	82	18
ClIr EB Dlamini	PT	MPAC- IFP	Party represented	64	36
ClIr ZZ Msani	PT	Youth- IFP	Party represented	50	50
ClIr LN Duma	PT	Corporate Services- IFP	Party represented	82	18
ClIr TM Mbayi	PT	MPAC- ANC	Party represented	50	50
ClIr SM Jeza	PT	Corporate Services- ANC	Party represented	100	0
ClIr M A Sikhosana	PT	Planning & LED/ Corp Services- ANC	Party represented	100	0

Councilors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Cllr SG Nzimande	PT	Soc and Com Serve/ Youth – ANC	Party represented	100	0
Cllr BM Madwe	PT	Human Settlements- ANC	Party represented	90	10
Note: * Councilors appointed on a proportional basis do not have wards allocated to them					T A

## Appendix B – Committees and Committee Purposes

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
<b>MPAC</b>	Help Council to hold executive and the municipal administration to account and ensure the efficient and effective use of municipal resources.
<b>Council</b>	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
<b>EXCO</b>	Ensures that the municipality; Provides democratic and accountable government for the community of Umzumbe. Promotes social and economic development Promotes health and safety environment. Provides services in a sustainable manner to the community of Umzumbe. Ensures that administration, budgeting and planning process of the municipality meet the requirements of Section 153 (a) of the Constitutions. Oversees the execution of national and provincial functions performed by municipality in accordance with funds provided by relevant government. It comprises of seven Councilors including the Mayor and Deputy Mayor. It reviews and identifies community needs in order of priority. Managing the drafting of IDP, Budget and SDBIP and submit to full Council for adoption.
<b>Community Services</b>	The object of the Community Services Committee is to assist the Executive committee to promote a healthy environment by: Advising on legislation, prevention and enforcement mechanisms, which are within the financial and administrative capacity of the municipality; Overseeing the enforcement of municipal bylaws and other applicable laws by municipal employees and functionaries in order to ensure that municipal employees and functionaries involved in law enforcement are accountable to a democratically elected body;

	<p>Overseeing certain municipal services, including health, cultural, cleansing and maintenance services; and</p> <p>To pay attention to educational and welfare services in general as they apply to the entire municipality.</p>
<b>Development Planning &amp; LED</b>	<p><b>Objectives</b></p> <p>Encourage the involvement of the entire municipal community, its bodies stakeholders and institutions in matter of local government.</p> <p>Participate in National and Provincial programmes</p> <p>Promote the implementation of Integrated Development Plan (IDP)</p> <p>Consider reports to EXCO for preparations of Land Use Management Plan subdivisions of land; PMS Etc.</p> <p>Planning Committee may consider all matters of a policy nature.</p> <p>Promotes the implementation of LED and IDP.</p> <p>Assists in providing funding for local business services centers.</p> <p>Promotes local economic development programmes.</p> <p>Oversees rendering of services in historically disadvantaged areas.</p> <p>Consults with traditional Leaders on matters of the economic development.</p> <p>Report to EXCO.</p> <p>Consist of seven members</p>
<b>Human Settlements &amp; Infrastructure</b>	<p>Municipality is in the process of developing terms of reference</p>
<b>FBCC</b>	<p>Has two departments reporting to it i.e. Finance and Corporate Services.</p> <p>Administers the capital and operational budget of the municipality.</p> <p>Advises the EXCO on all legislation relating to billing, rating and taxation insurance, banking and investments; grants in aid etc.</p> <p>Oversees Financial Statements, general financial reporting;</p> <p>Advises EXCO on obtaining proper legal services for the municipality acquisition and provision of municipal office; implementation and maintenance of an approved maintenance system.</p> <p>Comprises of seven members.</p>
<b>Youth Committee</b>	<p>Municipality is in the process of developing terms of reference</p>
<b>LLF</b>	<p>As per SALGA Bargaining Council</p>

## Appendix C – Third Tier Administrative Structure

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager's Office	Ms. N.C. Mgijima
Financial Services	Mr. K. Audan
Corporate Services	Mr. B.G. Nyuswa
Technical Services	Vacant Post
Social Development and Community Services	Vacant Post

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

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	No (District Function)	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 (Shared Services)	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
Facilities for the accommodation, care and burial of animals	Yes	N/A
Fencing and fences	Yes	N/A
Licensing of dogs	No	N/A
Licensing and control of undertakings that sell food to the public	Yes	N/A
Local amenities	Yes	N/A
Local sport facilities	Yes	N/A
Markets	Yes (Shared Services)	N/A
Municipal abattoirs	Yes (Shared Services)	N/A
Municipal parks and recreation	Yes	N/A
Municipal roads	Yes	N/A
Noise pollution	Yes	N/A
Pounds	No	N/A
Public places	Yes	N/A
Refuse removal, refuse dumps and solid waste disposal	Yes (Shared Services)	N/A
Street trading	Yes	N/A
Street lighting	Yes	N/A
Traffic and parking	Yes	N/A
<b>* If municipality: indicate (yes or No); * If entity: Provide name of entity</b>		<b>T D</b>

## Appendix E – Ward Reporting (Before Local Government Elections 03 August 2017)

Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members		Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Cllr D K Msomi		yes	10		Nil
	Mkhungo	Sindi				
	Cele	Pretty				
	Ngwazi	Joshua				
	Ndimande	Mkhanyiseni				
	Ngcobo	Nomvume				
	Cele	Squnga				
	Zamisa	Melzina				
	Zondo	Mthethi				
	B E	Dlamini				
	Khwela	Gladys				
2	Cllr C S Ngwabe		yes	10	10	Nil
	Cele	Sabelo				
	Lushaba	Nomusa				
	Ngwabe	Nomcebo				
	Shabane	Mndeni				
	Dlamini	Robert				TE
	Lukhozi	Stanford				
	Shabane	Maswazi				
	Faya	Nobuhle				
	Cele	Nomfundo				
	Madlala	Mandisa				
3	Cllr M R Mqadi		yes	10	10	Nil
	Mncibi	Ayanda				
	Mthembu	Buyisile				
	Dlamini	Sipho				
	Sbusiso	Dlungwana				
	Nkontwana	Vuyelwa				

	Nxele	Nonkanyiso				
	Majola	Simon				
	Makhoba	Nozipho				
	Mthembu	Mzwakhe				
	Dlungwana	Mzomuhle				
4	Cllr S P Maluleka		yes	10	10	Nil
	Dlamini	Moses				
	Nxumalo	Proffessor				
	Msomi	Nonkazimulo				
	Ndlovu	Samuel				
	Ngcobo	Qinisile				
	Phungula	Nomusa				
	Ngubane	Patric				
	Lushaba	Petros				
	Mchunu	Noxolo				
	Dlamini	Mthunzi				
5	Cllr S T Gumede		yes	10	10	Nil
	Mthethwa	Nonhlanhla				
	Luthuli	Ncamsile				
	Cele	Zandile				
	Mdabe	Mduduzi				
	Nzama	Busisiwe				
	Khomo	Ntombizodwa				
	Gasa	Gerald				
	Mbhele	Thembisile				
	Mhlongo	Thulisile				
	Hlongwa	Dakaza				
6	Cllr S E Radebe		yes	10	10	Nil
	Mboma	William				
	Shezi	Zwelonke				
	Mncibi	Nokuthula				
	Dlamini	Mathi				
	Mbhele	Nqobile				
	Mthimkhulu	Sandile				
	Dlamini	Bazibile				
	Mhlungu	Zibonele				
	Mbhele	Sandile				
	Gumbi	Zandile				
7	Cllr T L Peters		yes	10	10	Nil
	Ngcobo	Nokubonga				
	Nzama	Sfiso				

	Ngubo	Nonceba				
	Nkontwana	Gabisile				
	Caluza	Sphamandla				
	Mkhwanazi	Nofading				
	Sishi	Zwanani				
	Dlamini	Philisiwe				
	Mntambo	Nompumelo				
8	Cllr P Mntambo		yes	10	10	Nil
	Luthuli	Zethu				
	Dlamini	Thulisile				
	Mkhize	Phumzile				
	Cele	Sphiwe				
	Shezi	Stephan				
	Biyase	Mandlenkosi				
	Dingila	Makhosazana				
	Khumalo	Sizwe				
	Ngcobo	Bhekinkosi				
	Chamane	Bhekanzama				
9	Cllr M J Mkhize		yes	10	10	Nil
	Gumede	Zola				
	Mjwara	Lindiwe				
	Mkhize	Bheko				
	Mchunu	Fikile				
	Hlongwa	Shloniphiwe				
	Hlongwane	Qobizitha				
	Mnganga	Sandile				
	Dlamini	Lucia				
	Cele	Lungisani				
10	Cllr T M Mbayi		yes	10	10	Nil
	Gambushe	Zodwa				
	Doncabe	Vukuthu				
	Phewa	Them bani				
	Gasa	Ziph				
	Gumede	Zwelisha				
	Blankenberg	Terry				
	Makhathini	Dudu				
	Shazi	Sizani				
	Khomo	Philip				
	Nzimande	Msawenkosi				
11	Cllr N E Mhlangu		yes	10	10	Nil
	Mkhize	Thumani				

