

UMZIMVUBU LOCAL MUNICIPALITY



ANNUAL REPORT

2014/2015

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CHAPTER 1

INTRODUCTION

According to Section 127(2) the Mayor of a municipality must within seven months after the end of the financial year table in the municipal Council the annual report of the municipality.

Section 129 (1) stipulates that the Council of the municipality must consider the annual report of the municipality and by no later than two months from the date on which the annual report was table in the Council in terms of section 127, adopt an oversight report containing the Council's comments of the annual report.

The Annual Performance Information Report was submitted to the Office of the Auditor General of South Africa by end August 2015 alongside submission of the Annual Financial Statements for audit purposes.

The Office of the Auditor General has completed audit and has issued an unqualified audit opinion.

The Annual Report has been consolidated and will be presented to Council on by end January 2015, after-which it shall be considered by the Municipal Public Accounts Committee which is vested with the power to play oversight responsibility on behalf of Council. The Oversight Report on the annual report will be presented to Council by end March 2015.

The Annual Report will be made public for comments within stipulated timeframes.

Local community will be invited to submit representations regarding the annual report.

The report will be submitted to the Office of the Auditor General, Treasury and Department of Local Government and Traditional Affairs.

The Annual Report is a tool for monitoring, evaluation and assessment of the services rendered by the municipality. It serves as a yardstick to evaluate its performance against Predetermined Objectives. The Council is able to monitor and evaluate whether it is likely to achieve the objectives it has set its self in the IDP over a period of 5 years.

It is a legislated by law governing local government. Being an institution that complies with legislation, the annual report as a form of accountability has a positive effect on service delivery and boosting the morale of the citizens of the municipality.

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

Once again, I am proud to present to you the Umzimvubu Local Municipality’s Annual Report for the Financial Year 2014/2015. This report comes in the midpoint of our path towards delivering quality services to all the citizen of the municipality. It therefore takes stock of what we have undergone in our agreement with the communities through commitments made in our five year IDP that runs from 2012 to 2017.

This document’s objective is to take you through the progress that has been made during the above mentioned year where aspects and components overarched by service delivery are inscribed as well as a thorough breakdown made.

I can confirm the fact that our municipality has been constantly holding on to its service delivery promise and its vision to be the best run municipality and this is evident through numerous projects and programmes that are meant for the Umzimvubu Local Municipality (ULM) Community focusing on uplifting the Socio-Economic status of its citizens.

Our Local Economic Development has been operating under a sparkle where it continuously engages Small Medium and Micro Enterprises within ULM, our Developing Street Vendors, affectionately known as Hawkers, Cooperatives, Profit and Non-Profit Organizations within in trying to assist them in developing. Projects such as the Hawker Stalls in Phuthi junction, Mount Ayliff Trading Facility are now functional and seen as a catalyst and conducive platforms for operation of local businesses which will then result to ULM seeing its economy reaching greater heights. Chunks of the Municipality Budget have been invested in such initiatives so as to better the Economic status of the ULM world.

This Department also prides itself in embracing the natural resources which include Lugelweni Falls and Ntenetyana Dam on its Tourism innovation within the Municipality which has been seen to bear a potential in contributing to this economy as well. Our Annual Tourism Celebration in which a Tourism Brochure and DVD are recorded grows from strength to strength annually and not leaving out the growing Annual Fashion Show held in February that also markets the municipality at a national scale.

Critical to our existence, the challenge of tangible service delivery outcomes to our communities remains an issue, however ULM still embarks on the mission to develop and change people’s lives for the better. Infrastructure projects that are budgeted for under the Municipal Infrastructure Grant (MIG) continue to be rolled out and take a good stance. Phase 05 of Street surfacing both in Mount Frere and Mount Ayliff Towns are in good progress. Community Halls such as Lugelweni Community Hall (Ward 8), Dutyini Community Hall (Ward 8) and Betshwana Community Hall (Ward 04) amongst others have been completed and handed over to communities for them to have better gathering structures. Construction of Access roads continues to be our priority with the limited resources we have as we strive towards fulfilling our mandate as local government. The Council prides itself for the mile we have gone regarding construction and maintenance of access roads in our locality as there are no villages that cannot be accessible using motor vehicles in our municipality, such that some communities have started prioritizing internal roads within villages for mobility within.

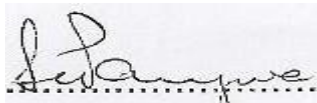
I wish to convey special thanks to our Citizen and Community Services Department which continues to ensure that our living environment is clean and one that is not harmful to its inhabitants. Both towns Mount Frere and Mount Ayliff are a green environment to an extent that we do get recognition from the Provincial Office through the consecutive scoring of the Vuna Award in the Greenest Municipality Category. This we achieve through the establishment of fully operational disposable sites in both towns as well as the purchase of modern technology Refuse Waste Trucks and greening of our towns that is now on full-scale. Parks such as Sophia Park in Mt Frere, Ntsizwa Park and the Sports Facility in Mt Ayliff as well as other public facilities are our pride that showcases the commitment we bestowed upon ourselves to be the best run municipality in South Africa, we are not told about service delivery, we witness it first-hand.

Our Councillors and Staff continue to be motivated through staff motivation programmes such as the Quarterly Wellness Days held and 6 Learners from the ULM jurisdiction are on a bursary scheme offered by the Municipality in Universities around the Country. The annual Career Exhibition is held every year which seeks to equip local Secondary School students with knowledge which then assists them in making the right career choices.

In ensuring that a two-way asymmetric flow of information and relations are maintained, the Municipal Managers Office, through the IGR and IDP office ensure that there is a smooth IDP process yearly as well as Community and Stakeholder Engagement through our Public Participation and Communication Offices.

As indicated at the beginning of this manuscript, finer details are inscribed in the pages of this 2014/2015 ULM Annual Report. I welcome you.

Thank you,

A handwritten signature in black ink, appearing to read 'K.S. Phangwa', written over a dotted horizontal line.

Cllr. K.S. Phangwa

Mayor

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

The Annual Report for 2014/2015 financial year has been compiled in accordance with the Local Government Municipal Systems Act, 32 of 2000, the Local Government Municipal Finance Management Act 56 of 2003, as well as National Treasury Circular No. 11 and 63. The report addresses the performance of Umzimvubu Municipality for the year ended 30 June 2015 and conforms to the relevant statutory requirements. This report records the progress made by the municipality in fulfilling its objectives as reflected in the Integrated Development Plan (IDP), the Budget and Service Delivery and Budget Implementation Plan.

In terms of the Constitution of the Republic of South Africa, 1996; Schedule 4 Part B and Schedule 5 Part B, Umzimvubu Local Municipality is required to perform the following functions:

- Air pollution
- Building regulations
- Child care facilities
- Local tourism
- Municipal planning
- Municipal public transport
- Storm water
- Trading regulations
- Billboards and the display of advertisements in public places
- Cemeteries, funeral parlours and crematoria
- Cleansing
- Control of public nuisance
- Control of undertakings that sell liquor to the public
- Facilities for the accommodation, care and burial of animals
- Fencing and fences
- Licensing of dogs

Licensing and control of undertakings that sell food to the public

Local amenities

Local sports facilities

Markets

Municipal abattoirs

Municipal parks and recreation

Municipal roads

Noise pollution

Pounds

Public Place

Refuse removal, dumps and solid waste disposal

Street Trading

Street Lighting

Traffic and Parking

The year 2014/2015 was a busy one for Umzimvubu Municipality. The leadership that was elected in 2011 was in its 4th financial year in office. This meant the municipality had to still engage in robust and intensive public participation process where all communities that form part of the Umzimvubu Municipal Area were consulted and given an opportunity to determine the services they want from government which are contained in the Integrated Development Plan.

In the year under review the development of parks and beautification projects continued to be rolled out at unprecedented scale. It is worth mentioning that libraries are now functioning in our towns. We hope the culture of reading will be instilled especially to our youth as we believe a learning nation is a growing nation. With regards to sports and recreation, the municipality has added complementary facilities to a legacy football field constructed by FIFA in Mt Ayliff, by constructing facilities such as a tennis and netball courts, a swimming pool, erection of soccer stands and high masts among others. The recreational park in Sophia – Mt Frere is a world class piece of work that other institutions continue to draw lessons from. We believe social cohesion is going to be instilled to our communities as we invest more to social infrastructure. Our youth is going off the streets, which directly impacts on reduction of crime and other social ills.

On the Human Resource Development front, a remarkable improvement on transformation was made within the institution. But there is still a long way to go to redress the imbalances on demographics;

the challenge that still prevails is to attract qualified technicians especially from the previously disadvantaged communities. In response to this the Umzimvubu Municipality has been able to provide bursaries to 6 students who were enrolled to institutions of higher learning toward scarce skills programmes such as engineering, town planning, accounting, etc.

Umzimvubu Municipality is proceeding with improving its internal processes and systems on a number of fronts, such as contract administration, performance management, asset management, maintenance programmes, implementation of municipal by-laws and improving our internal communication and co-ordination to respond to the issues that confront us daily. While we are satisfied with our progress over the past year and are clear about our priorities as articulated in the Integrated Development Plan and MTAS, there is much to do in the year ahead. We are committed to improving the way we work continually in order to deliver quality services to the communities of Umzimvubu. We must therefore continue to strive towards service excellence in meeting and exceeding the needs and aspirations of our community

The year 2014/2015 was a memorable one with the municipality attaining once again an Unqualified Audit Report with other matter of emphasis from the Office of the Auditor General of South Africa. This means we are in the verge of achieving a clean audit report as there were no recurring issues raised by the AG. We continue to build on our strength, working hard, pushing the fronts of poverty. In conclusion I want to single out and thank our Mayor, Councillor K.S. Phangwa for her guidance and support to our staff. I want also to show gratitude to the Executive Committee for their innumerable commitment to Umzimvubu Municipality.

To my Senior Managers, Assistant Managers and to the rest of the team (staff), I take off my hat to you for your selflessness and dedication to your work. The way you have stood your ground to all the adversaries facing you and depressing working conditions at times is highly commendable. Our achievements thus far are a result of each and everyone's effort, no matter how little they may be perceived.

I thank you.

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GPT Nota

Municipal Manager

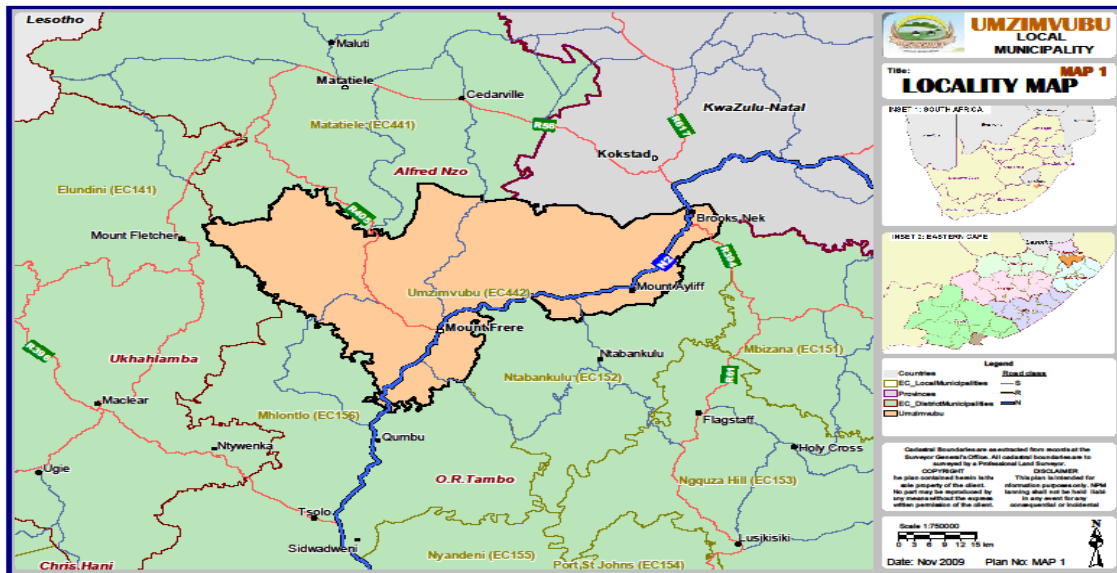
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Umzimvubu Local Municipality (EC442) is one of four local municipalities situated within the Alfred Nzo District Municipality (DC44). The municipality is located in the Eastern part of the Eastern Cape Province. The municipal area covers an area approximately 2506 km² with a total population of about 191 620 of which 10% of the total population live in the urban area. The municipal area accommodates a significant rural/traditional population, both community-based and communal farming.

ULM is an inland Local Municipality in the North-Eastern extremities of the Eastern Cape Province, neighboring the Kwa-Zulu Natal province. The municipal area comprise of 27 administrative wards and two main urban centers known as Mt Frere and Mt Ayliff. The municipality is located in the Alfred Nzo District Municipality, as presented in Figure 3.1.1 and is bordered by the following local municipalities:

- Matatiele to the North
- Kokstad to the North-East
- Ntabankulu to the East
- Mhlontlo to the South-East
- Elundini to the west



SOCIO-ECONOMIC CONTEXT

C)1. DEMOGRAPHIC INFORMATION

1. Population Estimates

The municipality has a total population of approximately 191 620 people on an area of 2506 square kilometers (Census 2011). The racial distribution of population in percentages is, Africans are 99.8% and the remaining 0.2% of the population includes the Colored's, Asians and whites. The average population density is 88 people per square kilometers which is higher than the district average of 70 people per square kilometers.

The projected population growth for Umzimvubu Local Municipality by the year 2019 is estimated to be 2 526 355 at a population growth rate of 0.828 percent.

The table below reflects the approximate densities between the two urban centers and the rural area of the municipal area. Notably the rural area has the largest population residents.

2. Age and Gender Profile

The municipality comprises of 54% female and 46% male of the total population.

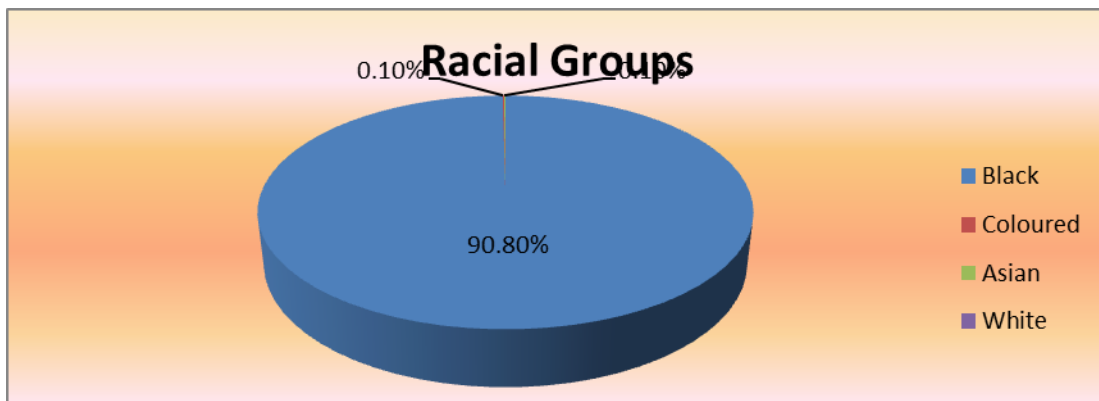
Below is the reflection of the age profile for age groups 0 - 14, 15 - 64 and 65 and above. These categories represent infants and school going age category, school leaving and economically active category and retired category, respectively.

Age	%
Below 15	38.3
15 – 64	55.0
65 and up	6.7
Total	100

Census 2011

3. Racial Profile

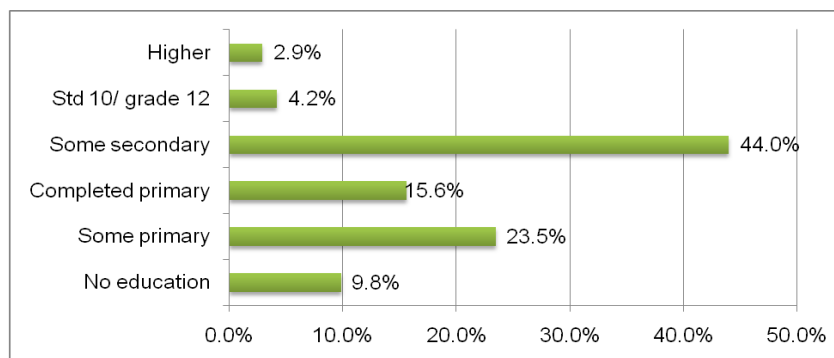
The population of Umzimvubu municipal area is predominantly African constituting 99.8% of the total population. The table below reflects the overall breakdown of racial population in the municipal area.



4. Literacy of Education and Literacy

The education levels achieved by at Umzimvubu Local Municipality are indicative of the level of human development within a population group. It furthermore serves as **the**

potential of the population generate an income, thereby increasing the capital (social and otherwise) circulating in the micro-economy. The average educational attainment levels of residents of the Umzimvubu area are presented in Figure 3.4.1. The area has a low number of high and primary schools (SDF, 2010), as well as one higher learning institute (Ingwe Training College).



From the figure above it can be seen that the area has **low levels of educational achievement**, with only 7.1% of the population having completed Matric or higher. This compares poorly against the Eastern Cape and is less than half of the provincial average of 16.5%. This has implications on the worker profile, as individuals that have not reached a certain level of educational attainment are often faced with barriers to entry into the formal employment market. This has further bearing on the nature of investment activity that will be feasible and sustainable in the area. Without the provision of adequate education and training, a skills deficit may constrain future development within the umzimvubu area.

5. Employment Status and Occupation

As was indicated in the education profile, education levels have an impact on employment levels in an area. Employment in turn has an impact on household income levels and the **overall economic structure** of an area. An investment plan such as this takes due characterized of the relationship between the levels of education and how these translate into characterized economy employment opportunities for the residents of the area. Any actions by the Umzimvubu local municipality must thus consider the current state of employment in the area.

For the purposes of this section, people's employment status may be categorized as employed, unemployment and not economically active. These statuses may be defined as:

Employed have within the last seven days performed work for pay.

Unemployed (i.e. Those people within the economically active population who: did not work during the seven days prior to the interview; want to work and are available to start work within two weeks of the interview; and have taken active steps to look for work or to start some form of self-employment in the four weeks prior to the interview.)

Not economically active (i.e. A person who is not working and not seeking work not available for work)

Umzimvubu has a working age population of approximately 118 122 individuals. However, given the low levels of functional literacy in the area (adult population that has gained at least a grade

six level of education), the **quality of the Umzimvubu labour poor is compromised**, giving rise to a small base of employable individuals from the area.