	Zama	Sandile				
	Gumede	Thobeleni				
	Gumede	Mduduzi				
	Shozi	Thobisile				
	Ndlovu	Ntombifuthi				
	Gumede	Dolly				
	Duma	Ayanda				
	Nyuswa	Thandazile				
12	Cllr P Zamisa		yes	10	10	Nil
	Mnguni	Petros				
	Mthimkhulu	Fisani				
	Mtolo	Mavis				
	Khumalo	Bonosiwe				
	Doyisa	Japhet				
	Shozi	Nomathemba				
	Ngidi	Bhekizwe				
	Sawoni	Celiwe				
	Shazi	Sphelele				
	Mnguni	Isaac				
13	Cllr S R Cele		yes	10	10	Nil
	Ngcobo	Gugu				
	Khawula	Bonakele				
	Jeza	Lungisa				
	Nyuswa	Nkosinathi				
	Nyuswa	Bongiwe				
	Duma	Dumsani				
	Mjoka	Fakazile				
	Mkhungo	Philisile				
	Mnguni	Phumlile				
	Chili	Mthobisi				
14	Cllr M S Mdletshe		yes	10	10	Nil
	Shozi	Clementia				
	Shinga	Beauty				
	Doncabe	Philisiwe				
	Gumede	Johana				
	Meleni	Bhengu				
	Mlitwa	Pinky				
	Msimango	Msawenkosi				
	Gumede	Syabonga				
	Mbele	Philisiwe				
	Madlala	Zandile				

15	Cllr M P L Zungu		yes	10	10	Nil
	Khawula	Thoko				
	Shezi	Ntombikhona				
	Mbayi	Sibusiso				
	Shabane	Robert				
	Gambushe	Bhoyi				
	Msani	Sindi				
	Gumede	Khanyisile				
	Shabane	Egnes				
	Ngcece	Shadrack				
	Cele	Siyakhula				
16	Cllr M Z Luthuli		yes	10	10	Nil
	Gumede	Nomusa				
	Mhlongo	Sindi				
	Lindiwe	Khumalo				
	Ngcobo	Bongani				
	Shozi	Bhekuyise				
	Zwane	Sbongile				
	Khuluse	Nontokoza				
	Mlita	Bheki				
	Msimango	Duduzile				
	Khambule	Dudu				
17	Cllr P A Hlongwa		yes	10	10	Nil
	Vumeleni	Shazi				
	Hlongwane	Philisiwe				
	Malunga	Nonhlanhla				
	Sengane	Bheki				
	Mkhize	Richard				
	Myende	Lindiwe				
	Nguse	Ntokoza				
	Jeza	Ntokoza				
	Mkhize	Sipho				
	Khwela	Winnie				
18	Cllr O J Mbambo		yes	10	10	Nil
	Dlamini	Thulani				
	Zamisa	Thulani				
	Nxumalo	Bhekani				
	Nokulunga	Shinga				
	Luthuli	Dphney				
	Hadebe	Thandazile				
	Mchunu	Philani				

	Nyawo	Thoza				
	Luthuli	Xolisile				
	Msomi	Albert				
19	Cllr A E Zindela		yes	10	10	Nil
	Chiliza	Gesi				
	Mlotshwa	Sakhephi				
	Jeza	Robert				
	Nzama	Nhlanhla				
	Mkhize	Ntokozo				
	Xulu	Bonginkosi				
	Duma	Nonhlanhla				
	Khomo	Doris				
	Jeza	Thuthukani				
	Mkhize	Amos				

#### New Ward Committee after Local Government Elections on 03 August 2016

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	Siqalo				
	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>TE</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 O T Luthuli		yes	10	10	Nil
	Dlamini	Bhekumuzi				
	Gasa	Gerald				
	Hlongwa	Dakaza				
	Khuzwayo	Linda				
	Chiya	Sphamandla				
	Mthethwa	Nonhlanhla				
	Khomo	Ndumiso				
	Nzama	Busisiwe				
	Ngcobo	Sthembiso				
	Chiliza	Mxolisi				
6	Cllr N E Xaba		yes	10	10	Nil



	Nkontwana	Gabisile				
	Luthuli	Zakhele				
	Bhengu	Mthokozisi				
	Nkomo	Zibuyile				
	Radebe	Sphumelele				
	Mshengu	Sbusiso				
	Mbeje	Phumelele				
	Peters	Nokwanda				
	Ngongoma	Thembisile				
	Mkhize	Nombuso				
7	Cllr J P Mntambo		yes	10	10	Nil
	Mvuyane	Dephney				
	Cibane	Thina				
	Chiliza	Thandeka				
	Mkhize	Dumisani				
	Luthuli	Nombuso				
	Khambule	Lindelani				
	Gombela	Syanda				
	Cele	Siphiwe				
	Madiba	Sbonelo				
	Biyase	Mandlenkosi				
8	Cllr L S Cele		yes			Nil
	Jwara	Lindiwe				
	Dlamini	Lucia				
	Mkhize	Scelo				
	Shezi	Nomusa				
	Mkhize	Bhekohlulwayo				
	Mnguni	Agrippa				
	Hlongwa	Shlonipheni				
	Mnganga	Sandile				
	Mthethwa	Robert				
	Mkhiza	Sisindile				
9	Cllr S Z Zama		yes			Nil
	Ngcobo	Vumani				
	Mkhize	Thumani				
	Shinga	Dudu				
	Mjwara	Nombuso				
	Shezi	Ntombikhona				
	Mngadi	Makhosazana				
	Kunene	Thulile				
	Mngadi	Thandanani				

	Gumede	Mduduzi				
	Nyuswa	Thandazile				
10	Cllr M.M.Mfecane		yes	10	10	Nil
	Chiliza	Jabu				
	Mkhize	Thokozani				
	Ngcobo	Thobani				
	Shozi	Thembanani				
	Zuma	Thandiwe				
	Doncabe	Patricia				
	Cele	Sbahle				
	Nene	Phumokwakhe				
	Shabalala	Nkosinathi				
	Qalani	Thembelihle				
11	Cllr O J Mbambo		yes	10	10	Nil
	Chiliza	Bongiwe				
	Sengani	Mfanifikile				
	Cele	Themba				
	Mtambo	Martin				
	Gambushe	Zodwa				
	Dlungele	Hlekisile				
	Msomi	Bongumusa				
	Khuzwayo	Joshua				
	Gumede	Sithembile				
	Nyawo	Thozza				
12	Cllr P Zamisa		yes			Nil
	Mtambo	Bongani				
	Ngcongco	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				

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

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (entered Yes) If
28 September 2016	Refer to Appendix G	Yes
3 November 2016	Refer to Appendix G	Yes
8 December 2016	Refer to Appendix G	Yes
31 March 2017	Refer to Appendix G	Yes

## Appendix G: Audit Committee Meetings

Audit Committee Meetings and Performance Audit Committee Meetings held in the 2016/17 financial period.

Date	Type of meeting and Item	Resolution
17 June 2016	Audit Committee meeting	<p>Supply Chain Management Review - Audit Committee will require an updated report after the management and internal audit have found common grounds in some reported issues. That if there is a fruitless and wasteful expenditure, unauthorized expenditure or irregular expenditure, the management must act in those issues before the 30<sup>th</sup> of June 2016 and make sure that Annual Financial Statements do not reflect these reported issues as they will have impact in the clean audit.</p> <p>Section 71 Report - be noted.</p> <p>Status report – that the Audit Committee reports and PMS reports be tabled in one meeting, however, two separate agendas be prepared.</p>
28 September 2016	Audit Committee meeting	<p>Human Resource and Payroll Review - be approved.</p> <p>Section 71 Report - be noted.</p>

Date	Type of meeting and Item	Resolution
		<p>Internal Audit Plan - be approved the Methodology and requested the Manager: Internal Audit to resubmit the Internal Audit Plan for consideration.</p> <p>Internal Audit Charter &amp; Audit Committee Charter - be approved the Internal Audit Charter and recommend the External Audit Charter be forwarded to the Council for approval.</p>
08 December 2016	Audit Committee meeting	<p>Management and Audit Report – be noted.</p> <p>Risk Assessment report - be noted.</p> <p>Status on IA Plan – be noted and approved.</p> <p>That Manager: Internal Audit to include Section 36 and Irregular Register as a standing item as from the next agenda.</p>
31 March 2017	Performance Audit Committee meeting	<p>Annual report and Oversight Report – both reports be noted.</p> <p>Mid-Year Performance Assessment report – be noted.</p>
31 March 2017	Audit Committee meeting	<p>Internal Audit Reports: IT General Controls – be approved</p> <p>Internal Audit Reports: Assets Management – be approved</p> <p>Section 71 Report - be approved.</p> <p>Section 36 Report – be approved</p> <p>Status of the Audit Plan – be noted and approved</p>
29 June 2017	Audit Committee meeting	Section 71 Report - be approved

Date	Type of meeting and Item	Resolution
		<p>Section 36 Report – be approved</p> <p>Status of the Audit Plan – be noted and approved</p> <p>mSCOA readiness report – be noted</p> <p>Investigation outcome of Vumesa (PTY) Ltd report dated 18 August 2016 - the report be given to the Manager: Internal Audit then make a copy for the Mayor. The Manager: Internal Audit to bring other information, if there is, to support the finding raised on Vumesa (PTY) Ltd if she still feels that there finding should remain in the SCM report. The Manager: Internal Audit be welcomed to bring back the report to the Audit Committee.</p>
29 June 2017	Performance Audit Committee meeting	<p>Integrated Development Plan 2018-2022 – be noted.</p> <p>Service Delivery and Budget Implementation Plan – be noted.</p> <p>Dashboard (AGSA) – be noted</p>

## Appendix I (ii) Revenue Collection Performance by Source

REVENUE	Approved Budget (R)	Adjustments (R)	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Property rates	4 157 557	-	4 157 557	5 760 685	1 603 128	38.6%	More properties were billed than anticipated.
Interest earned - external investments	8 300 000	300 000	8 600 000	11 451 089	2 851 089	33.2%	Surplus funds were invested for longer periods than anticipated. In addition interest rates achieved on investments were competitive
Government grants and subsidies	174 018 000	8 412 389	182 430 389	177 052 909	-5 377 480	-2.9%	Not required
Other income	21 937 457	1 105 902	23 043 359	702 919	-22 340 440	-96.9%	A major portion of this budget included utilisation of savings from prior years. These funds were used for capital and operating purposes. The balance relates primarily to tender document sales and hall hire.
Total revenue	208 413 014	9 818 291	218 231 305	194 967 602	-23 263 703	-10.7%	
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	61 076 308	-	61 076 308	53 362 362	-7 713 946	-12.6%	Some vacant posts were not filled timeously during the year resulting in less spending when compared to the budget.
Repairs & maintenance	6 180 000	1 176 401	7 356 401	4 998 750	-2 357 651	-32.0%	Less repairs & maintenance was incurred than anticipated. Monitoring and evaluation of assets resources together with effective and efficient utilisation of assets resulted in cost savings.
General & other expenses	84 990 807	4 736 456	89 727 263	78 748 861	-10 978 402	-12.2%	Project prioritisation, implementation of cost saving mechanisms as well as strict monitoring and evaluation of pricing of goods and services had resulted in less spending when compared to the budget.
Total expenditure	152 247 114	5 912 857	158 159 972	137 109 973	-21 049 999	-13.3%	



**Appendix J – Conditional Grants Received: Including MIG**

GOVERNMENT GRANTS AND SUBSIDIES- ALLOCATION	Medium Term Income and Expenditure			
	Framework			
	2016/2017 Original budget	2016/2017 Adjusted Budget	Budget Year 2017/2018	Budget Year 2018/2019
<b>National Grants Allocations</b>				
Equitable share	119 488 000.00	119 488 000.00	123 267 000.00	124 276 000.00
Municipal Systems Improvement Grant (MSIG)	-	-	-	-
Local Government Financial Management Grant (FMG)	1 825 000.00	1 825 000.00	1 900 000.00	1 900 000.00
Municipal Infrastructure Grant (MIG)	32 622 000.00	35 897 703.00	34 829 000.00	36 677 000.00
Disaster Management Grant	10 000 000.00	10 783 820.00	-	-
Integrated national Electrification Programme	9 000 000.00	10 149 655.00	10 000 000.00	10 000 000.00
Extended Public Works Programme	1 083 000.00	1 083 000.00	-	-
<b>Sub Total - National Grant Allocations</b>	<b>174 018 000.00</b>	<b>179 227 178.00</b>	<b>169 996 000.00</b>	<b>172 853 000.00</b>
<b>Provincial Grants Allocations</b>				
Maintenance Grant - Sport Facilities	-	-	-	-
Project Consolidate	-	99 885.00		-
GIS Grant	-	7 985.00		-
Low Cost Housing	-	568 408.00		-
Tourism Grant/Ntelezi Msane	-	-		-
KZN Sports	-	524 774.00		-
Scheme Support Programme	-	-		-

Massification Programme Grant	-	2 002 159.00	7 220 000.00	8 000 000.00
<b>Sub Total - Provincial Grants Allocations</b>	-	<b>3 203 211.00</b>	<b>7 220 000.00</b>	<b>8 000 000.00</b>
<b>TOTAL GRANT ALLOCATIONS</b>	<b>174 018 000.00</b>	<b>182 430 389.00</b>	<b>177 216 000.00</b>	<b>180 853 000.00</b>

**Appendix L – Property, Plant and Equipment**  
**ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2017**

	2017			2016		
	Cost /Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost /Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Dwellings	942 675.78	-584 628.92	358 046.86	942 675.78	-513 166.66	429 509.12
Non-Residential Dwellings	52 089 962.98	-19 964 731.81	32 125 231.17	56 791 855.53	-19 229 828.62	37 562 026.91
Roads	209 394 656.11	-67 767 359.60	141 627 296.51	182 531 521.54	-51 223 443.28	131 308 078.26
Solid Waste Disposal	294 856.23	-106 218.37	188 637.86	311 043.73	-76 982.94	234 060.79
Machinery and Equipment	16 593 151.20	-4 291 265.16	12 301 886.04	16 484 316.50	-2 951 307.54	13 533 008.96
Furniture and Office Equipment	4 518 906.98	-2 654 351.80	1 864 555.18	3 895 210.32	-2 289 382.99	1 605 827.33
Computer Equipment	2 569 092.76	-1 584 648.96	984 443.80	2 502 663.95	-1 526 593.73	976 070.22
Transport Assets	11 573 981.62	-3 656 291.37	7 917 690.25	7 723 842.62	-2 455 245.59	5 268 597.03
Assets Under Construction	121 791 233.62	-	121 791 233.62	112 296 559.71	-	112 296 559.71
Computer Software	1 698 834.11	-578 920.27	1 119 913.84	972 060.07	-387 462.86	584 597.21

**SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2017**

Description	COST				ACCUMULATED DEPRECIATION				IMPAIRMENT	CARRYING VALUE	
	Balance 1/7/2015	Total additions	Disposals	Balance 30/6/2016	Balance 1/7/2015	Depreciation	Disposals	Balance 30/6/2016	Accumulated Impairment	Carrying value 30/6/2016	Carrying value 30/6/2015
Executive and Council	1 654 345.57	245 285.95	-14 091.93	1 885 539.59	996 327.26	167 452.84	-9 152.86	1 154 627.24	2 294.10	728 618.25	655 724.21
Financial and Admin	11 484 874.47	64 172.72	-13 913.24	11 535 133.95	3 945 474.44	536 403.37	-8 369.81	4 473 508.00	228.64	7 061 397.31	7 538 924.04
Technical Services	309 181 778.57	38 370 053.44	-2 014 611.52	345 537 220.49	52 794 561.01	18 093 177.66	-786 867.16	70 100 871.51	1 539 186.30	273 897 162.68	255 449 543.50
Planning and Development	218 094.88	12 414.04	-	230 508.92	76 331.95	33 820.65	-	110 152.60	-	120 356.32	141 762.93
Community & Social Services	51 955 355.40	566 492.55	-4 904 683.77	47 617 164.18	13 812 831.88	2 558 781.21	-1 953 296.25	14 418 316.84	4 055 190.05	29 143 657.29	34 250 964.66
Corporate Services	9 957 300.86	5 073 397.66	-368 914.26	14 661 784.26	4 136 153.85	1 478 189.49	-314 472.18	5 299 871.16	34 169.82	9 327 743.28	5 761 416.20

384 451 749.75	44 331 816.36	-7 316 214.72	421 467 351.39	75 761 680.39	22 867 825.22	-3 072 158.26	95 557 347.35	5 631 068.91	320 278 935.13	303 798 335.54
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**ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2017**

	Total actual additions	Approved budget	Adjustments	Final Budget	Variance	Variance	Explanation of Significant Variances greater than 10%
	R	R	R	R	R	%	
<b>MOVABLE ASSETS</b> (Machinery, furniture, computer/software, transport & equipment)	5 844 068	8 375 000	560 000	8 935 000	-3 090 932	-34.59%	Effective and efficient utilisation of assets, implementation of cost cutting mechanisms as well as strict pricing evaluation had resulted in savings.
<b>IMMOVABLE ASSETS</b> & other infrastructure) (Roads	38 487 750	47 790 900	3 345 433	51 136 333	-12 648 583	-24.74%	Projects were reprioritised and cost control measures were applied towards construction of certain projects.

**TOTAL**

<b>44 331 818</b>	<b>56 165 900</b>	<b>3 905 433</b>	<b>60 071 333</b>	<b>-15 739 515</b>	<b>-26.20%</b>
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## **Volume II: Annual Financial Statement**



**Annual Financial Statements  
for the year ended 30 June 2017**

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## General Information

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### Nature of business and principal activities

Providing services to the community of Umzumbe

### Executive Committee

Councillor Ngcobo SR (Mayor)  
Councillor Zungu MPL (Deputy Mayor)  
Councillor Shoji MP (Speaker)  
Councillor Luthuli MZ (Chief Whip)  
Councillor Luthuli BB (Exco Member)  
Councillor Mdletshe MS (Exco Member)  
Councillor Mweze NY (Exco Member)  
Councillor Zamisa P (Exco Member)

### Councillors

Councillor Cele LS  
Councillor Cele SR  
Councillor Cele ZC  
Councillor Dlamini DDB  
Councillor Dlamini EB  
Councillor Duma LN  
Councillor Habile PL  
Councillor Hlophe WN  
Councillor Jeza S  
Councillor Khanyile RSW  
Councillor Luthuli OT  
Councillor Madwe B  
Councillor Mbambo OJ  
Councillor Mbayi TM  
Councillor Mfeka BT  
Councillor Mfecane MM  
Councillor Mkhize R  
Councillor Msani ZZ  
Councillor Myende TC  
Councillor Mtambo JP  
Councillor Ndimande HZ  
Councillor Nzimande SG  
Councillor Radebe TJ  
Councillor Shezi CL  
Councillor Shoji DZ  
Councillor Sithole Z  
Councillor Sikhosana B  
Councillor Xaba NE  
Councillor Zama SZ  
Councillor Zamisa P  
Councillor Zindela AE

### Accounting Officer

Ms NC Mgijima

### Registered office

Sipofu Road  
Mathulini Tribal Authority  
4220

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## General Information

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**Business address**

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

**Postal address**

P.O. Box 561  
Hibberdene  
4220

**Bankers**

ABSA Bank Limited

**Auditors**

Auditor General South Africa  
Registered Auditors



# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Index

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

	<b>Page</b>
Accounting Officer's Responsibilities and Approval	4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Assets	7
Cash Flow Statement	8
Statement of Comparison of Budget and Actual Amounts	9 - 10
Accounting Policies	11 - 18
Notes to the Annual Financial Statements	19 - 38