Employment levels are very low, with fewer than one in three adult residents engaged in gainful employment of a formal or informal nature. It is further estimated that almost a quarter of all employment in the area is informal in character. This leads to a **low labour force participation rate** of 38% in the area (Quantec, 2010)

It can be seen from the high percentage of individuals classified as 'not economically active' that there is a **high level of worker discouragement in the area**, which are those individuals that have given up their attempts to gain employment, because of perceived futility in the action. This undermines the otherwise low level of unemployment and puts to the fore the reality of Skills mismatch (given the educational profile of the area)

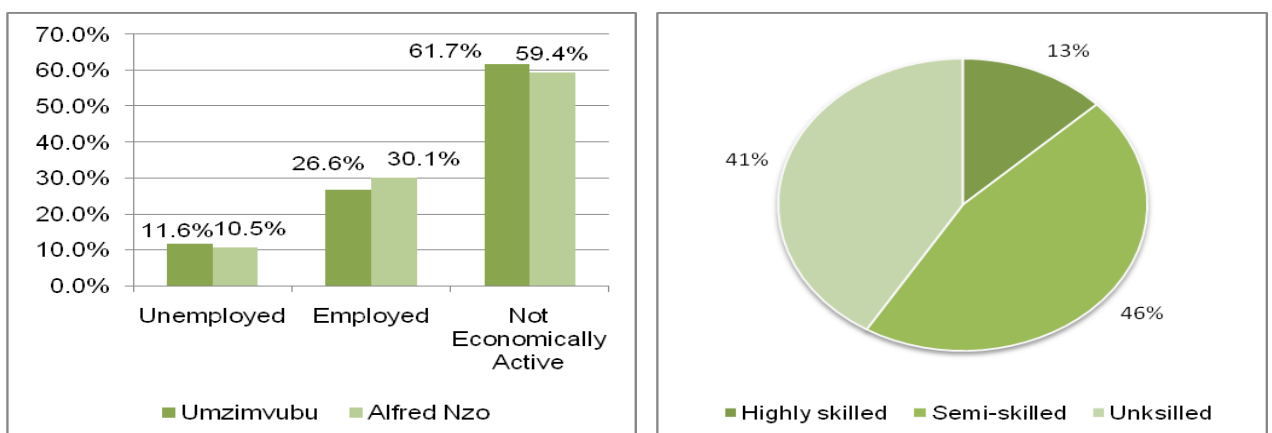
New entrants into the labour market (given the youthful population demography of the area)

Barriers to entry into the job market (geographic and financial, especially given the rural nature of the area)

Low wages in the area in comparison to wages commanded in other places such as Kokstad.

The high level of economic inactivity and de facto unemployment is a structural issue that is to be addressed by planning documents such as this investment plan

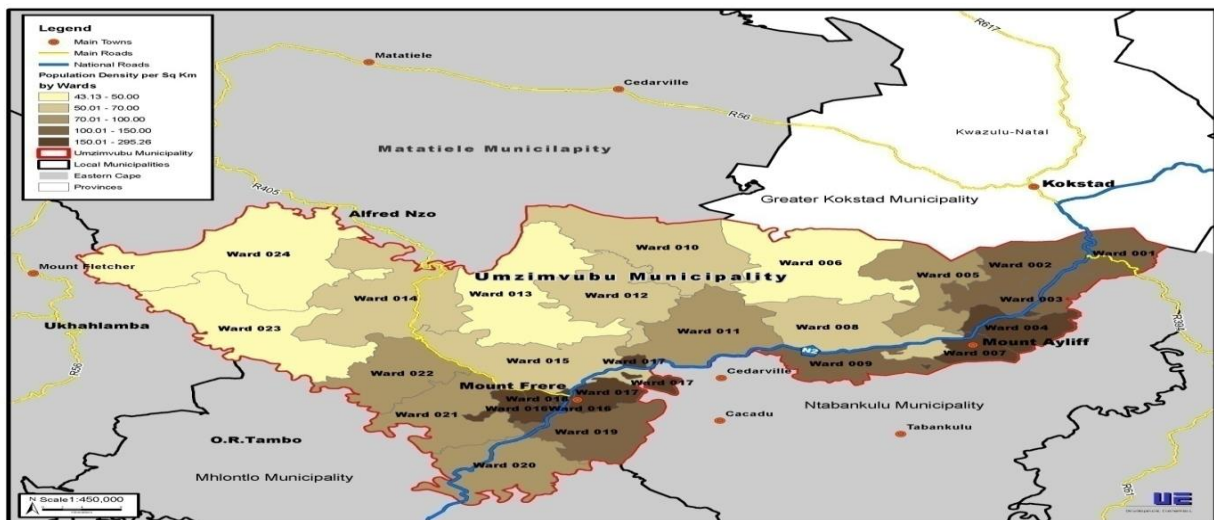
Figure 3.4.2: Employment Levels



C)2. MUNICIPAL INFRASTRUCTURE AND SERVICES

1. Roads and Transport

The Umzimvubu municipal area is transverse by the N2 National Road (primary route) which provides strong linkages between the economic centers that are found around the province of the Eastern Cape and that of KwaZulu-Natal. Other major road within the Municipality is the road R405 (secondary route) linking the municipality with Matatiele municipality and the rural villages along the way. There is generally poor road infrastructure in the rural hinterland of the municipality and this impact negatively to availability and access to socio-economic amenities in these areas. The N2 through Mount Frere town centre poses a major challenge of traffic congestion as slow-moving vehicles pass through the CBD.

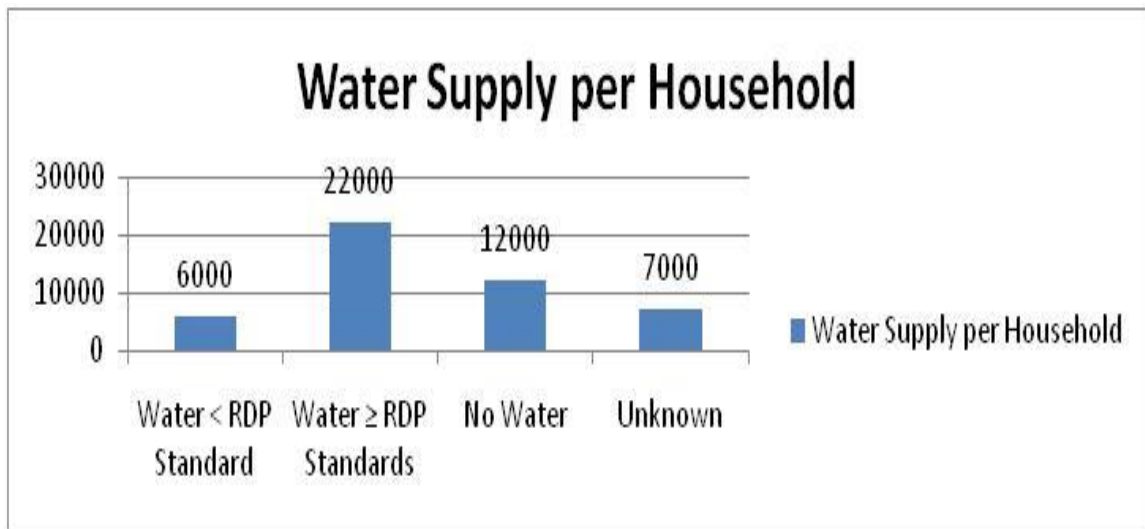


2. Electricity

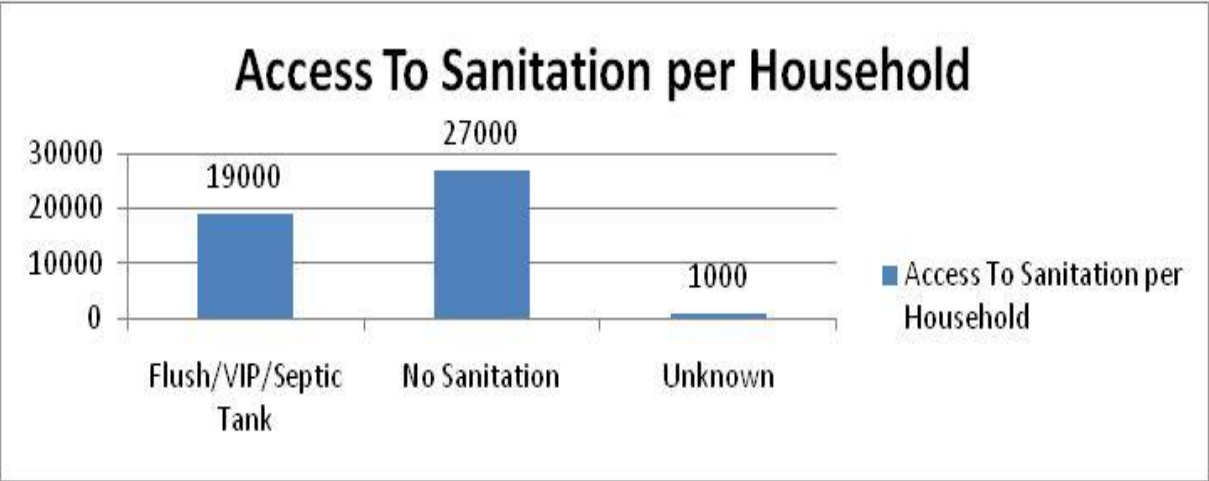
Eskom is responsible for provision of electricity to the municipal area. Access to electricity for lighting has improved from 2001 (24.1%) to 45.2% in 2011, (census 2011). Despite the improvement, there still remains a huge backlog within the area. Households without access to electricity use a range of alternatives for lighting and cooking, such a candles, gas, paraffin, and solar forms of energy.

3. Water and Sanitation

The Alfred Nzo District Municipality is the Water Services Authority (WSA) responsible for providing water and sanitation services to the Umzimvubu municipality area. According to the Water Service Development Plan (WSDP) 2007/08, from a total of 47 000 households, 22 000 Households have access to water inline and above RDP standards, 12, 000 household have no water, 6, 000 are provided water but below RDP standard and 7 000 households are not specified.

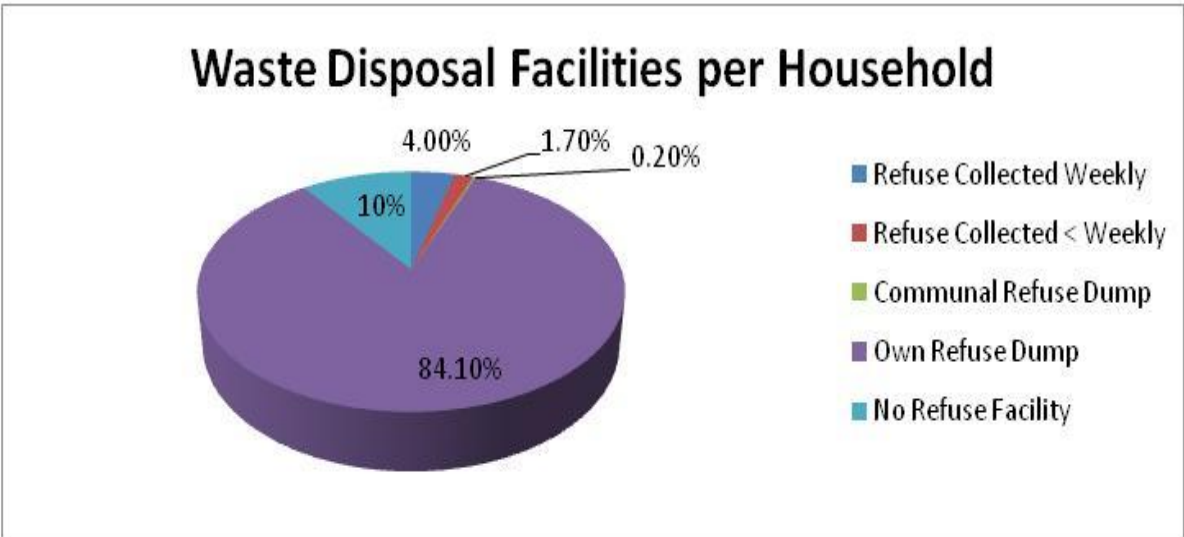


The WSDP 2007/8 reflects that from a total of 47 000 total household, 19 000 households have flush toilets, VIP or septic tanks and 27 000 households are deemed to be un-served. Below is chart which illustrates access to sanitation in the municipal area.



4. Solid Waste Management

The Umzimvubu municipality is responsible for waste management in its area of jurisdiction working together with ANDM. The municipality collects the household refuse from the two urban areas on a weekly basis. There is no refuse collection service provided to the rural areas. The chart below illustrates that only approximately 5.7 percent of the population is provided with refuse collection by the municipality and the rest provides own service or have no access.

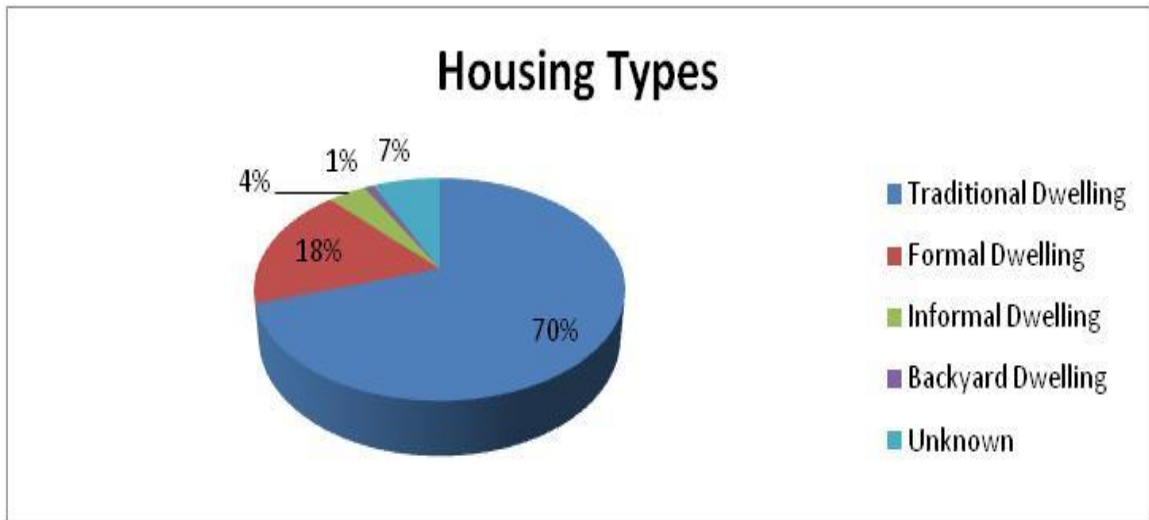


5. Housing typologies

The municipality developed a Housing Sector Plan in 2008 and has been reviewed annually to ensure that it contains the most recent information regarding the housing development in the area. Due to the rural nature of the municipality 70% of the household live in traditional hut/mud structures. These are houses that are built of substandard material. There has also been influx of people into the town centers of Umzimvubu for services and employment opportunities.

According to the adopted Housing Sector Plan the municipality has a backlog of 2000 low income houses required within the urban area and 45 000 rural housing units. The shortage of proper housing in the urban area has resulted in increase of informal settlements. Some of the land that was earmarked for housing is held up with the result of unresolved land claims. The municipality is currently running a large number of rural housing projects to address the shortage of housing and evict the mud structures and also cater for low-income units

The table below indicates the housing typologies that exist within the municipality:



In terms of service delivery the Umzimvubu Local Municipality provides for management of beneficiary administration for Human Settlements, Infrastructure i.e roads, public facilities, Electricity (infrastructure) and Solid Waste. Umzimvubu Local Municipality does not provide water and sanitation services. Alfred Nzo District Municipality is the water authority and thus performs water and sanitation services on behalf of the Umzimvubu Local Municipality.

The table below shows the percentages of formal dwellings between 2001 and 2011.

Formal Dwellings %		%housing owned/paying off	
2001	2011	2001	2011
26%	37.7	59.1%	61.7%

Stats SA Census 2011

Access to water

The Umzimvubu Local Municipality, through Alfred Nzo District Municipality, provide clean drinking water. There are, however, significant backlogs in terms of clean water provision to certain rural areas. The municipality has also made provision of water tankers to supply water to those communities with little or no access to water.

The table below shows information regarding how different households gain access to water.

Sources of water	% Number of Households
Regional/local water scheme (operated by municipality or other water services provider)	30.6%
Borehole	7.2%
Spring	12%
Rain water tank	5.1%
Dam/pool/stagnant water	4.4%
River/stream	32.4%
Water vendor	1.3%
Water tanker	4.6%
Other	2.3%

Stats SA Census 2011

Access to sanitation

Communities throughout the Umzimvubu Local municipality utilise various types of toilet system. However, the Pit toilet system is the most dominant, currently at 69.6%.

The table below shows the % in terms of the different toilet systems being used by the community

Toilet Facility	Percentage
-----------------	------------

None	10.9%
Flush toilet (connected to sewerage system)	5.3%
Flush toilet (with septic tank)	1.5%
Chemical toilet	8.2%
Pit toilet with ventilation	27.2%
Pit toilet without ventilation	42.4%
Bucket toilet	0.3%
Other	4%

Stats SA Census 2011

Access to electricity

Eskom supplies electricity to most areas within the municipality. The survey shows that 45.2% of the households have access to electricity. A significant portion of some rural communities still require infrastructure connection.

Energy source

The table below gives an indication as to the different source of energy or fuel used by households for cooking, heating and lightning purposes.

Energy Source	Cooking	Heating	Lighting
Electricity	29.7%	10.8%	45.2%
Gas	9.1%	1.8%	0.4%
Paraffin	17%	25.6%	6.9%
'kSolar	0.1%	0.1%	0.4%
Candles	0%	0%	46.4%
Wood	41.9%	53.7%	0%
Coal	0.1%	0.3%	0%
Animal dung	1.6%	2.1%	0%
Other	0.1%	0.1%	0%
None	0.3%	5.5%	0.6%

Stats SA Census 2011

Access to refuse removal

The table below gives an indication as to the number of households with access to refuse removal.

Refuse Disposal	Percentage
Removed by local authority/private company at least once a week	7.1%
Removed by local authority/private company less often	0.7%
Communal refuse dump	1.5%
Own refuse dump	74.4%
No rubbish disposal	14.2%
Other	2.2%

Stats SA Census 2011

Policies and By-laws that the municipality has adopted and implementing:

POLICY/BY-LAW	POLICY OBJECTIVE/
Organizational Structure	<ul style="list-style-type: none"> To fulfill the strategic management task of the Organization i.e. linking input to outcomes.
Employment Equity Plan	<ul style="list-style-type: none"> To institute strategic measures that seek to ensure equitable representation of suitable qualified people in all occupational categories and level of the municipality as requires by the act.
Smoking Policy	<ul style="list-style-type: none"> To establish a smoke-free environment for non-smoking employees, visitors and clients
Sexual Harassment Policy	<ul style="list-style-type: none"> To encourage and promote the development and implementation of policies and procedures that will lead to creation of the workplace that is free of any form of harassment where the Municipality and its employees respect one another's integrity, privacy and the right to equality in the workplace
Occupational health and Safety Policy	<ul style="list-style-type: none"> To ensure that Health and Safety functions are completely integrated in Management practices and principles and therefore form part of the daily management activities and responsibilities.
Municipal Bereavement & Funeral Policy	<ul style="list-style-type: none"> To provide a framework for management of bereavement processes for a deceased municipal Councillor and employee.
Inclement Weather Policy	<ul style="list-style-type: none"> To establish and maintain a safe and healthy work environment for Municipal employees on bad weather days and to provide regulations for managing work environment on bad weather days.
HIV and AIDS policy	<ul style="list-style-type: none"> Ensure the efficient and effective delivery of services, in

	<p>spite of the prevalence of HIV AND AIDS within the Municipality, and minimising the impact of HIV AND AIDS within the Municipality at all levels of employment by supporting national efforts to minimise the spread of the virus.</p> <ul style="list-style-type: none"> • Provide support for employees who are affected and/or infected by the virus
Employee Assistance Policy	<ul style="list-style-type: none"> • To offer confidential assistance to employees who have the potential to be adversely affected by personal problems and work related problems
Training and development Policy	<ul style="list-style-type: none"> • To equip Municipal Human Capital with the necessary skills for better service delivery.
Subsistence Abuse Policy	<ul style="list-style-type: none"> • To minimize/eliminate the abuse and dependence on Alcohol and/or Drugs amongst employees and to assist, where possible, in the rehabilitation of those who have an alcohol and/or drugs problem
Standby Policy	<ul style="list-style-type: none"> • To ensure that there is always personnel that is on standby for all emergency services
Overtime Policy	<ul style="list-style-type: none"> • To regulate circumstances under which overtime, undertime and flexitime are worked within the Municipality
Dress code, uniforms and protective clothing Policy	<ul style="list-style-type: none"> • To ensure that uniforms and protective clothing shall be issued in terms of Municipal policy and the schedule of issuing clothing shall be approved by the Management and amended from time to time
Acting Policy	<ul style="list-style-type: none"> • To provide a framework for appointing employees to act in senior positions within the Municipality
Recruitment Policy	<ul style="list-style-type: none"> • To inject uniform, transparent, fair and sound recruitment procedures and practices
Performance Management Policy	<ul style="list-style-type: none"> • To set a scene/platform for management and monitoring of organizational and individual performance. • To set rules, regulations and standards for effective and successful management of performance in the work place
Induction Policy	<ul style="list-style-type: none"> • To introduce new permanent /contract employees to the organisational culture of the Municipality i.e. norms and values of the Council, Strategic goals, Municipal legislation, Municipal Policies as well as co-workers, activities and tasks of the employees
Retention Strategy	<ul style="list-style-type: none"> • Retaining municipal employees and also attracting employees to join the municipality
Leave Policy	<ul style="list-style-type: none"> • To ensure that leave is taken by all the employees accordingly
Human Resources Strategy	<ul style="list-style-type: none"> • To ensure that there is a match between the municipality's needs, the budget and the individual needs resulting into an outcome which will result in improved service delivery
Records Management Manual	<ul style="list-style-type: none"> • To ensure that institutional memory is always sustained through a sound records management system
Delegation framework	<ul style="list-style-type: none"> • In respect of good governance and to ensure democratic and accountable local government for local communities and based on basic values and principles governing public

	administration, as required by the Constitution, the Municipal Council of the Umzimvubu Local Municipality, sets responsibilities within a legal framework
Rules of order	<ul style="list-style-type: none"> Setting general council and special council and committee procedures and setting the rights of residents and human rights
Catering Policy	To indicate: What meetings are allowed to have catering; What other gatherings are allowed to have catering; and What type of catering is allowed
Customer Care Policy	<ul style="list-style-type: none"> when customers come into contact with the municipality, they will always experience standards of service excellence
Batho Pele Service Charter	The Charter reflects our commitment to the principles of Batho Pele. It is in this spirit that the municipality wishes to maintain and improve our service delivery by actively engaging in the Batho Pele principles
Section 14 Manual	<ul style="list-style-type: none"> foster a culture of transparency and accountability in its affairs by giving effect to the right of access to information; actively promote and create an enabling environment in which requesters have effective access to information
Events Management Policy	<ul style="list-style-type: none"> To ensure commitment to the structured and systematic municipal events be it a local, provincial and national events on an ongoing basis to enable them to coordinate events of high standards in an effective and efficient manner
Account and Password Management Policy	<ul style="list-style-type: none"> To prevent unauthorised user access to Umzimvubu local municipality information through deployment of user account and password management processes.
ICT Security Policy	<ul style="list-style-type: none"> Establish and maintain management and staff accountability for the protection of information resources
ICT Strategy	<ul style="list-style-type: none"> To ensure that the municipality and ICT will allocated resources and establish priorities using the municipalities broader vision to enhance the business processes
Windows 2008 Server Baseline Security Policy	<ul style="list-style-type: none"> To outline the steps you should take to improve the security of computers running Windows 2008 Server either on their own or as part of a Windows NT, or Windows 2008, or Windows Server 2003 domain
Backup Policy	<ul style="list-style-type: none"> To protect data in the organization to be sure it is not lost and can be recovered in the event of an equipment failure, intentional destruction of data, or disaster.
Change Management Policy	<ul style="list-style-type: none"> To manage changes in a rational and predictable manner so that staff and stakeholders can plan accordingly
Cellphone Policy	<ul style="list-style-type: none"> To regulate the procurement for, and use of cell phones by, councillors and staff of the Municipality
Landline Telephone Policy	<ul style="list-style-type: none"> To ensure the effective and efficient use of municipal telephones;
ICT Disaster Recovery Plan	<ul style="list-style-type: none"> To ensure that should the Municipality experience disaster of any nature (e.g., firebreak, power surge or building is damaged etc.), the Municipality has contingency plans for backup systems.
Building Regulations/By-Law	<ul style="list-style-type: none"> To fulfill the legislative requirement of National Building Regulation and Building Standards Act, and other relevant legislation

	<ul style="list-style-type: none"> For prescribing of building standards within Urban Area jurisdiction and matters connected therewith.
By-Laws relating to dumping, littering and waste collection	<ul style="list-style-type: none"> To guide and regulate refuse removal and dumping
Fencing By-law	<ul style="list-style-type: none"> To regulate erection of fence within municipal jurisdiction
Hiring of TLB Policy	<ul style="list-style-type: none"> To guide hiring and leasing out of the TLB
LED Strategy	<p>To provide direction to the LED directorate</p> <p>To emphasises the role of the entire municipality in terms of LED</p> <ul style="list-style-type: none"> Sets LED targets that are aligned to national and provincial priorities Coordinates efforts of private and public sector stakeholders in LED
Trading and Investment Policy	<ul style="list-style-type: none"> The and trading Investment Policy of the Umzimvubu Municipality is founded on the shared economic vision for the area – <i>“a diverse and resilient economy, able to exploit the competitive advantages of the municipality while building appropriate skills by 2017.</i> To regulate trading in line with applicable legislation
By laws relating to sale of meals/food, and perishable foodstuffs.	<ul style="list-style-type: none"> To amplify the Council’s powers to regulate handling; importation and exportation of foodstuffs, the inspection of food producing institutions, the medical examination of food handlers and the water used for food processing.
Advertising by laws	<ul style="list-style-type: none"> To enable Council in exercising its functions of: <ul style="list-style-type: none"> - regulating, limiting, prohibiting, inspection, supervision and levy moneys with regard to the erection, display and use of advertisements of whatever nature, on or visible from any street or public space
Credit Control and Debt Management Policy	<ul style="list-style-type: none"> To regulate credit and debt management
Banking and Investment Policy	<p>To ensure that the municipality s cash resources are managed effectively and efficiently</p>
Asset Management Policy	<ul style="list-style-type: none"> To prescribe procedures for the management of assets
Budget Policy	<ul style="list-style-type: none"> To regulate budgetary processes
Revenue Enhancement Strategy	<ul style="list-style-type: none"> To regulate revenue enhancement strategies
Anti-corruption Strategy	<ul style="list-style-type: none"> To regulate and promote environment free of corruption
Catering Policy	<ul style="list-style-type: none"> To regulate catering by service providers
Supply Chain Management Policy	<ul style="list-style-type: none"> The policy seeks to endure adherence to section 217 of the Constitution; and Part 1 of Chapter 11 and other applicable provisions of the Act (MFMA);
Tariff Policy	<ul style="list-style-type: none"> Regulates levying of fees for a municipal service provided by the municipality or by way of service delivery agreements and which complies with the provisions of the Municipal Systems Act, the Local Government: Municipal Finance Management Act, 53 of 2003 and any other applicable legislation.
Functioning of ward committee policy	<ul style="list-style-type: none"> seeks to fulfill the legislative call to ensure that participatory democracy is encouraged and an enabling environment is created for the optimum functioning of ward committees
Social Assistance Policy	<ul style="list-style-type: none"> - To provide for the mechanisms of rendering social

	assistance to persons; and to provide for rendering of immediate relief measures to the needy community members.
Pound Policy & Pound By-Law	<ul style="list-style-type: none"> - Facilitate the implementation of a legally accepted process of controlling stray and trespassing livestock within the Central Business Centre, public roads and private properties within the Local Municipality Jurisdiction
Indigent policy	<ul style="list-style-type: none"> The provision of procedures and guidelines for the subsidization of basic charges and the provision of free basic energy to indigent households; The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council
Traffic Policy & Operation and Roads and Traffic By-Law	<ul style="list-style-type: none"> The policy is intended to complement the Council's Conditions of Service, providing for regulations for the allocation, operation, maintenance and management of department vehicles and equipment
Housing Allocation Policy	<ul style="list-style-type: none"> To set a procedure that will guide the Council to deregister beneficiaries that have not claimed their houses for the period of two months. Promote speedy occupation of the completed houses; thus reallocating unclaimed houses to the next beneficiaries in the list
Cemetery, Funeral Undertakers and Crematoria By-Law	<ul style="list-style-type: none"> To preserve the heritage value of the cemeteries To improve the management, landscaping and maintenance of the cemetery. To improve the operation and administration of the cemetery.
Policy on street naming and awarding of council orders	<ul style="list-style-type: none"> Regulate the naming and renaming of street
Risk Management Strategy & Policy & Fraud Prevention Strategy Audit Committee Charter, Internal Audit Charter	<ul style="list-style-type: none"> To ensure that the municipality has and maintains a comprehensive risk management strategy that responds to the challenges facing the municipality and has procedures to identify and monitor these risks.

1.5. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 2014/2015

Report of the auditor-general to the Eastern Cape provincial legislature and the council on Umzimvubu local municipality

Report on the financial statements

Introduction

1. I have audited the financial statements of the Umzimvubu Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2015, 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, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with 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, 2014 (Act No. 10 of 2014) (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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with the SA standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matter

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

Material impairments

8. As disclosed in note 3 to the financial statements, material impairments of R3 million for receivables from exchange transactions were incurred as a result of inadequate implementation of the debt collection policy.
9. As disclosed in note 4 to the financial statements, material impairments of R18, 3 million were incurred for receivables from non-exchange transactions as a result of inadequate implementation of the debt collection policy.

Additional matters

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

Unaudited supplementary schedules

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

Unaudited disclosure notes

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

Report on other legal and regulatory requirements

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 findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2015:

- Infrastructure and planning on pages x to x
- Citizens and community services on pages x to x

15. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

16. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priorities. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information (FMPP)*.

17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

18. I did not identify material findings on the usefulness and reliability of the reported performance information for the selected development priorities:

Additional matter

19. I draw attention to the following

Achievement of planned targets

20. Refer to the annual performance report on page(s) x to x for information on the achievement of planned targets for the year.

Compliance with legislation

21. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material finding on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, is as follows:

Procurement and contract management

22. Bids were not always evaluated by bid evaluation committees which were composed of officials from the departments requiring the goods or services and at least one SCM practitioner of the municipality as required by SCM regulation 28(2).

Internal control

23. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are

limited to the significant internal control deficiencies that resulted in the finding on compliance with legislation.

Leadership

24. Senior management did not adequately exercise oversight responsibility regarding compliance with laws and regulations and related internal controls. This resulted in non-compliance matter as raised in this report.

Financial and performance management

25. There were inadequate controls over monitoring and implementation of laws and regulations over procurement processes, which resulted in the non-compliance finding.

Governance

26. The audit committee and internal audit reviewed the municipality's adherence to laws and regulations. However, the review on the compliance with laws and regulations was not adequate as evidenced by material finding of non-compliance identified.

Auditor - General

East London

30 November 2015



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

Umzimvubu Local Municipality has established the political structures in line with the local government legislative requirement. The powers and functions of each municipal structure are enclosed in the relevant terms of reference approved by the municipal council.

- There is a full Council chaired by the Speaker of Council, composed of 54 and 11 Traditional Leaders serving. The Council sits bi-monthly.
- There is an Executive Committee chaired by the Mayor composed of 09 councillors. The EXCO sits on monthly basis. The EXCO reports to Council through the Mayor.
- There is TROIKA composed of the Mayor, Speaker, Chief Whip and the Municipal Manager.
- There are 6 Portfolio Committees which sit on monthly basis. The Portfolio Committees Report to the EXCO.
- There is a Municipal Public Accounts committee composed of 11 non-portfolio councillors. The MPAC sits monthly and makes its recommendations to Council.

A portrait of the full council is insert below:



Member of Council are as follows:

Mayor

KS Pangwa

Speaker

ZO Sisilana

Chief Whip

N Mbele

Members

MV Nkqayi

VA Bulana

LT Qasha

Z Ndevu

EN Ngalonkulu - Lebelo

N Mpumlwana

N Nkula

PK Thingathinga

Portfolio

Infrastructure and Planning

Community Services

Corporate Services

Budget and Treasury

Communications and SPU

Local Economic Development

Exco Member

Exco Member

COUNCILLORS

WARD

- 1 FJ Hem
- 2 AL Mwezula
- 3 MV Nkqayi
- 4 MM Mpepanduku
- 5 M Mpakumpaku
- 6 X Jona
- 7 NM Mlenzana
- 8 M Jojo

PROPORTIONAL

- N Nkula
- SP Myingwa
- EN Ngalonkulu-Lebelo
- N Mpumlwana
- NE Pakkies
- T Mabindisa
- MM Gwanya
- AZ Gwebani

9	ZJ Mendu	N Boyce
10	V Nyangane	NO Godlo
11	N Gogela	LT Qasha
12	ZB Mtebele	B Mngweba
13	CT Ndawo	NP Mlandu
14	BMA Zililo	UN Makanda
15	N Sonyabashi	PK Thingathinga
16	SAN Cekeshe	TA Mambi
17	S Mankanku	F Ntwakumba
18	NT Xezu	ZO Sisilana
19	N Jijana	N Mbele
20	V Ngabaza	KS Phangwa
21	FN Ngonyolo	NN Gcadinja
22	CM Ngalonkulu	VA Bulana
23	BT Ngqasa	N Mpanda
24	MH Kwekwile	SK Mnukwa
25	NA Sobahle	Z Ndevu
26	NP Ndabeni	B Ripa
27	S Nogcantsi	NA Matshongo

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Office of the Municipal Manager



Municipal Manager: Mr. G.P.T. Nota

Divisions Internal Audit Integrated Development Planning	Objectives <ul style="list-style-type: none">▪ Ensure the development, monitoring and evaluation of the implementation of the IDP within the municipality.▪ Ensure internal audit services are conducted within the municipality, in line with MFMA, and to take corrective action and provide regular feedback to council
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Finance and Administration function's performance

Budget and Treasury Office



Chief Financial Officer: Mrs. X. Venn

Divisions	Objectives
Revenue management	<ul style="list-style-type: none"> ▪ To ensure that all the service delivery objectives of the municipality as outlined in the IDP document are properly budgeted for and the budget is cash backed. To also ensure that budget is compliant with the applicable legislation ▪ To ensure that all revenue that is due to the Municipality is collected, efficiently managed to ensure long term financial sustainability of the Municipality. ▪ To ensure that the municipal procurement is done through an efficient competitive manner that realises value for money. This also deals with asset management which has the primary objective to ensure that all assets of the Municipality are properly utilized, Maintained and monitored so as to ensure that they can bring the economic benefits that are due to the Municipality. ▪ To ensure that all municipal creditors are paid on time, within the applicable legal parameters in order to ensure that they remain willing to do business with the Municipality. This also deals with payroll administration to ensure that the workforce of the municipality is rewarded accordingly for work done every month so as to maintain proper productivity levels.
Expenditure management	
Budget management	
Asset and liability management	
Grants and investment	
Supply chain management	

Community and social services function's performance

Citizen and Community Services



Manager Citizens and Community Services: Mr. M. Sineke

Divisions	Objectives
Traffic and law enforcement	<ul style="list-style-type: none"> ▪ To provide learners and driver's license service ▪ Erection and maintenance of road traffic signs and surface markings ▪ To provide vehicle worthy road service ▪ Pound services
Disaster management	<ul style="list-style-type: none"> ▪ Enforcements of municipal by-laws ▪ Protection of municipal assets
Waste management	<ul style="list-style-type: none"> ▪ Establishment of the integrated institutional capacity for effective implementation disaster risk management legislation
HIV/AIDS	<ul style="list-style-type: none"> ▪ To ensure effective and appropriate preparedness, response and recovery ▪ To co-ordinate HIV and AIDS programs in a sectorised integrated manner
Community amenities	<ul style="list-style-type: none"> ▪ Solid waste disposal and landfill sites management ▪ Maintained and clean municipal amenities ▪ Facilitation of the establishment of libraries and museums

Human resource and administration function's performance

Corporate Services



Corporate Services Manager: Mrs. N. Kubone

Divisions	Objectives
Human Resources (HR)	<ul style="list-style-type: none"> ▪ To ensure that all matters relating to staff are well attended to by maintaining due records.
Administration	<ul style="list-style-type: none"> ▪ To ensure that employees deal with their personal, social and or economic problems and work under healthy & safe conditions.
Information Technology	<ul style="list-style-type: none"> ▪ To ensure that qualified employees are recruited and well versed in the running of the institution to enhance productivity and reduce labour turnover. ▪ To ensure that ULM Municipal employees are well trained in improving their productivity levels. ▪ To enhance representation of designated groups and address equity levels. ▪ To implement a performance management system and appraisal of

	<p>employees for consistent monitoring and evaluation of performance.</p> <ul style="list-style-type: none"> ▪ To ensure that all outstanding policies and by-laws are developed, reviewed and adopted for implementation & sound administration. ▪ To ensure sound labour relations between employer and employees. ▪ To have a signed plan with skeletal staff structure for the provision of services during situations such as strikes. ▪ To provide constant administrative support to all Council structures
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Roads, Housing, Electricity, Planning and Development function's performance

Infrastructure and Planning



Manager Infrastructure and Planning: Mr. S. Ntonga

Divisions	Objectives
Roads and storm water	<ul style="list-style-type: none"> ▪ To ensure sufficient road networking in an integrated manner ▪ To ensure compliance with National Building Regulations and Standards ▪ To ensure that planning & development decisions have a legal basis and are spatially considered ▪ To ensure proper development of townships ▪ Formalization of peri-urban settlement ▪ To improve the livelihoods of people ▪ To ensure that there is social facilitation for housing and housing consumer education ▪ To ensure that all municipal buildings are well maintained ▪ To ensure that at least 80% of households have access to electricity ▪ To ensure universal access to electricity in rural areas by 2012 ▪ To provide effective budgeting and expenditure control systems and practices based on legislation and best practice ▪ To ensure that revenue is collected by introducing strategies and mechanisms ▪ To ensure the preparation and submission of financial reports for grants funding on behalf of the municipality ▪ To ensure that there is smooth departmental administration.
Public facilities	
Infrastructure maintenance	

LOCAL ECONOMIC DEVELOPMENT FUNCTION'S PERFORMANCE

Local Economic Development



Manager Local Economic Development: Ms. S. Batyi

Divisions	Objectives
Local Economic Development	<ul style="list-style-type: none">Local Economic DevelopmentJob creationImplement Integrated Economic Development Service Delivery Programs
Environmental management	<ul style="list-style-type: none">Tourism DevelopmentForestry DevelopmentEnvironmental Management
Tourism	<ul style="list-style-type: none">SMME's DevelopmentAgrarian ReformInvestment PromotionMining

SPECIAL PROGRAMMES AND COMMUNICATION FUNCTION'S PERFORMANCE

SPU and Communication



Manager: Special Programmes and Communication: Mr. S. Kulu

Divisions	Objectives
Special Programmes	<ul style="list-style-type: none">▪ Coordination of municipal events▪ Enhancing public participation▪ To bridge the information gap▪ To profile and market the municipality
Public Participation	
Communication	

2.3 AUDIT COMMITTEE CHAIRPERSON'S REPORT

THE HONOURABLE SPEAKER

COUNCIL OF UMZIMVUBU LOCAL MUNICIPALITY

AUDIT COMMITTEE REPORT FOR 2014/2015 FINANCIAL YEAR

The audit committee of Umzimvubu Municipality has pleasure in submitting the functional report to Council of the Municipality. This report aims to report to council on activities of the Audit Committee for the 2014/2015 financial year and to raise issues of concern for the attention of Council.

This report is submitted in terms of the provision of sections 121 (3) (j), 166(2)(b) and 166(2)(c) of the Municipal Finance Management Act of 2003 ("the MFMA").