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

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Officer's Responsibilities and Approval

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2018 and, in the light of this review and the current financial position, she is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

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

The annual financial statements set out on pages 5 to 38, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2017 and were signed on its behalf by the accounting officer:



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**Ms NC Mgijima**  
**Municipal Manager**

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Statement of Financial Position as at 30 June 2017

Figures in Rand	Note(s)	2017	2016 Restated*
<b>Current Assets</b>			
Receivables from exchange transactions	4	343,690	86,701
VAT receivable	5	8,573,238	20,898,485
Trade and other receivables from non-exchange transactions	6	9,299,136	6,812,432
Cash and Cash Equivalents	7	169,217,390	122,840,291
		<b>187,433,454</b>	<b>150,637,909</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	2	319,159,021	303,213,738
Intangible Assets	3	1,119,914	584,597
		<b>320,278,935</b>	<b>303,798,335</b>
<b>Total Assets</b>		<b>507,712,389</b>	<b>454,436,244</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Operating lease liability	10	37,603	21,186
Trade and Other Payables	11	14,126,450	15,825,440
Unspent Conditional Grants and Receipts	8	5,412,742	5,412,389
Provisions	9	3,924,613	3,495,890
		<b>23,501,408</b>	<b>24,754,905</b>
<b>Non-Current Liabilities</b>			
Provisions	9	796,000	735,000
<b>Total Liabilities</b>		<b>24,297,408</b>	<b>25,489,905</b>
<b>Net Assets</b>		<b>483,414,981</b>	<b>428,946,339</b>
Accumulated Surplus		483,414,981	428,946,339

\* See Note

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016 Restated*
<b>Revenue</b>			
Other income	15	702,919	578,594
Interest received - investment		11,451,089	8,269,793
Property rates	12	5,760,685	5,790,485
Government grants & subsidies	13	177,052,909	204,652,466
<b>Total revenue</b>		<b>194,967,602</b>	<b>219,291,338</b>
<b>Expenditure</b>			
Employee Related Costs	17	39,454,327	36,427,048
Remuneration of Councillors	18	13,908,035	13,688,879
Depreciation Amortisation and Impairment	20	24,136,298	22,658,468
Finance costs		82,000	65,000
Debt Impairment	19	448,791	519,236
Repairs and Maintenance		4,998,750	8,478,260
General Expenses	16	54,081,772	60,471,910
<b>Total expenditure</b>		<b>137,109,973</b>	<b>142,308,801</b>
<b>Operating surplus</b>		<b>57,857,629</b>	<b>76,982,537</b>
Loss on disposal of assets		(3,388,987)	(100,573)
<b>Surplus for the year</b>		<b>54,468,642</b>	<b>76,881,964</b>

\* See Note

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Statement of Changes in Net Assets

Figures in Rand	Accumulated Surplus	Total net assets
<b>Balance at 01 July 2015</b>	<b>351,092,443</b>	<b>351,092,443</b>
Correction of Errors	971,932	971,932
Surplus for the year	76,881,964	76,881,964
Total changes	77,853,896	77,853,896
<b>Restated* Balance at 01 July 2016</b>	<b>428,946,339</b>	<b>428,946,339</b>
Changes in net assets		
Surplus for the year	54,468,642	54,468,642
Total changes	54,468,642	54,468,642
<b>Balance at 30 June 2017</b>	<b>483,414,981</b>	<b>483,414,981</b>
Note(s)		

\* See Note

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Cash Flow Statement

Figures in Rand	Note(s)	2017	2016 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Customers		3,501,742	3,635,007
Grants		177,065,262	201,572,550
Interest income		11,421,924	8,269,793
		<b>191,988,928</b>	<b>213,477,350</b>
<b>Payments</b>			
Finance costs		(82,000)	(65,000)
Cash Paid to Suppliers and Employees		(101,523,946)	(127,147,592)
		<b>(101,605,946)</b>	<b>(127,212,592)</b>
<b>Net cash flows from operating activities</b>	22	<b>90,382,982</b>	<b>86,264,758</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(43,589,540)	(73,563,696)
Proceeds from sale of property, plant and equipment	2	325,935	-
Purchase of other intangible assets	3	(742,278)	(274,084)
<b>Net cash flows from investing activities</b>		<b>(44,005,883)</b>	<b>(73,837,780)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>46,377,099</b>	<b>12,426,978</b>
Cash and cash equivalents at the beginning of the year		122,840,291	110,413,313
<b>Cash and cash equivalents at the end of the year</b>	7	<b>169,217,390</b>	<b>122,840,291</b>

\* See Note

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## 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
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Figures in Rand

### Statement of Financial Performance

#### Revenue

##### Revenue from exchange transactions

Other income	21,937,457	1,105,902	<b>23,043,359</b>	702,919	<b>(22,340,440)</b>
Interest Earned - External Investments	8,300,000	300,000	<b>8,600,000</b>	11,451,089	<b>2,851,089</b>
<b>Total revenue from exchange transactions</b>	<b>30,237,457</b>	<b>1,405,902</b>	<b>31,643,359</b>	<b>12,154,008</b>	<b>(19,489,351)</b>

##### Revenue from non-exchange transactions

##### Taxation revenue

Property rates	4,157,557	-	<b>4,157,557</b>	5,760,685	<b>1,603,128</b>
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##### Transfer revenue

Government grants & subsidies	174,018,000	8,412,389	<b>182,430,389</b>	177,052,909	<b>(5,377,480)</b>
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<b>Total revenue from non-exchange transactions</b>	<b>178,175,557</b>	<b>8,412,389</b>	<b>186,587,946</b>	<b>182,813,594</b>	<b>(3,774,352)</b>
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<b>Total revenue</b>	<b>208,413,014</b>	<b>9,818,291</b>	<b>218,231,305</b>	<b>194,967,602</b>	<b>(23,263,703)</b>
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#### Expenditure

Salary Related Costs	(61,076,308)	-	<b>(61,076,308)</b>	(53,362,362)	<b>7,713,946</b>
Repairs and Maintenance	(6,180,000)	(1,176,401)	<b>(7,356,401)</b>	(4,998,750)	<b>2,357,651</b>
General and Other Expenses	(84,990,807)	(4,736,456)	<b>(89,727,263)</b>	(78,748,861)	<b>10,978,402</b>

<b>Total expenditure</b>	<b>(152,247,115)</b>	<b>(5,912,857)</b>	<b>(158,159,972)</b>	<b>(137,109,973)</b>	<b>21,049,999</b>
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<b>Operating surplus</b>	<b>56,165,899</b>	<b>3,905,434</b>	<b>60,071,333</b>	<b>57,857,629</b>	<b>(2,213,704)</b>
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Loss on disposal of assets	-	-	-	(3,388,987)	<b>(3,388,987)</b>
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<b>Surplus / (Deficit)</b>	<b>56,165,899</b>	<b>3,905,434</b>	<b>60,071,333</b>	<b>54,468,642</b>	<b>(5,602,691)</b>
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<b>Capital</b>	-	-	-	-	-
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Capital Expenditure	(56,165,899)	(3,905,434)	<b>(60,071,333)</b>	(44,331,818)	<b>15,739,515</b>
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# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## 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
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Figures in Rand

### Cash Flow Statement

#### Cash flows from operating activities

Net cash (from) from operating activities	152,247,115	5,912,857	<b>158,159,972</b>	90,382,982	<b>(67,776,990)</b>	
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#### Cash flows from investing activities

Purchase of property, plant and equipment	(56,165,899)	(3,905,434)	<b>(60,071,333)</b>	(44,005,883)	<b>16,065,450</b>	
Net increase/(decrease) in cash and cash equivalents	96,081,216	2,007,423	<b>98,088,639</b>	46,377,099	<b>(51,711,540)</b>	
Cash and cash equivalents at the beginning of the year	-	-	-	122,840,291	<b>122,840,291</b>	
<b>Cash and cash equivalents at the end of the year</b>	<b>96,081,216</b>	<b>2,007,423</b>	<b>98,088,639</b>	<b>169,217,390</b>	<b>71,128,751</b>	



# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

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

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

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

GRAP - 1 Presentation of Financial Statements  
GRAP - 2 Cashflow Statements  
GRAP - 3 Accounting Policies, Changes in Accounting Estimates and Errors  
GRAP - 9 Revenue from Exchange Transactions  
GRAP - 13 Leases  
GRAP - 17 Property Plant and Equipment  
GRAP - 19 Provisions, Contingent Liabilities and Contingent Assets  
GRAP - 26 Impairment of Cash Generating Assets  
GRAP - 31 Intangible Assets  
GRAP - 14 Events after the reporting date  
GRAP - 24 Presentation of Budget Information in Financial Statements  
GRAP - 23 Revenue from Non-exchange Transactions  
GRAP - 25 Employee Benefits  
GRAP - 104 Financial Instruments

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

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

GRAP 20 - Related party disclosures  
  
GRAP 32 - Service concession agreements : Grantor  
  
GRAP 34 - Separate Financial Statements  
  
GRAP 35 - Consolidated Financial Statements  
  
GRAP 36 - Investments in Associates and Joint Ventures  
  
GRAP 37 - Joint Arrangements  
  
GRAP 38 - Disclosure of Interests in Other Entities  
  
GRAP 108 - Statutory Receivables  
  
GRAP 109 - Accounting by Principals and Agents  
  
GRAP 110 - Living and Non-living Resources

#### **1.1 Presentation currency**

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

#### **1.2 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.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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

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 is carried at cost less accumulated depreciation and any impairment losses.