1. MEMBERSHIP OF THE COMMITTEE

The following independent persons served as members of the Audit Committee for the year under review:

Mr. V Mtshali CA (SA) - Chairperson
Mr. Madikizela CA (SA)
Mr. S Majola CIA

The committee was appointed on 18 February 2010 on a three year contract. Our contract with the municipality ended in the previous financial year. The contract was renewed for a further period of three years from 15 April 2013 – 15 March 2016. In terms of MFMA circular 65 audit committee members should not be contracted for a continuous period exceeding six years. Therefore the new/current term of three years is our last term as audit committee. We would like to convey words of gratitude to the Council of Umzimvubu Local Municipality for having afforded us the opportunity to serve the Council.

2. AUDIT COMMITTEE MEETINGS

- The MFMA provides that the Audit Committee (AC) shall have at least four mandatory meetings in each financial year, with at least one meeting held at least once per quarter.
- For the current financial year, Audit Committee held 6 meetings.

The meeting attendance was as follows:

Members	Ordinary Meeting	Special Meeting	Ordinary Meeting	Ordinary Meeting	Ordinary Meeting	Special Meeting
Date	26 August 2014	22 October 2014	25 November 2014	18 February 2015	14 May 2015	17 June 2015

V Mtshali	Present	Present	Present	Present	Present	Present
S Madikizela	Present	Present	Present	Present	Present	Present
S Majola	Apology	Present	Present	Present	Present	Apology

3. OVERVIEW OF ACTIVITIES

- Internal audit is the tool that we use as the Audit Committee to discharge our statutory responsibilities.
- We approved the Risk based internal audit plan for the 2014/2015 financial year and made sure that internal auditors cover all statutory obligations over and above risk based plan.
- PWC is our co-sourced internal auditors, working hand-in-hand with the in-house Internal Audit manager.
- In order to be able to rely on the work performed by internal audit, the audit committee has to satisfy itself on the quality and scope of work performed by internal audit is sufficient to be able to place such reliance.

3.1 UPDATE ON INTERNAL AUDIT PLAN

The following is the progress that has been made on execution of the approved internal audit plan for the 2014/2015 financial year:

THE INTERNAL AUDIT FINDINGS ARE SUMMARIZED AS FOLLOWS:

#	Area	Findings	AC Recommendations
1	Asset Management	<p>Key findings included:</p> <ul style="list-style-type: none"> • Fixed Assets verification performed only once a year • Assets not traceable from the floor to the Fixed Asset register • Assets not physically verifiable from the Fixed Asset Register to the floor • Inadequacy of asset management policy 	<p>Opportunity exists for control and process improvements around assets; especially around asset reconciliations:</p> <ul style="list-style-type: none"> • Management must ensure that the assets management policy is amended to allow the Municipality to conduct asset verification semi – annually to be able to have enough time to follow – up on assets that could not be physically verifiable. • Management should ensure

			that all newly acquired assets are captured in the fixed Asset Register timeously to avoid understatement of assets in the Annual Financial Statements.
2	Supply Chain Management	<p>Key findings included:</p> <ul style="list-style-type: none"> • Discrepancies noted regarding contracts between municipality and the service provider. • Deficiencies noted regarding awarded tenders • Deficiencies noted regarding composition of the BEC • Bids opening register not disclosed on the Municipal website. • Evaluation reports not signed by relevant officials 	<ul style="list-style-type: none"> • Management should be in compliance with Section 62 (1) © (i) of the MFMA; Paragraph 21 (g) (h) (i) of Umzimvubu Local Municipality Supply Management Policy. • The BAC should ensure that the adjudication reports and contracts are timely submitted to the Accounting Officer for signing. • Representative from SCM should form part of the BEC • Municipality should be in compliance with Regulation 23 9c) (i) (ii) of the Municipal Management Act and paragraph 24 (d) and (f) of Umzimvubu Local Municipality Supply Management Policy.
3	Revenue management	<p>Key findings included:</p> <ul style="list-style-type: none"> • Municipal Property Register not disclosed on the Municipality's website. • Supplementary valuation roll not prepared. • Variances noted between the reconciliations and the general ledger. • Inadequacies noted on receipts regarding pound fees charged • Variances noted between income register and the general ledger. • Appeals register not maintained by the municipality 	<ul style="list-style-type: none"> • Management should comply with Section 77; 78 and 79 of the Municipal Rates Act No 6 of 2004 • Revenue Manager should ensure that the Municipal Property Register is disclosed in the Municipality's Website. • Management should develop an appeals register to avoid customer dissatisfaction and poor service delivery.

4	ITGC	<p>Key findings included:</p> <ul style="list-style-type: none"> • Weakness in ICT Governance Framework. • Excessive administrator accounts noted on the Munsoft. • Inadequate user administration procedures noted for the Munsoft Application • Dormant and Inactive accounts noted on the Munsoft Application. 	<ul style="list-style-type: none"> • Management should consider additional gap analysis for the proposed governance structure as contained in the governance policy documents. • Users with the administrator privileges should be limited on the Munsoft application. • User access request forms for all users should be completed and filed. Remote access by the service provider should be approved by the Municipality. • All inactive accounts should be disabled or removed. • Management should consider configuring the server to automatically disable accounts which have not been active for a period of 45 days or more
	Inventory Management	<p>Key findings included:</p> <ul style="list-style-type: none"> • Stock issue books not signed by the HOD • Manual inventory requisition not captured on the system • Monthly inventory reconciliations not adequately done 	<ul style="list-style-type: none"> • Management must implement stricter controls in inventory issuing. • Manual inventory requisitions must be captured in the system. • Training of users on Munsoft Inventory module should be conducted to be able to reconcile the Inventory account.
5	Interim financial statement (IFS) high level review	<p>Management prepared IFS for the first 6months of the financial year and submitted them for our review and comments on the 28 February 2014.</p>	<p>Council and MPAC must follow up on the issues raised by Audit Committee on the Interim Financial Statements and ensure that by year end they are resolved by management.</p>
6	Leave and employee retention strategy	<p>Key finding included:</p>	<ul style="list-style-type: none"> • Management should ensure that attendance registers are monitored and signed as evidence that the registers are reviewed.

		<ul style="list-style-type: none"> ○ Lack of monitoring work attendance register. ○ Unauthorized leave taken. ○ Incomplete leave applications submitted and processed by Human Resource Department. ○ Leave applications approved without proper attachments. ○ Inadequacy and gaps in implementation of leave policy ○ Inconsistencies identified in employee retention strategy/ policy ○ Gaps identified in the retention strategy 	<ul style="list-style-type: none"> ● Policies and procedures should be strictly adhered to and management should enforce application of those prescripts. ● Employees applying for study leave should provide the municipality with valid information. ● Policies must be reviewed by management for consistency and accuracy.
7	Grants and Investments	<p>Key findings included:</p> <ul style="list-style-type: none"> ● Insufficient information in the investment register. ● Gaps identified in the Investment Policy ● Grant monies not used for intended purposes 	<ul style="list-style-type: none"> ● The CFO should review the Investment register to ensure accountability of interests earned and that documents in supporting of the register are attached. ● The CFO should ensure that the Investment Management Policy is adequate and covers all the relevant information. ● Management should ensure that the MIG funding is utilized for Capital Projects.
8	Reconciliations	<p>Key findings included:</p> <ul style="list-style-type: none"> ● Inventory reconciliations were not performed timeously. ● Insufficient documentation attached to reconciliations performed. ● Insufficient information in the reconciliation procedure manual 	<ul style="list-style-type: none"> ● Management must take note of the following reconciliations: <ul style="list-style-type: none"> ○ Fixed Asset ○ Inventory ● Management must ensure Inventory Reconciliations are prepared every month and reviewed to avoid loss and general not agreeing to the inventory at hand.
9	Review of Performance Bonus	<ul style="list-style-type: none"> ● Performance bonuses were calculated based on evaluation of performance of the employee against a pre-determined set of key performance indicators and core competency requirements; 	<p>As the audit committee, we are satisfied that:</p> <ul style="list-style-type: none"> ● The calculations are based on the terms and conditions as contained in the individual

		<p>and</p> <ul style="list-style-type: none"> The calculations of performance bonuses were appropriately calculated. 	<p>signed performance agreements</p> <ul style="list-style-type: none"> The calculations have been confirmed to be accurate. <p>We would like to emphasise to the Council however that it is important that the performance agreements are strictly aligned to the performance management policy of the municipality.</p>
10.	Performance information Q1 to Q3	<p>Key findings included::</p> <ul style="list-style-type: none"> General Key performance Indicators not reflected on the IDP. Inadequate corrective measures documented. Performance indicators not well defined and reliable. Targets not aligned across the SDBIP; 1st quarter report and mid – year report Objectives not aligned amongst the IDP; SDBIP and the quarterly reports. Portfolio of evidence not sufficient to support achieved performance. Portfolio of evidence not provided to support reported achievement. Targets not SMART compliant KPI's not aligned across the IDP;SDBIP; 1st quarter report and mid-year report 	<p>After careful consideration, we concluded that some of the Performance Information was lacking compliance to accepted standards of Municipal Performance Management, this was specifically the case with regard to the Portfolio of Evidence, and in many instances the required evidence was not present or was inadequate. Management needs to pay particular attention when developing the yearly SDBIP to ensure that it is aligned to the IDP and that the indicators are SMART and that collaborative evidence is stored in a central place and is valid, accurate and complete.</p>
11.	Project Management	<ul style="list-style-type: none"> Formal Contract agreement between the municipality and the contractor not signed by the Accounting Officer and the HOD Infrastructure and Planning 	<p>A number of areas of good practice were identified which include: the use of General Conditions of Contract for Construction Works 2010 for construction contracts and Joint Building Contracts Committee for building contracts which contains</p>

			<p>project management standards and procedures; project management strategy; cost / schedule management; including organizing the work; project monitoring; project accounting and cost/ schedule analysis.</p> <p>Management should sign the agreement with the contractor to ensure that the municipality is covered against any legal disputes.</p>
12.	Municipal Resources	<p>Key findings included:</p> <ul style="list-style-type: none"> • Inadequate controls over issuing of council vehicles. • Inadequate monitoring of council vehicle use. • Failure to conduct pre – inspection and post – inspection on council vehicles. • Inadequate use of vehicle tracking system. • Lack of vehicle maintenance schedule. • Inadequate measures for safeguarding of council vehicles 	<p>Management must enforce compliance with the policy.</p> <p>Drivers and employees directly concerned with the inspection of motor vehicle should comply and be conversant with the regulations.</p> <p>The vehicle tracking system report should be extracted on a weekly basis and must be reviewed for exceptions to be noted and followed up timeously.</p> <p>Full service history on vehicles should be made available for review by management and anomalies should be followed up timeously.</p>

3.2 RISK MANAGEMENT

The committee has in the past raised concerns on risk management. We made recommendations to management to improve the effectiveness of the risk committee and reporting and management of risk.

Amongst other recommendations we recommended that:

- Risk management should be a standing agenda item on all Audit Committee meetings and MANCO.
- Risk Committee should sit as prescribed in the current policy.
- That the plan should be developed as to how the identified risks will be mitigated.

It has since come to our attention that the risk committee charter, risk management policy and framework have been reviewed and amended. Council should approve these documents and ensure that they are fully implemented to ensure that the municipality actively manages its risk exposures.

An annual risk assessment workshop was held on the 14th April 2015, whereby MANCO, EXCO attended. Both the strategic risks and the operational risks affecting the municipality were updated. The summary of the strategic risks is as follows

TOP 7 STRATEGIC RISKS

Risk Name	Root Cause	Controls
Fraud and Corruption.	<ul style="list-style-type: none">• Kickbacks (Releasing of information to outside parties for financial and material benefit).• Abuse of power.• Favoritism.	<ul style="list-style-type: none">• Adopted Anti-Fraud and Corruption Policy.• Relevant legislation.• Policies and procedures.• Council and sub-committees.

	<ul style="list-style-type: none"> • Nepotism. • Bribery. • Corruption (approval of fraudulent certificates and invoices). • Circumventing/ overriding of controls by officials. • Non-compliance with policies and procedures. • Manipulation of processes. 	<ul style="list-style-type: none"> • Whistle-blower reporting line. • Quarterly reporting to MPAC.
<p>Inadequate provision against the demand for electricity and energy.</p>	<ul style="list-style-type: none"> • Limited funds for electrification to households. • Unplanned influx of informal settlement dwellers. • Transfer of Eskom electricity functions from Eastern Region (KZN) to Southern Region (Eastern Cape). • Backlog of electricity supply. • Limited capacity in terms of bulk electricity. 	<ul style="list-style-type: none"> • MANCO monthly management meetings and reports. • Council (bi-monthly) and EXCO (monthly) meetings. • Infrastructure and Planning Standing Committee monthly meetings. • Monthly report to Department of Energy on status against set targets and expenditure to date on electrification of households. • Electrification plan reported quarterly to IDP Steering Committee. • Continuous engagements with Eskom and Department of Energy. • DBSA intervention for backlog assistance.

<p>Failure to roll out of a performance management system to permanent officials.</p>	<ul style="list-style-type: none"> • Ineffective PMS (OPMS and IPMS). 	<ul style="list-style-type: none"> • PMS Framework and PMS policy outlining the implementing of PMS policy. • Conducted PMS training for permanent staff.
<p>Revenue management.</p>	<ul style="list-style-type: none"> • Rural Municipality. • Non-compliance with building regulations. • Defiance of rate payers association. 	<ul style="list-style-type: none"> • Data cleansing. • Building plan appraisal committee and inspectorate unit. • Revenue collection/ debt control policy that is fully implemented. • Timeous distribution of monthly statements. • Rate payers are being incentivised to pay their accounts. • Regular reminders by Revco debt collectors.
<p>Information Communication Technology</p>	<ul style="list-style-type: none"> • Ineffective network operation. • Password management. • Lack of integrated systems. 	<ul style="list-style-type: none"> • Approved ICT policy. • Corporate Services Standing Committee. • MANCO meetings and reports. • EXCO (monthly) and Council (bi-monthly) meetings for new policies. • Back up policy has been approved and implemented.

		<ul style="list-style-type: none"> • Intrusion detection software. <p>Disaster recovery plan - Approved ICT governance framework"</p>
Land use management	<ul style="list-style-type: none"> • Ineffective land reform programmes. • Land claims. • Land invasion. • Outdated legislation used is not relevant to the current status i.e. Township Ordinance Act of 1934/ Transkei Town Planning Scheme of 1981. • Non-adherence to the Spatial development plan (Land uses). • Contravention of by laws. 	<ul style="list-style-type: none"> • Spatial Development framework exists. • Enforcement of gazetted by-laws and relevant legislative framework. • Inter departmental working group. • Joint Law enforcement committee. • Citizen and Community, Infrastructure and Planning Standing Committees. • Monthly MANCO reporting.
Non-compliance and implementation of IDP.	<ul style="list-style-type: none"> • Lack of monitoring and supervision by management team. • Lack of oversight by governance structures. • Changes to IDP during a financial year. • Ineffective public participation. • Ineffective Inter Governmental Relations. 	<ul style="list-style-type: none"> • Co-sourced internal audit function reporting to Audit Committee. • In-house internal audit reports monthly to MANCO • Quarterly IDP Steering Committee. • Relevant legislation e.g. MSA/ MFMA/ IDP guide pack for guidance in the planning process for each phase of the IDP.

Chapter 3

3.3 OTHER ACTIVITIES OF THE UNIT

The internal audit unit also performed the other activities:

- AG Dash board assessment report for all 4quarters
- Review and update of the Audit Committee charter and Internal Audit charter.
- Compiled Risk Management Strategy and Risk Management Methodology

3.4 THE AUDITOR GENERAL'S REPORT

The Auditor General issued an Unqualified Audit Opinion with emphasis of matter for the 2014/2015 financial year. The Audit Committee congratulates management for achieving an Unqualified Audit Opinion Report; but cautions that more still needs to be done as there are issues raised under emphasis of matter. These issues if left unattended could easily lead to the Auditor General issuing a negative Audit Opinion.

The following is a synopsis of matters raised:

Compliance and Legislation

Procurement and contract management : Bids were not always evaluated by Bid Evaluation Committees which were composed of officials from the departments requiring the goods or services and at least one SCM practitioner of the Municipality as required by SCM regulation 28 (2)

4. CONCLUSION

We must convey our appreciation to management and council for the support they have given our committee.

The following are standing invitees to Audit Committee Meetings:

Office of the Auditor-General (OA-G)

Municipal Manager (MM)

Chief Financial Officer (CFO)

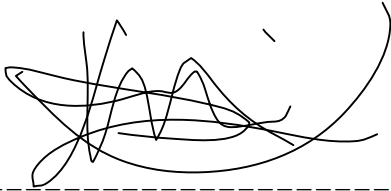
Deputy CFO

Partner / Manager from PwC Internal Audit Service Provider

Internal Auditor

Representative from Provincial Treasury and COGTA

Chairperson of MPAC

A handwritten signature in black ink, consisting of several overlapping loops and lines, positioned above a dashed horizontal line.

Signed by Chairperson of the Audit Committee

Date:

15 January 2016

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.4 INTERGOVERNMENTAL RELATIONS

The Act supplements the provisions of Chapter 3 of the Constitution which regulates co-operative governance. The Act provides a framework to promote and facilitate functional horizontal and vertical relationships between the various departments of government, and the various spheres of government. The Act also provides mechanisms and procedures to facilitate the settlement of inter-governmental disputes. Umzimvubu Local Municipality partakes in the following meetings to foster intergovernmental relations;

NATIONAL INTERGOVERNMENTAL STRUCTURES
PROVINCIAL INTERGOVERNMENTAL STRUCTURE
DISTRICT INTERGOVERNMENTAL STRUCTURES
RELATIONSHIPS WITH MUNICIPAL ENTITIES

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Umzimvubu Local Municipality comprises a large geographical area with many people. This situation requires that public participation be structured. The structure for public participation was through the IDP Representative Forum. The objective was to ensure that there is representation of the various organized and unorganized groups within our municipal area.

2.5 PUBLIC MEETINGS

Each Ward committee is chaired by the Ward Councillor. Ward committees are established for purposes of enhancing participatory democracy in local government and to make recommendations on any matter affecting their wards through the Ward Councillor. The Municipality has made administrative arrangements to enable ward committees to perform their functions and exercise their powers effectively and is continuously looking at provision of capacity building and development opportunities for committee members as a means of enhancing their understanding of developmental local government.

The Municipality also liaises and makes use of the following Community Structures:

- Project steering committees
- Audit committee
- Village committees
- Volunteers
- Civic organizations
- Non governmental organizations
- Public pressure groups

- Customers

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of participating municipal administrators	Number of community members attending	Issues addressed (Yes/No)	Dates and manner of feedback given to community
Dutyini Hall Handing over - Ward 08.	22 August 2014	27	12	300	Yes	N/A
Annual Tourism celebrations in Mt Ayliff.	25 – 27 September 2014	57	59	2500	Yes	N/A
Handing over of completed housing units in ward 14.	11 November 2014	33	32	5000	Yes	N/A
IDP outreach	20-26 November 2014.	57	85	5000	Yes	N/A
Mtshazi community meeting.	06 Feb 2015	20	23	200	Yes	N/A
Election of ward 14 ward committee.	09 Feb 2015	12	4	250	Yes	N/A
Community meeting in ward 20 Dangwana for the State of the Province Address.	10 February 2015 and 20 February 2015	6	3	120	Yes	N/A
Mhlotsheni community meeting.	13 Feb 2015	11	3	230	Yes	N/A
CDW meeting	17 March 2015	12	27	22	Yes	N/A
Ward delimitation meetings with the Municipal Demarcation Board.	18 March 2015	12	27	-	Yes	N/A
IDP outreach	17-23 April 2015	90	57	4500	Yes	N/A
Anti - xenophobia march and N2 Prayer day	23 April 2015.	53	57	1500	Yes	N/A
Meeting with Taxi/Bus associations	29 April 2015 & 12 June 2015.	11	23	30	Yes	N/A
Santombe land committee meeting.	06 May 2015	22	5	500	Yes	N/A
Mayoral Imbizo	22 June	45	57	5000	Yes	N/A

	2015.						
Youth dialogue	14 June 2015.	45	66	230	Yes	N/A	
Youth Imbizo	18 June 2015.	34	34	430	Yes	N/A	
Liquor board information day - in Dangwana - Ward 20.	23 June 2015	12	23	159	Yes	N/A	

Community and Public Participation

The Umzimvubu Municipality has adopted a culture of public participation as it is required in terms of section 16(1) of the Municipal Systems Act. Section 16 (1) of the Municipal Systems Act requires municipalities to develop a culture of municipal governance that compliments formal representative government with a system of participatory local government. As such the Umzimvubu Municipality has adopted the Ward committees system in each of the 27 Wards.

2.6 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

COMPONENT D: CORPORATE GOVERNANCE

2.7 RISK MANAGEMENT

The institution is required in terms of Section 165(1) of MFMA to establish an Internal Audit Unit and that was established in March 2010. The Unit evaluates and monitors the system of internal controls as designed by Management and make recommendations and monitors the risk management

processes within the municipality. The risk management committee which comprises of the risk champions from each department was established.

Internal audit is required to ensure that each department operates within the policies, procedures, laws and regulations as established by all statutory requirements.

The unit at the moment is composed of an Internal Auditor. Internal Audit Unit has been able to perform the following functions:

- A three year strategic risk assessment and fraud response plans are in the process of being reviewed.
- The Internal Audit Unit is in the process of developing an annual risk assessment plan.
- The Internal Audit Charter that outlines the responsibilities of the function has been completed.
- The unit has been able to perform ad hoc audits within the institution.
- The management has been taken through a session on risk assessment to enable them to work towards minimizing the risks and exercising internal controls.

2.8 ANTI-CORRUPTION AND FRAUD

The fraud and anti-corrupt process are management within the office of the municipal manager through the internal audit unit. The municipality is using the fraud hotline number of the office of the premier. Internal Audit also plays a vital role when one needs to report fraud and corruption activities but their contact number is available only during working hours and during the week.

2.9 SUPPLY CHAIN MANAGEMENT

Supply Chain Management Policy

The Supply Chain Management Policy was reviewed during the 2014/2015 financial year and submitted for approval by Council. The implementation of the day to day procurement for goods and services was done.

Open tenders with the value of R200 000 and above follow the 3 Bid Committee System; Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee. The Committee members are appointed in writing by the Municipal Manager

Code of Ethics

All Supply Chain Management practitioners, as well as members of the three Bid Committees, are required to sign a Code of Ethics as approved by Council. The approved code is based upon the Code of Ethics of National Treasury.

2.10 WEBSITE

Municipal Website: Content and Currency of Material

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

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

COMPONENT A: BASIC SERVICES

3.1. WATER PROVISION

The provision of water and sanitation is the competency of the Alfred Nzo District Municipality. Umzimvubu Local Municipality through the district municipality facilitate the issue of water provision within its residence. Number of consumer units with access to free basic services – Electricity – 10 900

In the absence of electricity provision, the municipality provides a subsidized rate of any of the following alternative energy sources:

- Paraffin - 3700 beneficiaries with 5 Liters per quarter and
- Solar Home system – 2078 beneficiaries with R40 Per household monthly

3.3 ELECTRICITY

Umzimvubu Local Municipality is not a licensed to provide electricity. However the municipality is responsible for the installation of the electricity infrastructure and (electrification) through Eskom and facilitate the connection of electricity to new households of Umzimvubu Local Municipality.

The below total was spent of electrification program during 2014-2015

Electrification	R16 000 365
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3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTEGRATED SOLID WASTE MANAGEMENT (ISWM)

DOMESTIC WASTE COLLECTION

Umzimvubu Municipality is responsible for Domestic Waste collection in their own area of jurisdiction. The Municipality do waste collection services (Street sweeping, litter picking, refuse bag provision/curb side collection and waste bin provision/servicing) in 2 urban centers or towns and 8 rural areas, 5 days a week in residential area and 7 days a week in urban areas. At present the municipality collects an estimated 11% of the sorted and unsorted Municipal waste from households, suitable properties and businesses to waste facilities (GCB-) for recycling and final disposal. The higher waste collection backlog percentage is sitting with rural areas and illegal waste dumps.

In an attempt to address the backlogs the municipality should prioritise:

- Identification of new/additional rural areas using EPWP Food for waste programme and other EPWP under Environmental and Cultural Sector.

- Embark on process to rehabilitate illegal dumping sites;
- Full implementation of ULM Integrated Waste Management Plan

During the year under review the municipality has engaged itself in lot of activities which included the following; refuse removal and transportation, Landfill Site Management, Illegal dumping site rehabilitation, Waste Information System, Waste Recycling, By- Law Enforcement and Education and Communication.

In light of the above, Umzimvubu has plant, equipment, tools, facilities, man power, waste collection crew and operations systems to ensure effective and efficient domestic waste collection service. During this period ULM was able to install 85 waste side bins for temporally storage of waste and to curb littering. Other activities included the following kerb collection services, street sweeping, litter picking and workers are operating on their schedules and adhere to waste collection map. Business waste is collected on daily basis and on residential sites waste is collected twice a week.

ULM works under a licensed land fill site which was a great achievement during the financial year of review and has appointed a service provider for the supply and installations of WIS that will assist the municipality to capture routine data on tonnages of waste generated, recycled and disposed on monthly and annual basis

REFUSE REMOVAL AND TRANSPORTATION.

Two refuse standard Trucks, two Refuse Compactor Trucks, 7 operating on time, on schedule and adhered to refuse removal map. All waste collection points and suitable properties were serviced; the refuse has been transported to our waste facilities for a final disposal off. Furthermore, we are working on FM GPS refuse truck tracking unit installation for accurate records travel times and distances, Geo-fences, and a detailed telemetry information (Accurately recording speeds, times, cadastral, locations, and distances) to develop reports. To this end the unit has been procured and installed.

LANDFILL SITE MANAGEMENT

The Municipality operates and manages two GCB- waste facilities, they are both permitted. We are currently working on four working faces/landfill cells for a final waste disposal off and cell operations (compaction, covering and litter picking), controlling and directing waste vehicles from households and businesses for proper working face areas. Access control, logging of vehicles that access the facilities and direct vehicles for proper working face.

ILLEGAL DUMPING SITES

Approximately 200 active illegal waste dumping sites have been identified and mapped, estimates that over 150 of these sites are within 20-30 metres of schools, homes and sensitive biodiversity areas. To this end, the Municipality is working/rehabilitating almost all the sites.

WASTE INFORMATION SYSTEM

WIS provides a mechanism for obtaining accurate waste balance information through online submission of data by waste facilities. Our Waste Information System is currently up and running as required in terms of Section 60 of the Waste Act. This system is used by ULM to capture routine data on tonnages of waste generated, recycled and disposed of on a monthly and annual basis. To this end, both Mount Frere and Ayliff waste data have captured.

WASTE BUY BACK CENTRE

Solid waste buy back centre assist in addressing the challenges of dealing with increase generation of solid waste and the scarcity of land for disposal. This centre also reduces the challenges of unemployment through promoting entrepreneurs to operating waste recycling businesses. To date, tonnages of recyclable material have been diverted from landfill.

Cooperatives have been established to deal with waste recycling for economic purposes. Partnerships have been form with international companies with regards to construction of buy back centres in the municipal area. There is a food for waste programme that is aligned to EPWP Principles that implements waste practices.

According to the Statistics South Africa Community Survey 2007, only 4% of households have access to a weekly refuse removal service. 84% of households make use of their own refuse dumps which implies a high level of indiscriminate dumping and little regard for the impact on the environment. In spite of this, the municipality has installed “**no illegal dumping**” signs in areas that were identified to have high volumes of dumping. Waste bins have been installed in both towns, and the public response in using the bins is well commendable.

RECYCLING

There are wide ranges of recycling initiatives that took place during the year under review in relation to waste minimization. To the year end 4 permits have been issued in an attempt to promote sustainable waste minimization programs and to regulate salvaging on land fill sites. Scavenging is only permitted at both sites from 16: 30 daily after operations on site have ceases for the health and safety purposes. Waste by back center has been developed and is in operation indicating that some amounts of money are generated per month. We have entered in services level agreement with 3 cooperatives running the centre so as to be able ascertain the waste stream recycled in terms of waste volumes, type and money generated in the process so as to enable to plan, report and enhance programme. The following is the more detailed description of some activities under ISWM:

3.5 HOUSING

The provision of housing is not the competency of the Umzimvubu Local Municipality, however the municipality through its intergovernmental relations and integrated planning is able to facilitate the provision of housing through the provincial department of human settlements and infrastructure.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Indigent household in Umzimvubu Local Municipality is defined as any household that has total income combined not exceed 2 times the amount of old age pension. The most common indigent in Umzimvubu Local Municipality are;

- Child headed household
- Pension dependent household
- Any household where there is no body employed

The municipality maintains register for the indigent that is reviewed annually along with the indigent policy of the council. The municipality has a Number of indigent households within the area of municipal jurisdiction of 16 720 and number of consumer units with access to free basic services - Electricity of 10 900. In the absence of electricity provision, the municipality provide a subsidised rate of any of the following alternative energy sources

- Paraffin - 3700 beneficiaries with 5 Litres per quarter
- and Solar Home system – 2078 beneficiaries with R40 Per household monthly

COMPONENT B: ROAD

3.7 ROADS AND TRANSPORTATION

Roads and transportation

Umzimvubu local municipality is involved in the construction and rehabilitation a number of rural Access Roads, Maintenance of Access Road and Bridges. The municipality is also involved in the maintenance of street lights.

It is important to consider the state and extent of road networks in Umzimvubu. Roads serve as a gateway into the Umzimvubu interior, allow access to natural resources, and facilitate the transportation of goods out of sites of economic activity to their intended markets.

The impact of roads on the nature of economic activity in Umzimvubu is presented in Figure 3.5.2 which overlays population density upon the area's road network. From Figure 3.5.2 it can be seen that the N2 national road and the R405 serve as a spine from which settlement patterns in the area is determined. Both town centres of Mt Frère and Mt Ayliff are fully accessible by road and from the Figure shown below and it can be deduced that **the road network in Umzimvubu thus has a strong bearing on the spatial spread of economic activity.**

The provision of roads is thus an important factor that stimulates economic activity in Umzimvubu. The provision of tarred and well graded gravel roads throughout the municipality is also essential. These would take the form of secondary roads that provide access to settlements other than Mt Frere and Mt Ayliff. Good quality and well maintained secondary roads are important in Umzimvubu as they allow:

- Tourists to venture to different areas
- Villagers to transport agricultural produce to market areas
- Forestry stakeholders to access land in which plantations may be established
- Cheap carriage and delivery of essential retail goods to villages spread throughout the locality

Roads and Storm water remains a critical area within the Infrastructure component in ensuring accessibility and mobility of residents and general road users. Programmes are in place to deal with construction, rehabilitation and maintenance of the Municipal Road and Storm water infrastructure systems.

Such programmes include the Road Rehabilitation and Storm water rehabilitation programmes thereby the council approves the annual budget that deals with such rehabilitation programmes, contracts that deal with these programmes are in place on annual basis.

Also the general operations aimed at providing routine maintenance of roads and storm water systems, these include pothole/repairs, storm drainage cleaning, road marking and signage, grading and gravelling of roads. These programmes have had a significant impact in improving accessibility especially in rural areas during rainy seasons.

COMPONENT C: PLANNING AND DEVELOPMENT

3.8 PLANNING

The Town Planning Section is situated in the Department of Economic Development, Tourism and Planning. This section is tasked with facilitating the development of forward looking and progressive plans with the objective of planning for the future and providing guidance to the development community, both internal and external on the intentions of the Umzimvubu Local Municipality in relation to land development.

Planning section, in its role as part of a strategic team in the Department, plays the following key functions:

- Land Use Management and Development Control
- Spatial Planning
- Geographic Information Systems
- Enforcement, in relation to development planning transgressions

Umzimvubu local municipality has adopted the SPLUMA.

3.9 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

The Constitution of the Republic of South Africa bestows to the Municipality the responsibility to promote social and economic development within its area of jurisdiction. It thus requires the municipality to structure and manage its administration, budgeting and planning processes in a manner that gives priority to the basic needs of the community and promotes the social and economic development of its area. The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) mandates local government to promote social and economic development in areas of their jurisdiction. This mandate is outlined further in the White Paper on Local Government (March 1998) which introduces a notion of 'developmental local government', and identifies local economic development as one of the critical outcomes and key performance areas for this sphere government.

To implement the afore-mentioned mandate, the Umzimvubu local Municipality established the Department of Local Economic Development. Economic Development and Tourism is further broken down into five (5) sub-units or portfolios, namely Rural Development, SMME Development, EPWP and Co-operatives Development and Tourism

SMME Development Portfolio

- Training of SMME's
- SMME awareness sessions in partnerships with key stakeholders

- SMME exposure programmes

EPWP & Co-operatives Development Portfolio

- Facilitation of a municipal-wide EPWP programme
- Facilitation of a broader co-operative development programme
- Capacity building initiatives for co-operatives

Tourism, Marketing

- Facilitation of key tourism-focused initiatives
- Facilitation of rural tourism initiatives

Responsible tourism plan has a clearly vision “ to be preferred tourism destination” The Municipality is exploring competitive advantage through diverse culture that it possess, there is tourism DVD and brochure showcasing our unique products and as such each year there are tourism celebrations at Emaxesibeni craft centre.

About competition the municipality understands that development knows no boundaries hence programmes are linked with other municipality in order to complement each other

About 30 functional co-operatives are operating within the municipality and small business association in each town. NAFCOOC is dominated by medium to well established businesses while FABCOSA is predominantly dominated by young people in business

Agriculture and Forestry

Agricultural activities taking place in the municipal area are in the form of livestock farming (sheep, goats and cattle) and crop farming (maize, potatoes, cabbage and spinach) at a subsistence level. There is no large scale/commercial farming. Some of the land that has been utilized for agricultural has been depleted due to unsound agricultural practise. The major agricultural zones are adjacent to Umzimvubu and Kinira Rivers.

It is notable that there are large pieces of vacant arable land within the municipal area. These pieces of land need to be explored and utilized to the fullest. The employed population in the agriculture sector is very low but has potential to growth should the municipality invest more. The grazing vegetation (grasses) covers most of the study area therefore the study area could capitalise mostly on in extensive livestock farming. The study area however is not very typical forest vegetation therefore not a lot of forestry takes place within the study area.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

Library Services

The municipal area is currently developing Two Libraries to assist in the provision and promotion of a culture of reading, library usage and learning so as to enrich communities. Umzimvubu Municipality in collaboration with Coega Development Agency (an implanting agent contracted by Department of Sport, Recreation, Arts and Culture) to develop a Library in Mount Frere and Mount Ayliff town, they are both on their final stages awaiting for an official hand-over.

3.11 CEMETORIES

Umzimvubu Local Municipality has continued to operate and manage four Cemeteries (two Mt Ayliff and Two Mount Frere), and they are all maintained on regulars basis. The maintenance activities include the following:

- Landscaping and Greening
- Grass cutting,
- Removal of unwanted vegetation,
- Grave digging and allocation, and
- Access control
- The operation activities involve the following:
- Cemetery management System

3.12 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Child support grants and old age pensions respectively constitute 68.6% and 20.9% of the allocated grants. Only 2.7% of the population is receiving disability grants as compared to the 4% of the population who have a disability.

Social Services

The socio-economic profile reviewed some pertinent developmental indicators that determine the quality of life enjoyed by residents of Umzimvubu. This section will look at the provision of various form of social infrastructure. The provision of social services has a bearing on the quality of life and whether a labour-force can be sustained to enjoy fulfilling lifestyles out of the workplace.

Parks and Public Open Spaces

The Municipality is operating and managing two Parks to provide active and passive recreation to communities. Ntsizwa Park upgrade is completed, Sophia recreational Park Development is under construction phase. A number of public open spaces have been maintained, the activities include amongst other things the followings:

- Trees and shrubs that obstruct streets, alleys and sidewalks cutting and pruning.
- Grass cutting.
- Landscaping and greening maintenance.

COMPONENT E: SECURITY AND SAFETY

Safety and security

There are 2 police stations in Umzimvubu's urban areas. The location of police stations has a strong impact on crime prevention and community safety, which are both factors that affect the decision to relocate to a certain area or not. In Umzimvubu the risks and dangers of burglary at residential premises and stock theft in non-urban areas are cited by stakeholders as often affecting business location decisions. There is local safety forum which operates under Intergovernmental Relations Framework Act. The forum deals with issues in the community safety plan.

3.13 FIRE AND DISASTER

Disaster Management

The Alfred Nzo District Municipality is responsible for the provision of Disaster Management and Fire Services in the District. ANDM has a Disaster Management plan in place to effectively manage disasters which stem primarily from natural causes (tornadoes, storms and winds etc.). Services are rendered from the central disaster management centre in Mount Ayliff and a satellite centre in Mount Frere urban area both serve the Umzimvubu Local Municipality. However, the municipality has a disaster management plan. The Local Municipality cooperates with the ANDM in the provision of these services.

COMPONENT F: SPORT AND RECREATION

Sport & Recreation Facilities

The Municipality is managing two sports fields (one in Mount Ayliff and 1 in Mount Frere). They are both valued for its contribution to the sporting, recreation and social life of the people of Umzimvubu Local Municipality, visitors and surrounding areas. It is also valued for the benefits it will bring for future generations. The Mount Ayliff sports field artificial turf development is completed and handed over. Badibanise sports field in Mt Frere is currently under-developed. There are no proper sports fields in some rural areas, which poses a concern as our population is largely characterised by youth.

Public, Social and Recreational facilities and amenities play a major role in the overall social development of the society such that these activities moral discipline, keep youth out of the streets. The ever – increasing crime and other social ills (i.e. teenage pregnancies, drug abuse etc.) gave rise to the importance of these activities and they should be viewed as the productive alternative that the youth can engage itself with. Although there is a lack of adequate standard sports and recreational facilities within the Municipal area, Umzimvubu's existing sports facilities hosted various sports events including school, local community events and inter-municipal sports competitions.

COMPONENT G: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.14 EXECUTIVE AND COUNCIL

The Council of Umzimvubu Municipality through the Mayor and his/her Executive Committee is legally responsible for managing the day to day operation of the municipality. There are six portfolio standing committees that have been established in terms of Section 80 of the Local Government Municipal Structures Act, (Act 117 of 1998). Each portfolio committee is headed by a Member of the Executive Committee. There are standing committees for the following portfolios;

- Infrastructure and Planning
- Corporate Services
- LED and Environmental Management
- Social and Community Development
- Budget and Treasury
- SPU and Communications

The Municipality also has the Municipal Public Accounts Committee (section 79 Committee). The committee is made up of 11 non-executive councilors from parties in the council. The MPAC Committee is chaired by a councilor from the Opposition party.

Municipal Administration

The municipality has a staff compliment of 271 full time staff as provided in the revised Organogram. The municipal organogram makes provision for a Municipal Manager, 6 Senior Managers (Head of Departments) and 21 Assistant Managers. The figure below is an adopted ULM organogram for 2012/13.