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

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

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

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Item	Depreciation method	Average useful life
Computer Equipment	Straight line	05-10
Solid Waste Disposal	Straight line	05-55
Dwellings	Straight line	05-30
Electricity	Straight line	05-80
Furniture & Office Equipment	Straight line	03-10
Non Residential Dwellings	Straight line	10-30
Transport Assets	Straight line	04-20
Machinery & Equipment	Straight line	02-20
Roads	Straight line	03-100

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# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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

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

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

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

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

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

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

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

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

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

### Assets Under Construction

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

### 1.3 Intangible Assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

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

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.3 Intangible Assets (continued)

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

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

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

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

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

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

### 1.4 Financial Instruments

#### Receivables from exchange transactions

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

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

#### Payables from exchange transactions

Trade payables are measured at fair value.

#### Cash and Cash Equivalents

## Accounting Policies

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### 1.4 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, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Where the initial credit period granted is not in line with practices or legislation in the public sector, the effect of discounting is considered if it is material.

### 1.5 Leases

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

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

#### Finance leases - lessor

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

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

#### Finance leases - lessee

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

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

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

#### Operating leases - lessor

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

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

#### Operating Leases - Lessee

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

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.6 Employee Benefits

#### Short-Term Employee Benefits

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

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

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

#### Defined Contribution Plans

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

The Municipality's employees are members of the Kwazulu - Natal Joint Municipal Pension Fund (a State and Multi Employer Defined Benefit Plan) and Kwazulu Natal Joint Provident Fund (a State and Multi Employer Defined Contribution

Plan). Along with other Municipalities in the province of Kwazulu Natal, uMzumbe participates in a multi employer defined plan.

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

#### Long Service Awards

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

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

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

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

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

### 1.7 Provisions and Contingencies

Provisions are recognised when:

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

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

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

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.7 Provisions and Contingencies (continued)

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

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

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

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

### 1.8 Revenue

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

#### Measurement

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

Revenue from unconditional grants are recognised immediately upon receipt.

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

#### Rates

Revenue from rates is recognised when:

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

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

#### Conditional Grants and Receipts

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

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

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

### 1.9 Comparative Figures

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

### 1.10 Unauthorised expenditure

Unauthorised expenditure means:

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

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.10 Unauthorised expenditure (continued)

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

### 1.11 Fruitless and wasteful expenditure

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

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

### 1.12 Irregular expenditure

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

### 1.13 Use of estimates

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

### 1.14 Related parties

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

### 1.15 Events after the reporting date

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

### 1.16 Value Added Tax (VAT)

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

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

### 1.17 Commitments

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

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



# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 2. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Machinery Equipment	16,593,151	(4,291,266)	12,301,885	16,484,317	(2,951,308)	13,533,009
Furniture and Office Equipment	4,518,908	(2,654,352)	1,864,556	3,895,211	(2,289,383)	1,605,828
Transport Assets	11,573,982	(3,656,291)	7,917,691	7,723,843	(2,455,246)	5,268,597
Computer Equipment	2,569,093	(1,584,649)	984,444	2,502,664	(1,526,594)	976,070
Solid Waste Disposal	294,856	(106,218)	188,638	311,044	(76,983)	234,061
Dwellings	942,676	(584,629)	358,047	942,676	(513,167)	429,509
Non Residential Dwellings	52,089,963	(19,964,733)	32,125,230	56,791,856	(19,229,830)	37,562,026
Roads	209,394,656	(67,767,360)	141,627,296	182,531,522	(51,223,443)	131,308,079
Assets under construction	121,791,234	-	121,791,234	112,296,559	-	112,296,559
<b>Total</b>	<b>419,768,519</b>	<b>(100,609,498)</b>	<b>319,159,021</b>	<b>383,479,692</b>	<b>(80,265,954)</b>	<b>303,213,738</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

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

#### Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Impairment reversal	Total
Machinery Equipment	13,533,009	197,053	(42,036)	35,000	(1,420,907)	(234)	-	12,301,885
Furniture and Office Equipment	1,605,828	731,129	(20,587)	-	(449,857)	(1,957)	-	1,864,556
Transport Assets	5,268,597	3,850,139	-	-	(1,205,629)	-	4,584	7,917,691
Computer Equipment	976,070	323,469	(11,821)	-	(303,274)	-	-	984,444
Solid Waste Disposal	234,061	-	(14,655)	-	(28,772)	(1,996)	-	188,638
Dwellings	429,509	-	-	-	(71,462)	-	-	358,047
Assets Under Construction	112,296,559	38,449,450	-	(28,954,775)	-	-	-	121,791,234
Non Residential Dwellings	37,562,026	-	(2,417,280)	112,600	(2,464,881)	(667,235)	-	32,125,230
Roads	131,308,079	38,300	(1,208,189)	28,807,175	(16,716,435)	(601,634)	-	141,627,296
	<b>303,213,738</b>	<b>43,589,540</b>	<b>(3,714,568)</b>	<b>-</b>	<b>(22,661,217)</b>	<b>(1,273,056)</b>	<b>4,584</b>	<b>319,159,021</b>

#### Assets under construction comprises:

	Opening balance	Additions	Transfers	Closing balance
Non Residential Dwellings	70,338,944	10,572,604	(112,600)	80,798,948
Roads	41,957,616	27,841,846	(28,807,175)	40,992,287
Machinery Equipment	-	35,000	(35,000)	-
	<b>112,296,560</b>	<b>38,449,450</b>	<b>(28,954,775)</b>	<b>121,791,235</b>

#### Impairment of Assets

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

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

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

#### Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Machinery Equipment	12,905,749	2,016,569	(15,383)	-	(1,361,604)	(12,322)	13,533,009
Furniture and Office Equipment	1,597,765	517,067	(60,807)	-	(443,436)	(4,761)	1,605,828
Transport Assets	4,735,500	1,479,110	-	-	(932,641)	(13,372)	5,268,597
Computer Equipment	817,811	473,638	(10,412)	-	(304,957)	(10)	976,070
Solid Waste Disposal	214,305	47,000	(1,026)	-	(26,218)	-	234,061
Dwellings	533,299	-	-	-	(103,790)	-	429,509
Assets Under construction	77,063,970	68,234,562	-	(33,001,973)	-	-	112,296,559
Non Residential Dwellings	39,334,213	178,750	-	914,006	(2,511,448)	(353,495)	37,562,026
Roads	115,061,273	617,000	(11,932)	32,087,967	(15,770,965)	(675,264)	131,308,079
	<b>252,263,885</b>	<b>73,563,696</b>	<b>(99,560)</b>	<b>-</b>	<b>(21,455,059)</b>	<b>(1,059,224)</b>	<b>303,213,738</b>

#### Impairment of assets

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

#### Expenditure incurred to repair and maintain property, plant and equipment

##### Included in Statement of Financial Performance

Repairs and Maintenance	4,998,750	8,478,260
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# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand 2017 2016

### 3. Intangible Assets

	2017			2016		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1,698,834	(578,920)	1,119,914	972,060	(387,463)	584,597

#### Reconciliation of intangible assets - 2017

	Opening balance	Additions	Disposals	Armortisation Disposals	Amortisation	Total
Computer software	584,597	742,278	(15,504)	15,152	(206,609)	1,119,914

#### Reconciliation of intangible assets - 2016

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	455,710	274,084	(1,013)	(144,184)	584,597

### 4. Receivables from exchange transactions

Sundry debtors	314,525	63,889
Interest	29,165	22,812
Rei Management	2,379,003	2,379,003
Rei Management (Provision for Bad debts)	(2,379,003)	(2,379,003)
	<b>343,690</b>	<b>86,701</b>

### 5. VAT receivable

Value Added Tax	8,573,238	20,898,485
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The municipality is predominantly funded by Government Grants which are zero rated. Therefore VAT input has been claimed which has not been received as yet.

### 6. Trade and other receivables from non exchange transactions

#### Gross balances

Rates	12,004,142	9,068,647
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#### Less: Allowance for impairment

Rates	(2,705,006)	(2,256,215)
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#### Net balance

Rates	9,299,136	6,812,432
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#### Rates

>180 days	9,299,136	6,812,432
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#### Summary of debtors by customer classification

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>6. Trade and other receivables from non exchange transactions (continued)</b>		
<b>Residential</b>		
> 180 days	3,432,521	2,656,681
	3,432,521	2,656,681
Less: Allowance for impairment	(2,705,006)	(2,256,215)
	<b>727,515</b>	<b>400,466</b>
<b>Industrial/ commercial</b>		
> 180 days	1,513,852	1,306,583
<b>National and provincial government</b>		
> 180 days	6,972,204	5,102,892
<b>Total</b>		
> 180 days	12,004,142	9,068,647
	12,004,142	9,068,647
Less: Allowance for impairment	(2,705,006)	(2,256,215)
	<b>9,299,136</b>	<b>6,812,432</b>
<b>Less: Allowance for impairment</b>		
> 365 days	(2,705,006)	(2,256,215)
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(2,256,215)	(1,736,980)
Contributions to allowance	(448,791)	(519,235)
	<b>(2,705,006)</b>	<b>(2,256,215)</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Cash on hand	1,318	779
Bank balances	159,652,376	113,275,555
Short-term deposits	9,563,696	9,563,957
	<b>169,217,390</b>	<b>122,840,291</b>

The short-term deposits and Bank balances are held with banks as indicated below.