3.15 HUMAN RESOURCE SERVICES

The municipality has a Human Resources Manual/Strategy that guides all human resources issues of the municipality.

Employment equity

Umzimvubu has developed an Employment Equity Plan, as a long term plan to address any imbalances in employee representation in the work place. It also aims to promote gender equity and eliminate unfair discrimination. An Employment Equity Manager was designated to ensure that the Employment Equity plan is implemented. An Employment Equity Committee has also been established which comprises employees from all categories and Councillors.

The Employment Equity Plan has been submitted to the Department of Labour, and regular reports are submitted on progress made and targets met. Umzimvubu still faces challenges in terms of implementing employment equity particularly on senior levels.

Institutional Policy Development

The following policies have been developed and approved by Council:

- Bursary Scheme Policy
- Training and Development Policy
- Placement Policy
- Code of conduct for staff
- Acting Allowance policy.
- Employee Assistance Policy
- HIV/AIDS policy
- Recruitment and selection policy
- Human Resource Development Strategy
- Retention Strategy
- Employment Equity
- Children, Women, Youth, Elderly People, People with Disabilities Strategy

3.16 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The communication and Information Technology unit is housed within the department of corporate services and is responsible to Provide access to information users and network services.

- User Access and termination control
- IT Security Management
- Management of email/internet security

- Server Maintenance and software installations
- Management of licensing
- Management of UPS throughout the municipality

COMPONENT H: ORGANISATIONAL PERFORMANCE SCORECARD

1. ANNUAL PERFORMANCE REPORT ON SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS 2014-2015

IDP Priority	KPA	Strategic Objective	Programme/Project	IDP No.	Key Performance Indicator	2014/15		Reported Work													
						Baseline	Target	Budget	Expenditure	Actual Achievement	Target Achieved or Not Achieved	Reason for non-achievement	Corrective measure and time frames	Responsible Department	MOV						
						Priority 1: Infrastructure Investment (Roads, electricity, housing)	Basic Service Delivery	To provide access, improve sustainable and modernised	Upgrade, repairs and maintenance	BS D1	Number of buildings and facilities maintained	Maintenance of municipal buildings has been performed in the previous financial year	4 municipal buildings in both towns	R 650 000	R 703 565	The appointed service provider was appointed. All the reported faults were fixed. Blinds and Air Conditioner installed. Water leakage at Mt Ayliff town hall was fixed.	Achieved	N/A	N/A	I&P	Pictures, orders

Roads and bridges Construction	BSD4	Number of street lights maintained	192 Street lights maintained in the previous financial year	180 Street light and 12 High Mast were maintained	R 562 000	R 440 460	180 Street light and 12 High Mast were maintained through an appointed service provider	Achieved	N/A	N/A	I&P	Pictures, orders
	BSD5	Number of municipal vehicle and plant maintained	The municipality has maintained 2 TLB's in the previous year	2 TLB's	R 100 000	R 3858	Tyre and minor repairs were done to 2 TLB's	Achieved	N/A	N/A	I&P	Pictures, orders
	BSD6	Km's of access roads maintained	86 km's were maintained in the previous financial year	115km m's	12,204 922	12,100 922	All maintenance works on access roads were 100% complete. The 115km maintenance was done successfully.	Achieved	N/A	N/A	I&P	Appointment letters, pictures, final completion certificates
	BSD7	Km's of access road	Construction 31km m's	45km's	R 1519 085	R 13685 450	All construction works on	Achieved	N/A	N/A	I&P	Appointment letters,

							year.							
			BSD9	Number of bridges designed	Designs of bridges were done in the previous financial	5 bridges (Tyinirha & Ntlabeni, Ntsimangweni, Lubhacweni and Daluhlanga bridge	R 2320754	R 1876531	Design work of all 5 bridges was done and 100% complete.	Achieved	N/A	N/A	I&P	Advertisements, appointment letters and Design report
			BSD10	Number of sports facilities upgraded	No upgrading of sports facilities were done in the previous financial year	1 Sports facility (Badi banise upgrading)	R 395000	R 3252489	Project progress on site was at 80% complete. Subsoil drainage is complete, Kerbing is complete, grassing complete. Revamping of change rooms and guard house are complete, contract	Not Achieved	Delays in supply of asphalt and tar-mark	Speeded up construction work outstanding and ensure completion with the 1st quarter of the next	I&P	Advertisements, appointment letters, pictorial evidence and design report

Upgrade, repairs and maintenance of sports facilities

								or busy with the laying of asphalt, tar mark on running track and doing platforms on netball pitch.			financial year			
			BSD11	Number of sports facilities designed	Mt Ayliff sports facility designed and developed in the previous financial year.	2 cluster sports fields designed (Mandleni and Shint a)	R 588 240	R 223 329	Designs were 100% complete for both cluster sport fields	Achieved	N/A	N/A	I&P	Advertisements, appointment letters and design report
		Cross-departmental initiatives	BSD12	Number of building constructions done	5 municipal buildings were constructed in the previous financial year	1 paving of (trading facility)	R 908 010	R 882 131	Project was 100% completed	Achieved	N/A	N/A	I&P	Advertisements, appointment letters, pictorial evidence and close out report

Priority 1: Infrastructure Investment (Roads, electricity, housing)	Basic Service Delivery	To provide access, improve sustainable and modernised infrastructure	Building and Housing Management and Inspections	BSD13	Number of parks and recreational facilities constructed	Development of 1 park (Sophia) and maintenance of 1 park (Ntswa) was done in the previous financial year	2 parks (little river park in both towns)	R 337 149 2	R 33095 998	Project was 100% completed	Achieved	N/A	N/A	I&P	Advertisements, appointment letters, pictorial evidence and close out report
				BSD14	Number of building plan appraisal committee sittings held	The building plan appraisal committee sat 11 times in the previous financial year	11 sittings	Nil	Nil	11 Scheduled plan appraisal committee sittings and 3 special sittings on the 09/03/15, 09/04/15, 09/05/15 TOTAL [14]	Achieved	N/A	N/A	I&P	Attendance register, signed minutes by the attendance Building Control Office
				BSD15	Number of building inspections performed	2000 inspections performed	2500 inspections and 300 signed	Nil	Nil	7063 building inspection done and 315 signed happy	Achieved	N/A	N/A	I&P	Pictorial evidence, signed Inspe

				done	ed in the previous financial year	happy letters			letters.					ction Registers and Happy Letters	
				BSD16	Number of by-law informant sessions held	20 enforcement sessions held in the previous financial year	24 by-law enforcement sessions	Nil	Nil	24 by-law enforcement sessions	Achieved	N/A	N/A	I&P; C&CS and LED	Signed Notices Attendance Registers
				BSD17	Number of housing needs register developed and maintained	1000 data captured in the previous financial year	300 new data	Nil	Nil	305 new registrations captured	Achieved	N/A	N/A	I&P	Dem and lists
				BSD18	Number of housing beneficiaries administered	3500 beneficiaries were captured in the previous financial	5000 beneficiaries	Nil	Nil	Demand list for the newly appointed and procured projects of Rhode, Mnceba, Mpemba, Osborn and	Achieved	N/A	N/A	I&P	Beneficiary lists

		year					Ndarhal a are in place. 5000 benefici aries were captured .					
Indigent Beneficiation	B S D1 9	Num ber of hous ehold s bene fitting from alter nativ e ener gy	220 0 hous ehold s on the indig ent regis ter	2200	R 2 45 5 00 0	R 2 299 448	25 litres of paraffin was supplied to each househo ld that appears on the indigent support register. Solar benefici aries were maintain ed. The overall 2200 benefici aries received support	Ac hie ved	N/A	N/A	BT O	Indig ent regist er and distrib ution regist ers, appoi ntme nt letter, adver ts
	B S D2 0	Num ber of hous ehold s bene fitting from electr icity subsi dy	206 5 ben efici aries in the previ ous finan cial year	2065	R 90 0 00 0	R 874 411	2065 benefici aries for electricit y subsidy received support in a form of 50kw	Ac hie ved	N/A	N/A	BT O	Indig ent regist er and distrib ution regist ers, paym ent vouc her

<p style="text-align: center;">Priority 8: Clean environment</p> <p style="text-align: center;">Basic Service Delivery</p> <p style="text-align: center;">To develop and promote an integrated sustainable environment</p>	<p style="text-align: center;">Integrated Waste Management</p>	<p>BSD21</p>	<p>Number of days waste transportation and disposal at landfill sites in both towns</p>	<p>Collection services</p>	<p>Waste collection and disposal at landfill site 6 days a week</p>	<p>R 950 000</p>	<p>R 903 904</p>	<p>Waste collection services were done 7 days a week. Domestic, Business and Street collection of waste was done and waste disposal to landfill sites was done 6 days a week. Refuse plastic bags were supplied to households in both towns.</p>	<p>Achieved</p>	<p>N/A</p>	<p>N/A</p>	<p>C&CS</p>	<p>Landfill-site register</p>
	<p style="text-align: center;">Landscaping and greening</p>	<p>BSD22</p>	<p>Number of amenities beautified, refurbished and upgraded</p>	<p>Landscaping and greening has been done to 3 sites in the</p>	<p>3 sites</p>	<p>R 1 000 000</p>	<p>R 923 805</p>	<p>Mt Frere little River Park and Ntsizwa Park and access road to new cemetery was maintained.</p>	<p>Achieved</p>	<p>N/A</p>	<p>N/A</p>	<p>C&CS</p>	<p>Tender document, copy of advert, appointment letter and site hand</p>

				previous financial year				Sophia Park was upgraded.						over meeting attendance register, pictorial evidence
	Library Services	BSD23	Number of libraries accessed 5 days a week excluding public holidays	2 libraries were run by the municipality in the previous financial year	2 libraries	R 592803	R 394553	2 Libraries were made accessible to community 5 days a week, except for public holidays	Achieved	N/A	N/A	C&CS	Attendance Register	
	Cemetery Management	BSD24	Number of grave numbers procured, recorded and mounted in graves	1000 Grave numbers procured in the previous financial year	2300			Recording on cemetery database management system was done. Procurement of 2300 grave numbering plates was done	Achieved	N/A	N/A	C&CS	Proof of payment, burial register	

Priority 0: Peace and Stability													
Basic Service Delivery													
To Create a conducive environment for participatory development; and to develop and promote an integrated sustainable environment													
Law enforcement													
B S D2 5	Number of law enforcement plan developed	The law enforcement plan was developed in the previous financial year	1 plan	Nil	Nil	Traffic and law enforcement plan was developed	Achieved	N/A	N/A	C&CS	Law enforcement Plan		
B S D2 6	Number of road traffic offences issued	Notices have been issued to 2000 transgressors in the previous financial year	Issuing of 2500 notices issued to traffic law transgressors	Nil	Nil	3300 notices issued; 219 section 44 notices) equals 3519 notices	Achieved	N/A	N/A	C&CS	Notices register		
Vehicle testing													
B S D2 7	Number of vehicles tested for road worthiness	Testing of 500 for road worthiness has been done in the	Testing of 600 for road worthiness	Nil	Nil	604 vehicles tested for road worthiness	Achieved	N/A	N/A	C&CS	Monthly Reports (eNatis Print outs)		

				previous financial year									
Testing Authority	BSD28	Number of applicants tested for driving licences	3000 drivers licence testing done in the previous year	Testing of 3060 applicants for driver's licence	R29000	R218968	3372 Applicants tested for driver's licenses at Mount Ayliff DLTC	Achieved	N/A	N/A	C&CS	Monthly Reports (eNaTIS Print outs)	
	BSD29	Number of applicants tested for learners licence	2304 learners licence testing done in the previous year	Testing of 2500 applicants for learners licence	Nil	Nil	2853 applicants tested for learner's license at Mount Ayliff DLTC	Achieved	N/A	N/A	C&CS	Monthly Reports (eNaTIS Print outs)	
	BSD30	Number of vehicles registered and licenced	7000 registered and licenced vehicles in the previous year	7322 registered and licenced vehicles	Nil	Nil	7420 vehicles licensed and registered in Mount Frere registering authority	Achieved	N/A	N/A	C&CS	Monthly Reports (eNaTIS Print outs)	

Safety and Protection Services	BSD31	Number of municipal premises and properties secured	Security services has been rendered to 11 municipal buildings in the previous financial year	14 municipal buildings provided with security services	R 537 280	R 541 257	14 municipal buildings were provided with security services 24 hours a day	Achieved	N/A	N/A	C&CS	Monthly Reports (Security appointment letter, Occurrence book & access control registers)
	BSD32	Number of Community Safety Forum meetings held	4 CSF held in the previous financial year	4 meetings	Nil	Nil	4 CSF meetings were held	Achieved	N/A	N/A	C&CS	Attendance Registers, minutes of meetings
	BSD33	Number of social relief materials provided to disaster affected households	50 materials provided for disaster affected households in the previous	90 materials	R 146 200	R 137 970	50 blankets and 40 mattresses have been purchased and ready for distribution to affected households	Achieved	N/A	N/A	C&CS	Monthly Reports (purchase & issue registers)

Priority 5: Institutional integration and coordination (institutional development, organogram, workforce, principles)	Institutional Development and Transformation	To build and strengthen the administrative and institutional capability of the municipality	Organisational Performance Management	holds	ous	financial									
				year											
				ID T1	Number of SDBIP's developed and approved by the Mayor	The SDBIP was approved by the Mayor within 28 days of budget approval in the previous financial year	Approval of the SDBIP and Reviewed SDBIP by the Mayor	Nil	Nil	The SDBIP was developed and presented to Council and approved by the Mayor within 28 days after approval of the budget approval	Achieved	N/A	N/A	OMM	Approved and signed SDBIP by the Mayor
				ID T2	Number of organisational performance analysis reports done	4 organisational performance analysis reports done in the previous financial year	4 organisational performance analysis reports	Nil	Nil	The analysis of the Quarterly performance reports was done and presented to Manco	Achieved	N/A	N/A	OMM	Analysis Reports

Clean Audit Management	ID T3	Number of Internal Audit Plans developed and Approved	The IA Plan was approved by the AC in the previous financial year	1 IA Plan	Nil	Nil	1 Risk based audit plan was developed	Achieved	N/A	N/A	OMM	Minutes of the AC meeting, IA Plan
	ID T4	Number of Audit Turn around Strategies developed, implemented and monitored	The Audit Turn around Strategy was developed, implemented and monitored in the previous financial year	1 strategy	Nil	Nil	The audit turnaround strategy was developed after release of the Audit Report. All findings and issues of attention were addressed	Achieved	N/A	N/A	OMM	Audit Turn around Strategy
	ID T5	Number of audits performed by IA	10 audits were performed in the previous	11 audits	R 3 676 860	R 3 709 684	23 audits were performed to completion. These include: APR	Achieved	N/A	N/A	OMM	IA Reports, AC minutes

						financial year				review, Performance Bonuses, PI Quarterly reviews, Risk assessment, Conditional grants, AFS, Reconciliations, Project Management, Leave and Employee management, SCM, Inventory management, Asset Management AC and IA Charter, MFMA Compliance, Loss control, AR, AG Follow-up, Municipal Resource, Revenue and Debt Management					
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Risk Management	ID T6	Number of Audit Committee sittings	The AC had 4 meetings in the previous financial year	4 meetings	R 1 000 000	R 911 971	AC has had 6 meetings	Achieved	N/A	N/A	OMM	Audit Committee Schedule, Minutes and attendance registers
	ID T7	Number of sittings of the Risk Committee	The Risk Committee had 09 meetings in the previous financial year	10 meetings	Nil	Nil	The risk management committee has had 10 meetings.	Achieved	N/A	N/A	OMM	Minutes of the RC, Attendance registers
	ID T8	Number of risk assessment workshops conducted	The risk assessment workshop was conducted once in the previous financial year	1	Nil	Nil	1 risk assessment workshop was done	Achieved	N/A	N/A	OMM	Attendance Register

Compliance and Reporting	ID T9	Number of risk register approved	The municipality had approved the risk register in the previous financial year	1 risk register	Nil	Nil	A risk register for strategic and operational risk was developed.	Achieved	N/A	N/A	OMM	Approved risk register
	ID T10	Reduction of reported cases on fraud and corruption	There were 1 reported case of fraud and corruption in the previous financial year	3 cases	Nil	Nil	3 cases of fraud and corruption was opened	Achieved	N/A	N/A	OMM	Case register
	ID T11	Number of performance quarterly reports submitted to	4 quarterly reports were submitted to Council in the	4 reports	Nil	Nil	4 Quarterly Reports were developed and presented to Council within 30 days	Achieved	N/A	N/A	OMM	Council Resolutions, Quarterly Performance Reporting Repo

development, organogram, workflow, principles development)	Institutional Development and	To develop and enhance knowledge	Career Pathing		enrolled at institutions of higher learning	ary in the previous year				d for 2015 academic year, as at June 2015.					
				ID T2 1	Number of awarded beneficiaries (external) on bursary for scarce skills	6 bursary holders in the previous financial year	7 new students and 6 current awarded with bursaries. 10 new students for plumbing bursary	R 500 500	R 403 372	A total of 26 bursary holders as at June 2015. That number is comprised of the 07 students enrolled with different tertiary institutions, and 19 learners enrolled with Ingwe FET TVET, for plumbing.	Achieved	N/A	NA	CS	adverts, Bursary Agreement, Payments
				ID T2 2	Number of career exhibitions held	1 career exhibition held in the previous financial	1 career expo	R 851 980	R 814 031	Career guidance by the University of Cape Town held on 30 Oct 2014. Grade 11 learners	Achieved	N/A	N/A	CS	Attendance registers, Programme, list of exhibitors, pictorial

						year				from about 06 of ULM High Schools. A successful and beautiful event (Career Expo) held on 10 to 12 March 2015. 25 High schools, with a total of 2854 (1048 on the 10th; 760 on the 11th; & 1046 on the 12th) learners attended the career. A total of 23 exhibitors responded and confirmed their attendance, but 16 attended (i.e. comprised of 10 Companies/Org/individuals; 2 Banks; & 4 Learning					evidence
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									CS – 2 C & CS – 2 I & P – 1 LED – 1 There are five trainees funded by ANDM.					
		ID T2 5	Num ber of grad uates assis ted with the inter ship progr amme	7 grad uate s recei ved inter nshi p progr amme in the previ ous finan cial year	7 gradu ates	R 34 1 00 0	R 340 925	As at Dec 2014 there was a total of 20 interns within ULM, 12 funded by ULM; 05 by Treasury ; and 3 under the EPWP. As at June 2015 there was a total of 14 interns within ULM, 09 funded by ULM; and 05 by Treasury .	Ac hie ved	N/A	N/A			Adve rse ment s, appoi ntme nt letter s, list of Inter ns, copy of intern s repor ts
	administrati ve and Leave Management	ID T2 6	Num ber of leave	4 leav e reco	4 leave recon ciliati	Nil	Nil	The leave reconcili ation	Ac hie ved	N/A	N/A	CS		Leav e repor ts

			reconciliation performed	conciliation have been done in the previous financial year	done quarterly			was done 4 times/quarterly						
		Employee relations Management	ID T2 7	Number of internal employee news letter developed and issued	Employee newsletter has not been done in the previous financial year	3 newsletters published and issued	R 16 644	R 7 950	2 Newsletters published.	Not Achieved	The 3rd internal employee newsletter was a draft as at 30 June 2015.	The newsletter would be published in the 1st quarter of the next financial year	CS	Copies of the newsletters developed and circulated
			ID T2 8	Number of municipal prayer event held	the municipal prayer event was held in the previous financial year	1 prayer Day	R 23 000	R 22 500	A successful and beautiful Prayer day held on 22 January 2015, well attended.	Achieved	N/A	N/A	CS	Attendance registers, Pictorial Evidence

			cial year											
			ID T29	Number of staff inductions held	3 staff induction sessions held in the previous financial year	3 staff inductions	R 10 000	R 8 950	Induction sessions held on 08 August 2014 (first induction for the year 2014/2015); 30 January 2015 (2nd induction for the year 2014/2015) and on 12 May 2015 (3rd & the last induction for the year 2014/2015).	Achieved	N/A	N/A	CS	Attendance registers, Pictorial Evidence
			ID T30	Number of LLF meetings held	10 meetings were held in the previous financial year	10 meetings	Nil	Nil	The LLF sat 5 times.	Not Achieved	The LLF meetings were coordinated as scheduled, but would not	The LLF meetings would sit as scheduled in the next financial	CS	Attendance registers, minutes of meetings

										quo rate	l yea r		
Employee wellness	ID T3 1	Number of wellness days held	4 wellness days held in the previous financial year	4 wellness days	R 264 260	R 227 678	4 wellness days were held for the 2014/15 FY, on 05 Sep (Aerobic marathon) & 14 Nov (tournament/sport) 2014, 20 Mar (Indoor event) and 19 June (outdoor - sport) 2015 respectively. Employees and Cllrs participated.	Achieved	N/A	N/A	CS	Attendance registers, Pictorial Evidence	
	ID T3 2	Number of health and safety programmes administered	2 inspections were performed in the previous financial year	2 inspections	R 60 000		2 inspections were conducted.	Achieved	N/A	N/A	CS	Inspection reports	

Employment Equity	ID T3 3	Number of health and safety committee meetings held	3 meetings were held in the previous financial year	4 meetings/quarterly							CS	Attendance register, minutes of the meetings
	ID T3 4	Number of employees and councillors assistance rendered	100% assistance rendered to beneficiaries in the previous financial year	100% assistance rendered to beneficiaries	R 43 100	R 38 673	Two members of ULM were under the program and completed their sessions during the second quarter.	Achieved	N/A	N/A	CS	Reports (confidential)
	ID T3 5	Number of EE Plan developed	1 EE Plan had expired	1 EE Plan	R 149 500	R 149 500	5-Year Employment Equity Plan (EEP) reviewed. Reviewed EEP adopted by the Council on 31 Mar 2015.	Achieved	N/A	N/A	CS	Copy adopted EEP, Council resolution, correspondence from DoL
	ID T3 6	Number of	4 in the previ	4 meetings	Nil	Nil	The Employee Equity	Achieved	N/A	N/A	CS	Attendance

		employment equity committee sittings held	previous financial year				committee sat 4 times	d				registers, minutes of meetings	
	Recruitment and selection	ID T3 7	Number of positions budgeted for and filled	All budgeted positions were filled in the previous financial year	10 vacant positions filled	R 70 000	R 68 729	A total of 11 terminations, 27 resignations, 05 Deaths, and 3 retirements were processed during the year 2014/2015. A Total of thirty one (31) positions were filled during the year 2014/15.	Achieved	N/A	N/A	CS	List of staff movements, recruited and appointed employees, list of contract employees under EPWP
	Tracking, monitoring tool for Council, Exco	ID T3 8	Number of beneficiaries of decision circulars	Decision circular flow was done in the previous financial year	7 beneficiaries	Nil	Nil	7 senior managers were circulated Council resolutions through the workflow orbit system for all Council meeting	Achieved	N/A	N/A	CS	Resolution register and Action Issues

Priority 5: Institutional integration and coordination (institutional development, organogram, workforce, principles)	To build and strengthen the administrative and institutional capability of the municipality	Records and Data safeguarding	ID T39	Number of consolidated minutes and Agenda files for Manc o, Portfolio Committees, Exco, AC and Council	8 files were developed in the previous year	Minutes and agenda for 10 Manc o, 10 Portfolio Committees, 10 Exco, 4 AC and 6 Council	Nil	Nil	10 agendas and minutes have been developed for MANCO, Portfolio Committees, EXCO, 6 agendas and minutes have been developed for Council and 4 agendas and minutes have been developed for AC	Achieved	N/A	N/A	CS	Consolidated Agenda and minutes of meetings
			ID T40	Number of Modules added in the Electronic Document Management Syst	There were no modules added in the previous financial year	1	R 50000	R 41729	A meeting was held with RQ Tech (Service provider), HR and Sound Governance on 17 February 2015.R Q Tech	Achieved	N/A	N/A	CS	Proof of payment for the additional module

										with the framework have been developed					
Priority 3: Financial Viability (clean audit - current)	Municipal Financial Viability	To develop and maintain a financial viable and sustainable institution that achieves full compliance with legislation	Accurate payroll management	M FV 1	Number of payroll inputs submitted to Budget and Treasury Office	24 submissions were done in the previous financial year	24 submissions per annum (2 per month on 10th and 15th of each month)	Nil	Nil	A number of leave applications processed captured on PAYDAY System & filed accordingly on weekly basis. Leave files updated & reconciled (with the attendance registers) for Q4 of 2013/14 FY, 1st, 2nd, & 3rd quarters done & circulated, respectively. There was a total of 16 leave encashment	Achieved	N/A	N/A	CS	Payroll input file

									due to terminations during the FY.						
			M FV 2	Number of months where error-free payroll was processed	Salaries were paid on the 15th to Councilors and 25th to Employees for all 12 months	12 months	Payroll implementation on 15th and 25th day of each month	Nil	Nil	Payroll information is accurately prepared every month, using payroll inputs from Corporate Services Department. Employee confirmations are done every month to avoid ghost employees.	Achieved	N/A	N/A	BT O	Monthly Payroll reports
		Financial Governance	M FV 3	Number of demand management plans developed and implemented	Demand management plan was developed and implemented in the previous	1		Nil	Nil	The demand management plan was developed and submitted to Council together with the Budget 30 Days before the start of 2014/15 Financia	Achieved	N/A	N/A	BT O	Demand management plan, contracts register, procured goods register

			financial year				1 year. Implementation was done throughout the financial year. All projects were awarded						
M FV 4	Number of supplementary valuation developed and implemented	The supplementary valuation roll was developed in the previous financial year	1 supplementary valuation roll	R 528 950	R 528 950	A comprehensive supplementary valuation roll was performed, all stakeholders internally and externally were engaged and the objections were attended to	Achieved	N/A	N/A	BT O	Approved Supplementary valuation roll		
M FV 5	Date on which the municipal Budget was approved and ready for implementation	GRAP Compliant budget was developed and adopted by Council withi	30 days before the start of the budget year	Nil	Nil	Budget was approved by Council 30 Days before the start of the new financial year as required by legislation and according to the	Achieved	N/A	N/A	BT O	Council Resolution, Provincial Ratings of budget		

Priority 3: Financial Viability (clean audit, Municipal Financial Viability To develop and maintain a financial viable and sustainable institution that achieves full Supply Chain Management	M FV 8	Number of Section 71 Reports developed and submitted to Treasury	12 monthly reports on S71 were submitted to Treasury in the previous financial year	12 monthly reports to MM by 10th of every month	Nil	Nil	Internal and External reports have been compiled and submitted to all relevant stakeholders, including MM within 10 days after end of the month, Internally: Manco, Standing Committee, EXCO and Council, Externally: Provincial and National Treasury, Cogta	Achieved	N/A	N/A	BT O	Proof of submission, Section 71 reports, S71 quality certificates
	M FV 9	Number of lease register developed and monitored	A lease register was developed and monitored in the	1 lease register	Nil	Nil	Lease registers have been compiled and maintained throughout the year	Achieved	N/A	N/A	BT O	Lease register

					previous financial year									
			M FV 10	Number of supplier database developed and maintained	Supplier database was developed and monitored in the previous financial year	1 database	Nil	Nil	The supplier database was developed and is maintained	Achieved	N/A	N/A	BT O	Advert, supplier Database
		Expenditure Management	M FV 11	Period for payment of creditors	Payment of creditors was made within 1 week of receipt of valid invoices and over all 30 days for some invoices in the	Within 30 days of receipt of a valid payment invoice	Nil	Nil	Payments were made on a weekly basis and the Municipality has therefore not incurred fruitless and wasteful expenditure	Achieved	N/A	N/A	BT O	Register of payments made, Creditors age analysis report

				previous financial year										
			M FV 12	Period for payment of 3rd parties	3rd Parties payments were made by the 07th of every month in the previous financial year	Before the 07th of every month	Nil	Nil	3rd party payments are made by the 7th of every month (immediately after payroll for both Councilors and officials) to avoid penalties and inconvenience, payment schedules are made and submitted to the relevant organisations for smooth execution.	Achieved	N/A	N/A	BT O	Payment vouchers, remittance advices
		SARS	M FV 13	% of VAT received from vat returns submitted monthly	14% of vat able invoice was received from SARS	14% of all vat able invoices received	Nil	Nil	VAT and EMP201 returns were submitted to SARS as per legislative requirements. An amount of R16	Achieved	N/A	N/A	BT O	SARS State ment s, bank state ment s

								000 000 was received from tax returns, which represent 14% of vatable invoices						
		Reconciliation monitoring and management	M FV 14	Number of reconciliations performed by the 10th of every month	Compilation of Monthly reconciliations before the 10th of every month was done in the previous financial year	12 monthly reconciliations by 10th of every month	Nil	Nil	12 monthly reconciliations were done before the 10th of every month, signed and presented to Manco, Standing Committee, EXCO and then to Council in compliance with the MFMA	Achieved	N/A	N/A	BT O	Reconciliation Report (bank, debtors, creditors, assets, investments, stock, grants and other income), IA Report on reconciliations
		Budget Management	M FV 15	Number of virements approved by the MM	35 virements were approved by the previous financial	30	Nil	Nil	Virements were made on time and budget was adjusted accordingly where there was a necessit	Achieved	N/A	N/A	BT O	Virement register, Council resolution on virements

<p style="text-align: center;">Priority 2: Financial Viability (clean audit current)</p> <p style="text-align: center;">Municipal Financial Viability</p> <p style="text-align: center;">To develop and maintain a financial viable and sustainable institution that</p> <p style="text-align: center;">Asset Management</p>									ure during quarter 3 of the financial year					
	M FV 18	% of irregular expenditure incurred	There was 0% irregular expenditure incurred in the previous financial year	0%	Nil	Nil	There was 0% of irregular expenditure incurred	Achieved	N/A	N/A	BT O	Quarterly SCM report		
	M FV 19	Number of physical stock take conducted	1 stock take was conducted in the previous financial year	2	Nil	Nil	Stock take was done for December and June successfully. Monthly reconciliations have been performed. Stock levels have been monitored for the entire financial year.	Achieved	N/A	N/A	BT O	Stock take results		
M FV 20	Number of physical	1 physical	2	Nil	Nil	2 physical verificati	Achieved	N/A	N/A	BT O	Asset verification			

			physical verification of assets	verification of assets was conducted in the previous financial year				on of assets was conducted	d				n report
		M FV 21	Number of GRAP Compliant asset register compiled and updated	1 GRAP Compliant asset register was compiled and updated in the previous year	1 Asset Register	Nil	Nil	Asset Register was done and maintained. Depreciation was calculated every month.	Achieved	N/A	N/A	BT O	Asset Register
		M FV 22	Number of municipal vehicles managed and maintained	10 municipal vehicles were managed in the previous financial year	12	Nil	Nil	Complaints on fleet management have been reduced drastically, Insurance related claims have been attended	Achieved	N/A	N/A	BT O	Monthly reports on repairs and maintenance, insurance claims report

									to and successful in most cases					
			M FV 23	Number of monthly reports on fuel usage	Monthly fuel usage reports were produced in the previous financial year	12 monthly reports	1 834 270.00	1 834 426.00	Monthly instead of weekly reports on fuel usage were produced	Achieved	N/A	N/A	BT O	Monthly fuel usage report
		Revenue Management	M FV 24	Number of billing statements issued monthly	3000 billing statements were issued on the 1st day of the month in the previous financial year	2974 households	Nil	Nil	Billing statements were issued to 2974 households every 1st day of the month. All ratepayers with cell phones were sent MMS's of their billing statements to ensure that the information reached them.	Achieved	N/A	N/A	BT O	Proof of delivery, MMS Proof and minutes of rate payers meetings

Priority 2: Economic and sectoral development (Job Creation, Employment, LED Projects, Tourism, Agriculture, Rural Development)- priority 4: Education and Skills Development	Local Economic Development	To create a conducive environment for economic growth and job opportunities	Financial Improvement	M FV 25	Amount of own revenue collected	R23 million was collected in the previous financial year	30 000 000		Nil	A Revenue amount projected was collected	Achieved	N/A	N/A	BT O	Section 71 reports on revenue, budget variance report
				LE D1	Number of SMM E trainings conducted	9 SM ME trainings conducted in the previous financial year	12 SMM E trainings (4 LED, 3 CS & 5 BTO)	63 9 84 0	634 452	SMME Training was facilitated. 12 SMME trainings (4 LED, 3 CS & 5 BTO)	Achieved	N/A	N/A	LE D, SC and BT O	Adverts, attendance register, pictorial evidence
			Empowerment and Prosperity for local business fraternity	LE D2	Number of SMM E Excellence Awards held	No SM ME Excellence Awards was ever been done previously	1 SMM E excell ency awar d	20 0 00 0	180 000	15 SMME'S participated during SMME excellence awards which was held successfully	Achieved	N/A	N/A	LE D	Copy of terms of references, adverts, orders attendance register, pictorial evidence

<p>Priority 4: Economic and Social Development (2008-2011)</p> <p>Employment, LED Projects, Tourism, Agriculture, Rural</p>	<p>Local Economic Development</p>	<p>To create a conducive environment for economic growth and job</p>	<p>Manufacturing Sector Management</p>	<p>ured and distributed</p>	<p>ed in the previous financial year</p>									<p>nce, delivery note, beneficiary lists</p>	
				<p>LE D8</p>	<p>Number of farmers enrolled on farmer mentorship programme</p>	<p>10 farmers were enrolled in the programme in the previous financial year</p>	<p>15 farmers in 10 wards</p>	<p>R 371 700</p>	<p>251 800</p>	<p>15 farmers were mentored in livestock improvement</p>	<p>Achieved</p>	<p>N/A</p>	<p>N/A</p>	<p>LED</p>	<p>TOR, Advert, close out report, proof of payment, pictorial evidence</p>
<p>Priority 4: Economic and Social Development (2008-2011)</p> <p>Employment, LED Projects, Tourism, Agriculture, Rural</p>	<p>Local Economic Development</p>	<p>To create a conducive environment for economic growth and job</p>	<p>Manufacturing Sector Management</p>	<p>LE D9</p>	<p>Number of machines procured for aloe, peach and animal waste processing</p>	<p>No machines were procured in the previous financial year</p>	<p>7 machines (1 for peach, 1 for aloe and 5 bio-digesters)</p>	<p>1 500 000</p>	<p>980 000</p>	<p>50 households were supplied with peach fertilisers and pesticides. Department of Agriculture assisted with provision of training on pruning and fertilizer spreading</p>	<p>Achieved</p>	<p>N/A</p>	<p>N/A</p>	<p>LED</p>	<p>Adverts, appointment letters, proof of payment, delivery note</p>

				ous finan cial year										
			LE D1 5	Num ber of trees plant ed in scho ols with in Umzi mvubu	50 tree s were plant ed in scho ols in the previ ous finan cial year	50 trees in 10 schoo ls	R 50 00 0	R48, 500. 00	12 schools benefite d from the program me.	Ac hie ved	N/A	N/A	LE D	Picto rial evid ence, adver t, order , deliv ery regist ers
		Environmental Management	LE D1 6	Num ber of hous ehold s suppl ied with peach fertil izers	No hous ehold s were suppl ied in the previ ous finan cial year	50 hous ehold s in 10 wards	R 40 00 0	R65, 000. 00	50 househo lds from 10 wards were suppl ied with peach fertiliser s and pesticide s. Departm ent of Agriculu re assisted with provisi on of training on pruning and fertilizer spreadin g	Ac hie ved	N/A	N/A	LE D	TOR, adver t, order , atten danc e regist er, benef iciary list, pictor ial evid ence
		Investment Promotion	LE D1 7	Amo unt of grant	2 000 000 gran	500 000	Nil	Nil	R1,047 000 was received . An	Ac hie ved	N/A	N/A	LE D	Proof of transf er

				cial year				been done as per peoples' aspirations						
			GGP2	Number of reviewed IDP's adopted by Council within 30 days before the start of the financial year	The IDP was in the previous year reviewed and adopted by Council within 30 days before the start of the financial year	1	R 206200	R 152288	The IDP was adopted after all the processes were done; review of ward priorities, Draft IDP, IDP and Budget Outreach and Final IDP to Council within 30 days before the start of the financial year	Achieved	N/A	N/A	MMO	IDP Process Plan, Council Resolutions, Final IDP Documents
		Intergovernmental Relations	GGP3	Number of Services on wheels brought to pilot sites for rural development	2 services on wheels event held in the previous financial year	2	R 46860	R 37550	1 Stakeholder engagement meeting was held in Mandleni ward 14 and 1 in Mbumba zi ward 06.	Achieved	N/A	N/A	MMO	Attendance Registers, Invitations, pictorial evidence

			and or war on poverty										
		Monitoring and	G G P P4	Number of strategic sessions conducted	11 strategic sessions conducted in the previous financial year	11	Nil	11 Strategic Sessions were convened. All departments had their strat plans in December 2014. The Manco, Exco and Council Strat Plans were held in January 2015.	Achieved	N/A	N/A	All Departments	Attendance Registers, Programmes, pictorial evidence
		Customer Care	G G P P5	Number of interventions on customer care	Customer care programmes were facilitated in the previous financial year	Once annually	R 17 980	2 Interventions on Customer care were done	Achieved	N/A	N/A	CS	Attendance registers, pictorial evidence, tree info manual

				GGP P6	Number of events wherein employees pledged their social responsibility	1 event was held in the previous financial year	1 (16 days of activism)	R 29 356	R 29 356	Ten households and ten school children were identified from Niyona Village in Ward 14. ULM C.Sa (C & CS) donated 12 blankets, 12 sponge mattresses. Food parcels (R1 600 p/p), school uniform was handed over with 2 X water tanks to the families. Event held on 25 Nov 2014. ULM employees and Cllrs, with official from Government officials (from Mt Frere) started	Achieved	N/A	N/A	CS	Attendance registers, pictorial evidence
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										with a symbolic march from 08h30 to 09h30); and 16 Days of Activism was launched as a movement, later on the day, at Niyona, Ward 14. An amount of R3 000 was donated by one Company donated bags of cement, another one five bags of kalika and an individual employees donated 1X filled size 9 gas cylinder, clothing and 3 pairs of shoes. Employees (13) from the Government Depts					
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Priority 5: Institutional integration and coordination (institutional development, organogram, workforce, principles development) & Priority 4:																						
Good Governance and Public Participation																						
To create a conducive environment for participatory development																						
Municipal Corporate		Batho Pele Programmes		Development, Review and Implementation of Strategies, Frameworks, Policies and																		
GGP10	GGP8	Number of branded	Number of sittings of the Batho Pele Committee	Number of Strategies, Frameworks, Policies and Procedures developed and or reviewed	750 diaries and 400	775 diaries and 320 calen	R 72 2 16 0	R53 1 168	Nil	Nil	13 (BTO 6, C&CS 1, SPU 1, LED 1, CS 1, I&P 4)	Nil	Nil	8 were reviewed in the previous financial year	Policies, strategies, frameworks, procedures were developed by all departments identified gaps and a need for additional policies. Departments had developed a total of 13 documents as follows: (BTO 6, C&CS 1, SPU 1, LED 1, CS 1, I&P 4)	Achieved	N/A	N/A	All Departments	Strategies, Frameworks, Policies and Procedures, Council Resolutions		

				diaries and calendars procured	calendars procured in the previous financial year	dars			personalised diaries; 400 x A4 and A5 non personalised diaries; 100 branded pyramid Calendars; A2 x 100 branded wall Calendars; 20 desk Calendars, 100 desk calendars.					nce, delivery note	
				GGP11	Number of newsletters developed and issued	18 000 copies of the new letter distributed in the previous financial year	24 000 copies	R 424 800	R391 751	12 000 copies of Newsletter were procured and delivered.	Not Achieved	Delays in gathering and designing the newsletter resulted in the last issue not done	Timeout source design and production of the newsletter to speed up publication in the next financial	SP & Comm	Copies Newsletters, orders, delivery note

			ons done	the previous year				been kept running over the financial						
		Effective Communication	GGP15	Number of internal newsletters developed and issued	None was ever developed in the previous year	3	R16644	R7950	2 internal employee newsletters were developed and published. 1 newsletter was at a draft stage by 30th June 2015.	Not Achieved			CS	Newsletters Copies
			GGP16	Number of electronic billboards procured	1 procured in the previous financial year	1	R10000	R67750	The site for installation of a billboard was identified. The tender was advertised, and the appointment of a service provider was done towards the end of the financial year which resulted in non-completion of the	Not Achieved	Delays in that were encountered in the tender processes	To speed up completion of the project by the 1st quarter of the next financial year	SP & Comm	Invoices, Pictorial Evidence