#### The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
ABSA BANK LTD - Port Shepstone - 40-7276-2850	158,887,601	112,559,348	158,887,601	112,553,324
ABSA Housing Account - Port Shepstone - 40-7278-0715	623,489	588,227	623,489	588,227
ABSA MIG Account - Port Shepstone 40 - 7277-6506	141,286	134,005	141,286	134,005
FNB - Money market account	3,880,010	3,880,271	3,880,010	3,880,271
FNB 32 day fixed deposit account	5,683,686	5,683,686	5,683,686	5,683,686
<b>Total</b>	<b>169,216,072</b>	<b>122,845,537</b>	<b>169,216,072</b>	<b>122,839,513</b>

### 8. Unspent Conditional Grants and Receipts

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

Project Consolidate	99,885	99,885
Low cost housing grant	603,670	568,408
GIS Grant	7,985	7,985
Municipal Infrastructure Grant	401,693	275,703
Disaster Management Grant	3,950,495	783,820
KZN Sports	349,014	524,774
National Electrification	-	1,149,655
Massification Grant	-	2,002,159
	<b>5,412,742</b>	<b>5,412,389</b>

#### Movement during the year

Balance at the beginning of the year	5,412,389	8,492,304
Additions during the year	57,577,262	74,460,550
Income recognition during the year	(57,576,909)	(77,540,465)
	<b>5,412,742</b>	<b>5,412,389</b>

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

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 9. Provisions

#### Reconciliation of provisions - 2017

	Opening Balance	Additions	Utilised during the year	Actuarial Loss (Gain)	Current Service cost	Finance Cost	Total
Provision for Bonus	864,931	964,076	(864,931)	-	-	-	964,076
Long Service Awards	751,000	-	(15,266)	(102,734)	151,000	82,000	866,000
Leave Pay	2,614,959	848,364	(572,786)	-	-	-	2,890,537
	<b>4,230,890</b>	<b>1,812,440</b>	<b>(1,452,983)</b>	<b>(102,734)</b>	<b>151,000</b>	<b>82,000</b>	<b>4,720,613</b>

#### Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Actuarial Loss (Gain)	Current Service Cost	Finance Cost	Total
Provision for Bonus	898,919	864,931	(898,919)	-	-	-	864,931
Long Service Awards	651,000	-	(8,706)	(90,294)	134,000	65,000	751,000
Leave Pay	2,329,138	806,995	(521,174)	-	-	-	2,614,959
	<b>3,879,057</b>	<b>1,671,926</b>	<b>(1,428,799)</b>	<b>(90,294)</b>	<b>134,000</b>	<b>65,000</b>	<b>4,230,890</b>

Non-current liabilities	796,000	735,000
Current liabilities	3,924,613	3,495,890
	<b>4,720,613</b>	<b>4,230,890</b>

#### Provision for Long Service Awards

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality. The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2017 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 2017 by a member of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

Discount Rate	9.43%	9.36%
CPI (Consumer Price Inflation)	6.93%	7.63%
Normal Salary Increase Rate	7.93%	8.63%
Net Effective Discount Rate	1.39%	0.67%

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

Total Accrued Liability	949,000	829,000
Current Service Cost	170,000	171,000
Interest Cost	105,000	90,000
	<b>1,224,000</b>	<b>1,090,000</b>

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

Total Accrued Liability	793,000	683,000
Current Service Cost	136,000	135,000
Interest Cost	87,000	74,000
	<b>1,016,000</b>	<b>892,000</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 10. Operating lease asset (liability)

Current assets	-	-
Current liabilities	(37,603)	(21,186)
	<b>(37,603)</b>	<b>(21,186)</b>

### Minimum Lease Payments due

Within one year	96,740	40,513
In second to fifth year inclusive	75,397	98,610
Over five years and until the end of the lease	405,747	418,361
	<b>577,884</b>	<b>557,484</b>

### 11. Trade and Other Payables

Trade payables	714,475	1,300,173
Other payables	359,188	387,501
Rental Deposits	20,000	20,000
Retention	13,032,787	14,117,766
	<b>14,126,450</b>	<b>15,825,440</b>

### 12. Property rates

#### Rates

Property Rates Billed	5,760,685	5,790,485
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# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>13. Government grants and subsidies</b>		
<b>Grants</b>		
Equitable share	119,488,000	127,112,000
Municipal Systems Improvement Grant	-	930,000
Financial Management Grant	1,825,000	1,800,000
Disaster Management Grant	6,833,325	15,115,650
Municipal Infrastructure Grant	35,496,010	38,246,297
Expanded Public Works Program	1,083,000	1,084,000
Land Use Scheme	-	347,190
Intergrated National Electrification Programme	10,149,655	12,570,091
KZN Sports Grant	175,760	1,449,397
Massification Grant	2,002,159	5,997,841
	<b>177,052,909</b>	<b>204,652,466</b>
<b>Project Consolidate</b>		
Balance unspent at beginning of year	99,885	99,885
Conditions still to be met - remain liabilities (see note 8)		
<b>Municipal Systems Improvement Grant</b>		
Current-year receipts	-	930,000
Conditions met - transferred to revenue	-	(930,000)
	<b>-</b>	<b>-</b>
<b>Financial Management Grant</b>		
Current-year receipts	1,825,000	1,800,000
Conditions met - transferred to revenue	(1,825,000)	(1,800,000)
	<b>-</b>	<b>-</b>
<b>Low Cost Housing Grant</b>		
Balance unspent at beginning of year	568,408	538,858
Current-year receipts	35,262	29,550
	<b>603,670</b>	<b>568,408</b>
Conditions still to be met - remain liabilities (see note 8)		
<b>GIS Grant</b>		
Balance unspent at beginning of year	7,985	7,985

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>13. Government grants and subsidies (continued)</b>		
Conditions still to be met - remain liabilities (see note 8)		
<b>Municipal Infrastructure Grant</b>		
Balance unspent at beginning of year	275,703	-
Current-year receipts	35,622,000	38,522,000
Conditions met - transferred to revenue	(35,496,010)	(38,246,297)
	<b>401,693</b>	<b>275,703</b>
Conditions still to be met - remain liabilities (see note 8)		
<b>Expanded Public Works Program</b>		
Current-year receipts	1,083,000	1,084,000
Conditions met - transferred to revenue	(1,083,000)	(1,084,000)
	-	-
<b>Disaster Management Grant</b>		
Balance unspent at beginning of year	783,820	4,804,470
Current-year receipts	10,000,000	11,095,000
Conditions met - transferred to revenue	(6,833,325)	(15,115,650)
	<b>3,950,495</b>	<b>783,820</b>
Conditions still to be met - remain liabilities (see note 8)		
<b>KZN Sports</b>		
Balance unspent at beginning of year	524,774	1,974,171
Conditions met - transferred to revenue	(175,760)	(1,449,397)
	<b>349,014</b>	<b>524,774</b>
Conditions still to be met - remain liabilities (see note 8).		
<b>Scheme and Land Support Project</b>		
Balance unspent at beginning of year	-	347,190
Conditions met - transferred to revenue	-	(347,190)
	-	-
<b>National Electrification Grant</b>		
Balance unspent at beginning of year	1,149,655	719,745
Current-year receipts	9,000,000	13,000,000
Conditions met - transferred to revenue	(10,149,655)	(12,570,090)
	-	<b>1,149,655</b>
<b>Massification Grant</b>		
Balance unspent at beginning of year	2,002,159	-
Current-year receipts	-	8,000,000
Conditions met - transferred to revenue	(2,002,159)	(5,997,841)
	-	<b>2,002,159</b>
Conditions still to be met - remain liabilities (see note 8).		

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>14. Investment revenue</b>		
<b>Interest revenue</b>		
Interest Received on Investments	11,451,089	8,269,793
<b>15. Other income</b>		
Tender Income	136,511	80,263
Sundry income	566,408	498,331
	<b>702,919</b>	<b>578,594</b>
<b>16. General expenses</b>		
Advertising	648,463	568,354
Auditors remuneration	1,246,638	859,595
Bank charges	161,105	210,838
Bursaries	700,675	538,325
Community Participation	4,170,856	2,781,330
Conferences and seminars	304,928	461,265
Consulting and professional fees	1,637,079	1,269,077
Consumables	210,004	343,705
Electricity	232,015	170,546
Free basic services (Electricity)	12,835,974	19,353,342
Functions and refreshments	198,275	280,003
IDP & PMS Development	665,185	1,815,689
Initiative Support	395,146	1,334,313
Insurance	692,168	672,978
IT expenses	161,693	371,321
Lease Rentals on Operating Lease	204,540	498,440
LED Projects	695,134	637,244
Marketing	300,599	339,916
Motor vehicle expenses	2,040,907	1,123,228
Printing and stationery	679,046	604,239
Security (Guarding of municipal property)	1,419,197	1,052,530
Social Programmes	4,053,377	4,352,568
Solid Waste	403,068	312,998
Special Programmes	6,116,385	9,320,655
Subsistence and Travel	2,399,290	1,708,094
Telephone and fax	1,118,869	1,367,436
Training	580,223	443,809
Tourism Development	2,824,806	1,456,646
Ward Committees	2,287,146	1,668,288
Uniforms	297,351	507,997
Other expenses	4,401,630	4,047,141
	<b>54,081,772</b>	<b>60,471,910</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>17. Employee related costs</b>		
Basic Salary	25,241,032	23,508,551
Bonus	2,203,894	1,523,821
Medical aid - company contributions	1,250,717	1,185,420
Unemployment Insurance Fund	181,054	170,958
Skills Development Levy	335,377	309,162
Leave pay provision charge	848,364	806,995
Pension Contribution	2,829,699	2,623,552
Travel, motor car, accommodation, subsistence and other allowances	5,061,111	4,764,235
Overtime payments	781,986	559,272
Acting allowances	143,199	173,354
Other Salary costs	577,894	801,728
	<b>39,454,327</b>	<b>36,427,048</b>

### Remuneration of Municipal Manager

Annual Remuneration	902,045	822,616
Car Allowance	304,440	274,205
Performance Bonus	170,486	-
Other	24,692	41,463
	<b>1,401,663</b>	<b>1,138,284</b>

### Remuneration of Chief Financial Officer

Annual Remuneration	783,638	714,635
Car Allowance	264,478	238,211
Performance Bonuses	148,108	-
Other	36,378	37,673
	<b>1,232,602</b>	<b>990,519</b>

### Remuneration Corporate Services Director

Annual Remuneration	736,746	666,433
Car Allowance	248,652	222,144
Performance Bonuses	139,245	-
Other	44,574	73,973
	<b>1,169,217</b>	<b>962,550</b>

### Remuneration of Technical Services Director

Annual Remuneration	-	171,650
Car Allowance	-	57,216
Leave Payout	-	80,195
Other	-	2,976
	<b>-</b>	<b>312,037</b>

The Director for Technical Services position was vacant in 2016-17 financial year

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>17. Employee related costs (continued)</b>		
<b>Remuneration of Social &amp; Community Services Director</b>		
The position of the Social & Community Services Director was vacant during the year.		
<b>18. Remuneration of councillors</b>		
Mayor	780,127	775,097
Deputy Mayor	668,856	641,099
Speaker	642,275	640,098
Councillors	11,816,777	11,632,585
	<b>13,908,035</b>	<b>13,688,879</b>
<b>19. Debt impairment</b>		
Contributions to debt impairment provision	448,791	519,236
<b>20. Depreciation, amortisation and Impairment</b>		
Property, plant and equipment	23,929,689	22,514,284
Intangible assets	206,609	144,184
	<b>24,136,298</b>	<b>22,658,468</b>
<b>21. Auditors' remuneration</b>		
Fees	1,246,638	859,595
<b>22. Cash generated from operations</b>		
Surplus	54,468,642	76,881,964
<b>Adjustments for:</b>		
Depreciation and amortisation	24,136,298	22,658,468
Loss on sale of assets	3,388,987	100,573
Debt impairment	448,791	519,236
Movement in operating lease accrual	16,417	3,617
Movements in provisions	489,723	351,833
Other non-cash items	-	971,931
<b>Changes in working capital:</b>		
Receivables from exchange transactions	(256,989)	2,619
Trade and other receivables from non exchange transactions	(2,935,494)	(2,846,006)
Trade and Other Payables	(1,698,993)	4,114,236
VAT	12,325,247	(13,413,798)
Unspent Conditional Grants and Receipts	353	(3,079,915)
	<b>90,382,982</b>	<b>86,264,758</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>23. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Approved and contracted for:</b>		
• Infrastructure	39,883,822	48,259,305
<b>Approved but not yet contracted for:</b>		
• Infrastructure	62,365,358	62,841,553
<b>Total capital commitments</b>		
Already contracted for but not provided for	39,883,822	48,259,305
Not yet contracted for and authorised by accounting officer	62,365,358	62,841,553
	<b>102,249,180</b>	<b>111,100,858</b>

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

### 24. Unauthorised expenditure

Opening balance	2,379,003	2,379,003
Less: Amounts written off	-	-
	<b>2,379,003</b>	<b>2,379,003</b>

### 25. Fruitless and wasteful expenditure

Current year expenditure	58,570	15,314
Less: Amounts written off	(58,570)	(15,314)
	-	-

### Incidents

- The municipality incurred fruitless and wasteful expenditure of R 58 569.90 due to interest and penalties arising from late payments and late submission of mandatory reports..

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 26. Irregular expenditure

Add: Irregular Expenditure - current year	-	1,627,776
Less: Amounts written off (Condoned)	-	(1,627,776)
	-	-

### Details of irregular expenditure - current year (2016)

Incident	Action	-
The municipality incurred irregular expenditure as a result of a service provider submitting a fraudulent tax clearance certificate	The expenditure was tabled to council for condonment.	1,627,776
		<b>1,627,776</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

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

An amount of R 200 582 was adjusted for prior year salary related liabilities.

Assets not capitalised in the previous financial year resulted in an increase of R1 046 860 in Accumulated depreciation.

An amount of R771 349 relates to correction of prior year creditors balances.

An amount of R2 492 relates to correction of prior year debtors balances.

#### Statement of Financial Position

	Note	As previously reported	Correction of errors	Reclassification	Total
Receivables from exchange transactions	4	86,701	-	-	86,701
VAT Receivable	5	20,898,485	-	-	20,898,485
Trade and Other Receivables from Non Exchange Transactions	6	6,809,940	2,492	-	6,812,432
Cash and Cash Equivalents	7	122,840,291	-	-	122,840,291
Property , Plant and Equipment	2	304,260,598	(1,046,860)	-	303,213,738
Intangible Assets	3	584,597	-	-	584,597
<b>Total Assets</b>	<b>-</b>	<b>455,480,612</b>	<b>(1,044,368)</b>	<b>-</b>	<b>454,436,244</b>
Operating Lease Liability	10	(21,186)	-	-	(21,186)
Trade and Other Payables	11	(16,797,371)	971,931	-	(15,825,440)
Unspent Conditional Grants and Receipts	8	(5,412,389)	-	-	(5,412,389)
Current : Provisions	9	(3,495,890)	-	-	(3,495,890)
Non Current Provisions	9	(735,000)	-	-	(735,000)
Accumulated Surplus	-	(429,018,776)	72,437	-	(428,946,339)
	<b>-</b>	<b>455,480,612</b>	<b>-</b>	<b>-</b>	<b>454,436,244</b>

#### Statement of financial performance

	Note	As previously reported	Correction of errors	Reclassification on	Total
Other Income	15	578,594	-	-	578,594
Interest Received - Investment	-	8,269,793	-	-	8,269,793
Property Rates	12	5,787,993	2,492	-	5,790,485
Government Grants & Subsidies	13	204,652,466	-	-	204,652,466
<b>Total Revenue</b>	<b>-</b>	<b>219,288,846</b>	<b>2,492</b>	<b>-</b>	<b>219,291,338</b>
Employee Related Costs	17	(36,427,048)	-	-	(36,427,048)



# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand

Remuneration of Councillors	18	(13,688,879)	-	-	(13,688,879)
Depreciation Amortisation and Impairment	20	(21,611,607)	(1,046,861)	-	(22,658,468)
Finance Cost	-	(65,000)	-	-	(65,000)
Debt Impairment	19	(519,236)	-	-	(519,236)
Repairs and Maintenance	-	(8,478,260)	-	-	(8,478,260)
General Expenses	16	(60,471,910)	-	-	(60,471,910)
Loss on Disposal of Assets	-	(100,573)	-	-	(100,573)
<b>Surplus for the year</b>	<b>-</b>	<b>77,926,333</b>	<b>(1,044,369)</b>	<b>-</b>	<b>76,881,964</b>

### Cashflow Statement

	Note	As previously reported	Correction of errors	Total
Government Grants and subsidies	-	201,572,550	-	201,572,550
Cash Receipts from Customers	-	3,635,007	-	3,635,007
Interest Income	-	8,269,793	-	8,269,793
Finance Costs	-	(65,000)	-	(65,000)
Cash Paid to Suppliers and Employees	-	(127,147,592)	-	(127,147,592)
Purchase of Property, Plant and Equipment	2	(73,563,696)	-	(73,563,696)
Purchase of intangible assets	3	(274,084)	-	(274,084)
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>12,426,978</b>	<b>-</b>	<b>12,426,978</b>

### 28. Contingencies

#### Contingent Liabilities

Incidents.

The municipality has not completed any employee job evaluations as prescribed in terms of the Salary and wage collective agreement between SALGA, IMATU and SAMWU - 27 July 2012. As a result the municipality is unable to measure, with sufficient reliability, the amount of such obligation for both the 30 June 2017 and 30 June 2016 year-ends.

There is a pending court case between the municipality and PV Conco and Others regarding a municipal property which was built on private land. The estimated legal cost relating to the matter is R35 000.00

Some employees referred a dispute between themselves and the municipality to the labour court which related to their salaries. The estimated legal cost amount to R30 000.00

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 29. 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)	9,299,136	6,812,432
Cash and Cash Equivalents	169,217,390	122,840,291

### 30. 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.

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

#### Contribution to Local Government Associations

Current year subscription	500,000	500,000
Amount paid	(500,000)	(500,000)
	-	-

#### Audit fees

Current year fee	1,246,638	859,595
Amount paid - current year	(1,246,638)	(859,595)
	-	-

#### PAYE and UIF

Current year deductions	8,526,650	8,257,555
Amount paid	(8,526,650)	(8,257,555)
	-	-

#### Pension and Medical Aid Deductions

Current year	4,063,740	6,248,989
Amount paid	(4,063,740)	(6,248,989)
	-	-

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 32. 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

#### Municipal Councillors Pension Fund:

The scheme is subject to an actuarial valuation. The last statutory valuation was performed as at 30 June 2015.

The valuation performed revealed that at the valuation date, the fair value of the Fund's adjusted net assets amounted to R 2 551.9 million.

As reported by the Actuaries, the Fund was in a sound financial condition as at 30 June 2015, in that the assets of the Fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

### 33. Related Party Transactions

#### Section 45 and 44 of SCM Regulations

##### Purchases from related parties

Odaleka Maintenance and Projects	-	6,000
Smakuhle General Trading	15,750	40,750

Odaleka Maintenance and Projects - The company is owned by the spouse of an employee (Manager Internal Audit) of Umzumbe Municipality.

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

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 34. Section 36 deviations

During the year the Accounting Officer approved minor breaches in terms of section 36 (1) (b) amounting to R 2 295 202.72 (2016 - R1 864 020.87)





**OVERSIGHT REPORT PRESENTED BY CHAIRPERSON OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON THE  
ANNUAL REPORT FOR THE FINANCIAL YEAR 2016/2017**

## MPAC Oversight Report on the Draft Annual Report 2016/2017 FY

In an MPAC meeting held on the 26<sup>th</sup> of March 2018 a draft annual report was tabled for MPAC members to play an oversight role on the report. The committee went through the document and commended the work done by the Development Planning unit to come with such a document that reflects what the council has managed to achieve in the year 2016/17. Hereunder is the reflection on areas that are to be rectified in the report before submission to Council. The council need to consider the report and adopt it.

Chapters	Page Number	Activities
1	<ul style="list-style-type: none"> <li>Page 10</li> </ul>	<ul style="list-style-type: none"> <li>Add an S in function.</li> <li>Add as per chapter 5 section 83 and 83 just after the year 1998.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 12</li> </ul>	<ul style="list-style-type: none"> <li>Add and community halls construction and maintenance in bullet point 7.</li> <li>Add the last two (2) bullet points which are – access roads development and maintenance. Last point to be coordination of Human Settlement Development.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 15</li> </ul>	<ul style="list-style-type: none"> <li>Add or after SIP, after program add an and.</li> <li>Last paragraph insert an s area.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 18</li> </ul>	<ul style="list-style-type: none"> <li>3<sup>rd</sup> paragraph insert d on introduce.</li> <li>Last sentence delete to after Reform.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 21</li> </ul>	<ul style="list-style-type: none"> <li>Correct the areas and wards to align with the new wards demarcations.</li> </ul>
	Chapter 2 page 24	<ul style="list-style-type: none"> <li>Insert 6<sup>th</sup> committee which is youth development committee.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 29</li> </ul>	<ul style="list-style-type: none"> <li>2.2 paragraph 2<sup>nd</sup> sentence correct the section 56 portion wherein there were 2 vacant posts Directors Social and Community Services and the for Technical Services.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 31</li> </ul>	<ul style="list-style-type: none"> <li>2.3 paragraph 1<sup>st</sup> sentence delete premier and add COGTA MEC. Add a new sentence that will as there is a Premier's Coordinating Forum where in Mayors meet with the premier.</li> <li>Last paragraph kindly remove the names of officials and put the title of the position.</li> <li>Also add the following IGR structures which are District ICT and Communicators Forums.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 33</li> </ul>	<ul style="list-style-type: none"> <li>2<sup>nd</sup> sentence add that the Youth Office is chaired by one of the EXCO members instead of Speaker of Council.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 46</li> </ul>	<ul style="list-style-type: none"> <li>2.8 paragraph to have the SCM as caps instead of small letters.</li> </ul>

3	<ul style="list-style-type: none"> <li>Page 49</li> </ul>	<ul style="list-style-type: none"> <li>Last sentence delete the community services unit by Social and Community services department.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 50</li> </ul>	<ul style="list-style-type: none"> <li>3.4 paragraph second sentence delete district with the municipality.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 51</li> </ul>	<ul style="list-style-type: none"> <li>3.5 paragraph 1<sup>st</sup> sentence correct development, and the 3<sup>rd</sup> sentence from the bottom correct accelerating.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 53</li> </ul>	<ul style="list-style-type: none"> <li>1<sup>st</sup> paragraph delete the remainder of the sentence after settlement.</li> <li>3.6 paragraph 1<sup>st</sup> sentence add a coma after basic service and the T of the be the small caps, also change developing to develop.</li> <li>The next sentence in the same paragraph delete community service to be Social and Community Services,</li> </ul>
	<ul style="list-style-type: none"> <li>Page 71</li> </ul>	<ul style="list-style-type: none"> <li>Last sentence add s on the event</li> </ul>
	<ul style="list-style-type: none"> <li>Page 73</li> </ul>	<ul style="list-style-type: none"> <li>2<sup>nd</sup> paragraph delete d on the word programmed and add s.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 77</li> </ul>	<ul style="list-style-type: none"> <li>Bullet point 3 delete district and insert municipality to be reviewed in 17/18 financial year.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 84</li> </ul>	<ul style="list-style-type: none"> <li>Insert R in moto of the second sentence</li> </ul>
	<ul style="list-style-type: none"> <li>Page 86</li> </ul>	<ul style="list-style-type: none"> <li>Insert s in aim of the 1<sup>st</sup> sentence</li> </ul>
	<ul style="list-style-type: none"> <li>Page 87</li> </ul>	<ul style="list-style-type: none"> <li>2<sup>nd</sup> sentence insert of after comprises.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 88</li> </ul>	<ul style="list-style-type: none"> <li>3.23 heading to have CT Caps.</li> <li>2<sup>nd</sup> paragraph second last sentence delete of insert is</li> </ul>
4	<ul style="list-style-type: none"> <li>Page 120</li> </ul>	<ul style="list-style-type: none"> <li>In the heading replace a with an</li> </ul>
5	<ul style="list-style-type: none"> <li>Page 124</li> </ul>	<ul style="list-style-type: none"> <li>To have AFS to be in caps.</li> </ul>
	<ul style="list-style-type: none"> <li>Page 125</li> </ul>	<ul style="list-style-type: none"> <li>Move introduction to be a sub heading</li> </ul>



## **RESOLVED TO RECOMMEND**

1. That Council having fully considered the Annual Report of Umzumbe Municipality for the 2015-16 Financial Year, adopts the Oversight Report for the 2015/16 Financial Year, a copy of which is attached.
2. That Council approves the Annual Report of the Umzumbe Municipality for the 2015/16 Financial Year.
3. That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003.



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Cllr JP Mtambo

Chairperson: Municipal Public Accounts Committee

# UMZUMBE LOCAL MUNICIPALITY

EXTRACT FROM MINUTES OF A MEETING OF UMZUMBE MUNICIPAL COUNCIL HELD AT UMZUMBE MUNICIPALITY, COUNCIL CHAMBERS TUESDAY, 28 MARCH 2018 AT 10H00

**Present:** M P Shoji (*Speaker*), S R Ncgobo (*His Worship the Mayor*), M P L Zungu (*Deputy Mayor*), M Z Luthuli, J P Mtambo, N Y Mweshe, C L Shezi, D D B Dhlamini, Z Sithole, H Z Ndimande, L S Cele, S Z Zama, M M Mfecane, O J Mbambo, P Zamisa, S R Cele, M S Mdletshe, B B Luthuli (*Female*), S G Nzimande, R S W Khanyile, E B Dlamini, L N Duma, T C Mnyende, B M Madwe, P L Habile, D Z Shoji, A E Zindela, B T Mfeka, W N Hlophe, R M Mkhize, S M Jeza, M A Sikhosana, Inkosi N W Mbhele, Inkosi Z R Qwabe, Inkosi Z E Ngcobo.

**Officials:** Mr B G Nyuswa (Acting Municipal Manager) Mr K Audan (Chief Financial Officer), Ms N Lushaba (Director: Social and Community Services), Mr S Ncwane (Senior Manager: C M Y), Ms T I Mthombeni (Committee Officer), Ms S Vilakazi, Mr S Nxele.

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## FINAL UMZUMBE ANNUAL REPORT [C/9.10/28-03-2018]

The Council at its meeting held on the 28<sup>th</sup> of March 2018 considered the above matter. Following discussion, it was

### **RESOLVED:**

1. That the Final Annual Report for the year 2016/2017 be adopted.

**CERTIFIED TRUE COPY OF THE ORIGINAL**

  
BONGANI NYUSWA  
DIRECTOR: CORPORATE SERVICES  
03 April 2018

# UMZUMBE LOCAL MUNICIPALITY

EXTRACT FROM MINUTES OF A MEETING OF UMZUMBE MUNICIPAL COUNCIL HELD AT UMZUMBE MUNICIPALITY, COUNCIL CHAMBERS TUESDAY, 28 MARCH 2018 AT 10H00

**Present:** M P Shoji (*Speaker*), S R Ncgobo (*His Worship the Mayor*), M P L Zungu (*Deputy Mayor*), M Z Luthuli, J P Mtambo, N Y Mweshe, C L Shezi, D D B Dhlamini, Z Sithole, H Z Ndimande, L S Cele, S Z Zama, M M Mfecane, O J Mbambo, P Zamisa, S R Cele, M S Mdletshe, B B Luthuli (*Female*), S G Nzimande, R S W Khanyile, E B Dlamini, L N Duma, T C Mnyende, B M Madwe, P L Habile, D Z Shoji, A E Zindela, B T Mfeka, W N Hlophe, R M Mkhize, S M Jeza, M A Sikhosana, Inkosi N W Mbhele, Inkosi Z R Qwabe, Inkosi Z E Ngcobo.

**Officials:** Mr B G Nyuswa (Acting Municipal Manager) Mr K Audan (Chief Financial Officer), Ms N Lushaba (Director: Social and Community Services), Mr S Ncwane (Senior Manager: C M Y), Ms T I Mthombeni (Committee Officer), Ms S Vilakazi, Mr S Nxele.

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## MPAC OVERSIGHT REPORT ON 2916/2017 ANNUAL REPORT[C/9.12/28-03-2018]

The Council at its meeting held on the 28<sup>th</sup> of March 2018 considered the above matter. Following discussion, it was

### **RESOLVED:**

1. That the oversight report and the annual report be adopted.

**CERTIFIED TRUE COPY OF THE ORIGINAL**



**BONGANI NYUSWA**  
**DIRECTOR: CORPORATE SERVICES**  
**04 APRIL 2018**