Priority 5: Institutional integration and coordination (institutional development, organogram, workforce, principles development) &	Good Governance and Public Participation	To create a conducive environment for participatory development	Sports Development	Number of Mayoral Cups event organised	1	1	R 531 000	529 547	The Mayoral Cup was held with success where young people of Umzimvubu had an opportunity to present themselves in sport.	Achieved	N/A	N/A	SP & Comm	Pictorial evidence, proof of payment
				Number of meetings held with municipal stakeholders	48	68 (LED 4, SP&Comm 20, MMO 4, I&P 40)	Nil	Nil	The stakeholders meetings were held with different stakeholders. Municipal Departments had facilitated the a total of 68 meetings as follows: (LED 4, SP&Comm 20, MMO 4, I&P 40)	Achieved	N/A	N/A	All Departments	Attendance registers, pictorial evidence
				% resolution of comp	80%	80% resolution of com	Nil	Nil	90% of all complaints received	Achieved	N/A	N/A	SP & Comm	Complaints register,
				GGP20										

			plaints received through the Presidential Hotline	plaints received through the Presidential hotline				through the Presidential Hotline were solved and others referred to relevant institutions such as the district municipality					referrals	
			GGP P2 3	Number of ward committee meetings coordinated	12 Ward Committee meetings held in the previous financial year	12 meetings X27 wards	Nil	Nil	12 monthly meetings were held for ward committees. A monthly stipend was paid out. 5 new ward committees were elected.	Achieved	N/A	N/A	SP & Comm	Attendance register, minutes of the meetings
			GGP P2 4	Number of ward committee trainings conducted	Ward committees were trained in the previous financial year	1	R 206 000	R 206 000	04 trainings of ward committees were conducted.	Achieved	N/A	N/A	SP & Comm	Attendance Registers, Programmes, pictorial evidence

Designated Groups	GGP P2 5	Number of Service Delivery Imbizo coordinated	1 service delivery Imbizo held in the previous financial year	1	Exco outreach budget	Exco outreach budget	The service delivery Imbizo was held successfully with communities transported to the venue in Ward 18.	Achieved	N/A	N/A	SP & Comm	Attendance Registers, Programmes, pictorial evidence
	GGP P2 6	Number of IDP and Budget Outreach each Programmes coordinated for all wards	2 Excold IDP and Budget Outreach each programmes held in the previous financial year	2 per financial year	Nil	Nil	2 IDP and Budget outreach were held where EXCO led by the Mayor, Speaker and Chief led all delegations that included other stakeholders such as the District Municipality.	Achieved	N/A	N/A	SP & Comm	Attendance registers, pictorial evidence
	GGP P2 7	Number of Calendar events days celebrations held	9 calendar events day celebrations held	9	R562860	R503145	All 9 calendar events planned have been celebrated and completed by	Achieved	N/A	N/A	SP & Comm	Attendance registers, pictorial evidence

			ral gratuity	the previous financial year				to hospitalised children; Procured 218 School uniform Vouchers for Madadidla and Mt Horeb; Procured Garden Equipment and seedlings for Siyakana Women; Procured 15 blankets, Urns, etc for Youth of Siyakhana Shelter					ent vouchers	
		Events Management	GGP30	Number of municipal events coordinated	8 events were held in the previous financial year	9	Nil	Nil	Handover of (09) nine projects for the period of 12 months was done	Achieved	N/A	N/A	SP & Comm	Attendance registers, pictorial evidence
			GGP31	Number of events coordinated	20 events were coordinated	21 (LED 3, BTO 1, SPU 12,	Nil	Nil	A total of 21 meetings were facilitated with and for	Achieved	N/A	N/A		Attendance registers, pictorial

Priority 2: Institutional Integration and coordination;	Good Governance and Public Participation	To build and strengthen the administrative and	Consumer Campaigns	ed with and for other departments	with and for other departments in the previous financial year	CS 5)			other departments as follows: (LED 3, BTO 1, SPU 12, CS 5)					evidence
				GGP3 2	Number of awareness campaigns conducted	6 awareness campaigns held in the previous financial year	7 (C&CS 2, BTO 2, CS 2, I&P 1)	Nil	Nil	A series of awareness campaigns were facilitated by the municipal departments as follows: 7 (C&CS 2, BTO 2, CS 2, I&P 1)	Achieved	N/A	N/A	BTO, I & P, CS and C & CS
		HIV & AIDS mainstreaming	GGP3 3	Number of HIV and Aids events coordinated and participated in	2 HIV/Aids events held in the previous financial year	2	R93'100.	R89'575.	The World Aids Day Commemoration Event was attended, 1 Condom Week event and 1 Candle Light Memorial event held.	Achieved	N/A	N/A	C & CS	Attendance registers, pictorial evidence

Priority 6: Centralised Planning													
Spatial Planning													
To develop and promote an integrated sustainable environment													
Compliance and fulfillment of Spatial Equity													
Land use management and development	S P1	Number of land audits for Umzimvubu Local Municipality done	SDF was in place and due for review, there was no rural settlement development plan and no proper mapping existed	3 (Mapping, rural settlement development plan, SDF)	R 1 033 521	R 1 033 521	Land audits were done. (Mapping, rural settlement development plan, SDF were completed.	Achieved	N/A	N/A	I & P	SDF, Rural Settlement Development Plan documents, appointment letters	
	S P2	Number of Council approved applications submitted to COGTA for subdivision and	6 Subdivision and Rezoning applications submitted to COGTA in the previous	9	R 559 173	R 559 173	9 subdivision and or rezoning applications were submitted to MEC for COGTA after approval by Council. Follow ups were made with the	Achieved	N/A	N/A	I & P	Council resolutions	

				rezoning	financial year				land use board. These are (Government Office and Shopping Mall in Mt Ayliff, Social Dev Offices, Disaster Office, Radio Station, Transido, Pound in Mt Frere, Testing Ground in Mt Frere, Testing Ground in Mt Ayliff and landfill site in Mt Ayliff						
			Township establishment	SP3	Number of Council approved proposals submitted to COGTA for approval before	2 Council approved proposals submitted to COGTA in the previous financial	3 (Formalisation of Santombe, Silver City, Government offices and MAD A)	R 1 000 000	R 1 000 000	Submission of proposed township establishments was done. 3 proposal for the following (Formalisation of Santombe, Silver City, Gov	Achieved	N/A	N/A	I & P	Council resolutions

			submissio n to Surv eyor Gene ral	year				offices and MADA) were done						
			S P4	Num ber of land surveys con ducted for town ship estab lishm ent	Land sur vey was not con ducte d in the previ ous finan cial year	4 (Gov office, Mada , Santo mbe, Silver City)	R 49 2 68 8	R 82 080	Land survey for 4 areas was done. These are - Gov office, Mada, Santom be, Silver City)	Ac hie ved	N/A	N/A	I & P	Email corre spon denc es
		Spatial Planning	S P5	Num ber of Preci nct Plan devel opm ent for both town s subm itted to COG TA for appr oval	The muni cipal ity does not have an upd ated preci nct plan	1	R 90 0 00 0	R 436 392	The project was suppose d to be funded by the Departm ent of Rural Develop ment and Land Reform; however the departm ent failed to provide the funds for the initiation of the project. Planning requeste d more	No t Ac hie ved	The y wer e dela ys in proc ure men t bec aus e of shor tage in fund ing	The ser vice pro vide r was app oint ed by the mu nici palit y and the proj ect is exp ect ed to be co mpl ete d in	I & P	Adve rt, appoi ntme nt letter

										<p>funding during the budget adjustment period and the request was approved by the municipality. and the project was advertised and appointment was only granted in the last quarter of the financial year</p>			<p>the third quarter of the next financial</p>		
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**CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE
(PERFORMANCE REPORT PART II)**

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Part 1A – Total number of employees¹ and vacant posts in the municipality as at 30 June 2015

	Number of persons employed				Vacant posts [Funded]	Total
	Full-time ²		Part-time ³			
	M	F	M	F		
1.1 All managerial positions <i>(M = Male and F = Female)</i>						
According to Section 57	04	03	-	-	-	07
Managers according to Organogram..... (excluding Section 57 managers)	12	07	-	-	02	21
1.2 All non-managerial positions						
Community & Social Services (Libraries, etc)	12		-		01	13
Finance & Administration (Corporate, HR etc)	48		38		04	90
Public Safety (traffic, Fire, etc).....	24		04		-	28
Road Transport (Road and storm water, etc)...	09		10		-	19

Waste Management (Refuse removal, landfill)	48	108	02	158
Sub-total (excluding managers).....	141	160	07	308
Total employees (including manager).....	161	160	08	336

Part 1b – Number of councilors

	Full-time ²		Part-time ³		Vacant posts	Total
	M	F	M	F		
All councilors (Excluding Executive Mayor/Mayor) (M = Male and F = Female)	03	05	24	21	-	53
	Full-time ²		Part-time ³		Vacant posts	Total
	M	F	M	F		
Executive Mayor/Mayor (M = Male and F = Female)	-	01	-	-	-	01

4.2 POLICIES

Institutional Policy Development

The following policies have been developed and approved by Council:

- Bursary Scheme Policy
- Training and Development Policy
- Placement Policy
- Code of conduct for staff
- Acting Allowance policy.
- Employee Assistance Policy
- HIV/AIDS policy
- Recruitment and selection policy
- Human Resource Development Strategy
- Retention Strategy
- Employment Equity
- Children, Women, Youth, Elderly People, People with Disabilities Strategy

4.4 PERFORMANCE REWARDS

The Municipal Manager (MM) and section 57 managers receive performance bonuses based on their performance contracts and how they performed with regards to their scorecards and ratings as per their performance contract. For the 2013-14 financial year the performance reviews were conducted and performance bonuses were awarded to the qualifying managers.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

Umzimvubu has acknowledged that skills training is expensive but has taken a decision that training, education and development is an investment in the Municipalities future rather than an expense. The Municipality has adopted a Workplace Skills Plan in accordance with the Skills Development Act. The plan aims to address the identified skills shortage within the municipality. A skills audit to identify training needs and suitable training and development courses is conducted annually.

CHAPTER 5 – FINANCIAL PERFORMANCE

CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	8 468	10 000	10 000	1 621	10 148	10 000	148	1%	10 000
Service charges	1 326	2 500	2 500	1 466	2 775	2 500	275	11%	2 500
Investment revenue	3 173	1 900	1 900	266	3 579	1 900	1 679	88%	1 900
Transfers recognised - operational	122 934	136 804	136 804	1 016	136 917	136 804	113	0%	136 804
Other own revenue	16 373	25 341	25 341	604	13 165	25 341	(12 175)	-48%	25 341
Total Revenue (excluding capital transfers and contributions)	152 274	176 545	176 545	4 974	166 585	176 545	(9 960)	-6%	176 545
Employee costs	45 599	52 380	52 380	5 023	50 093	52 380	(2 287)	-4%	52 380
Remuneration of Councillors	13 848	14 658	14 658	1 837	14 622	14 658	(36)	-0%	14 658
Depreciation & asset impairment	30 206	31 860	31 860	16 444	16 444	31 860	(15 416)	-48%	31 860
Finance charges	1 915	21	21	7	7	21	(15)	-69%	21
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	3 371	4 559	4 559	211	3 414	4 559	(1 144)	-25%	4 559
Other expenditure	71 844	84 319	84 319	12 735	65 907	84 319	(18 412)	-22%	84 319
Total Expenditure	166 784	187 797	187 797	36 256	150 486	187 797	(37 310)	-20%	187 797
Surplus/(Deficit)	(14 510)	(11 252)	(11 252)	(31 282)	16 098	(11 252)	27 350	-243%	(11 252)
Transfers recognised - capital	94 214	72 921	72 921	42 957	75 978	72 921	3 057	4%	72 921
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	79 704	61 669	61 669	11 675	92 076	61 669	30 408	49%	61 669
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	79 704	61 669	61 669	11 675	92 076	61 669	30 408	49%	61 669
Capital expenditure & funds sources									
Capital expenditure	(0)	80 423	80 423	47 408	85 139	80 423	4 716	6%	80 423
Capital transfers recognised	(0)	80 423	80 423	47 408	85 139	80 423	4 716	6%	80 423
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	(0)	80 423	80 423	47 408	85 139	80 423	4 716	6%	80 423
Financial position									
Total current assets	64 979	69 187	69 187	-	51 595	-	-	-	69 187
Total non current assets	410 359	263 246	216 902	-	516 023	-	-	-	263 246
Total current liabilities	35 253	33 055	33 055	-	10 493	-	-	-	33 055
Total non current liabilities	39 996	28 164	28 164	-	36 635	-	-	-	28 164
Community wealth/Equity	400 090	271 214	224 870	-	520 490	-	-	-	271 214
Cash flows									
Net cash from (used) operating	75 567	105 161	105 161	10 277	95 802	105 161	9 359	9%	383 209
Net cash from (used) investing	(124 980)	(80 161)	(80 161)	(3 107)	2 602	(80 161)	(82 763)	103%	10 407
Net cash from (used) financing	49 619	(17 626)	(17 626)	35 542	(89 453)	(17 626)	71 827	-408%	(357 810)
Cash/cash equivalents at the month/year end	49 717	90 470	90 470	-	8 951	90 470	81 518	90%	35 806

5.2 GRANTS

Description	Ref	Budget Year 2014/15								Full Year Forecast
		2013/14 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		138 343	141 494	117 834	(76 109)	93 183	117 834	(24 651)	-20.9%	117 834
EQUITABLE SHARE		106 043	117 834	117 834	-	136 168	117 834	18 334	15.6%	117 834
RSC LEVIES REPLACEMENT GRANT		-	-	-	-	-	-	-	-	-
EQUITABLE SHARES		-	-	-	-	-	-	-	-	-
COOPERATIVE GOVERNMENT & TRADITIONAL AFFAIRS (COGTA)		-	-	-	-	-	-	-	-	-
FINANCE MANAGEMENT GRANT		1 500	1 550	-	(3 922)	(1 438)	-	(1 438)	#DIV/0!	-
MUNICIPAL INFRASTRUCTURE GRANT (MIG)		-	-	-	(41 386)	(16 044)	-	(16 044)	#DIV/0!	-
MUNICIPAL SYSTEMS IMPLEMENTATION GRANT (MSIG)		800	890	-	(800)	(503)	-	(503)	#DIV/0!	-
NATIONAL TREASURY		-	-	-	-	-	-	-	-	-
DEPT MINERALS & ENERGY (DME)		30 000	20 000	-	(30 000)	(25 000)	-	(25 000)	#DIV/0!	-
DEPT SPORT & DEVELOPMENT		-	-	-	-	-	-	-	-	-
DEPT OF PUBLIC WORKS		-	1 220	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		2 858	1 117	-	(9 073)	(5 265)	-	(5 265)	#DIV/0!	-
OFFICE OF THE PREMIER		-	-	-	-	-	-	-	-	-
PROVINCIAL TREASURY		-	-	-	-	-	-	-	-	-
DEPT COOPERATIVE GOVERNMENT & TRADITIONAL AFFAIRS (COGTA)		2 858	1 117	-	(7 397)	770	-	770	#DIV/0!	-
DEPT OF EDUCATION & ENV. AFFAIRS (DEDEA)		-	-	-	(681)	(5 517)	-	(5 517)	#DIV/0!	-
DEPT TRANSPORT		-	-	-	(996)	(519)	-	(519)	#DIV/0!	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	(106)	-	-	-	-	-
LOCAL GOVERNMENT EDUCATION FUND		-	-	-	(106)	-	-	-	-	-
ALFRED NZO DISTRICT MUNICIPALITY		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		150	-	-	(1 098)	665	249	416	167.1%	549
Community Based Planning		150	-	-	-	435	(150)	585	-390.0%	150
OTHER GRANTS		-	-	-	(1 016)	311	399	(88)	-22.0%	399
NATIONAL LOTTERY FUND		-	-	-	-	-	-	-	-	-
NATIONAL ROADS AGENCY		-	-	-	-	-	-	-	-	-
DEVELOPMENT CONTRIBUTIONS		-	-	-	-	-	-	-	-	-
EUROPEAN UNION		-	-	-	-	-	-	-	-	-
PPL MINE		-	-	-	-	-	-	-	-	-
OTHER PUBLIC CONTRIBUTIONS		-	-	-	(81)	(81)	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	141 351	142 611	117 834	(86 385)	88 582	118 083	(29 501)	-25.0%	118 383
Capital Transfers and Grants										
National Government:		37 795	40 066	58 191	2 415	643	-	643	#DIV/0!	-
EQUITABLE SHARES		-	-	-	-	-	-	-	-	-
COOPERATIVE GOVERNMENT & TRADITIONAL AFFAIRS (COGTA)		-	-	-	-	-	-	-	-	-
FINANCE MANAGEMENT GRANT		-	-	-	2 415	140	-	140	#DIV/0!	-
MUNICIPAL INFRASTRUCTURE GRANT (MIG)		37 795	40 066	58 191	-	-	-	-	-	-
MUNICIPAL SYSTEMS IMPLEMENTATION GRANT (MSIG)		-	-	-	-	503	-	503	#DIV/0!	-
NATIONAL TREASURY		-	-	-	-	-	-	-	-	-
DEPT MINERALS & ENERGY (DME)		-	-	-	-	-	-	-	-	-
DEPT SPORT & DEVELOPMENT		-	-	-	-	-	-	-	-	-
DEPT OF PUBLIC WORKS		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		521	-	-	-	-	-	-	-	-
OFFICE OF THE PREMIER		-	-	-	-	-	-	-	-	-
PROVINCIAL TREASURY		-	-	-	-	-	-	-	-	-
DEPT COOPERATIVE GOVERNMENT & TRADITIONAL AFFAIRS (COGTA)		-	-	-	-	-	-	-	-	-
DEPT OF EDUCATION & ENV. AFFAIRS (DEDEA)		521	-	-	-	-	-	-	-	-
DEPT TRANSPORT		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
LOCAL GOVERNMENT EDUCATION FUND		-	-	-	-	-	-	-	-	-
ALFRED NZO DISTRICT MUNICIPALITY		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	81	81	-	81	#DIV/0!	-
NATIONAL LOTTERY FUND		-	-	-	-	-	-	-	-	-
NATIONAL ROADS AGENCY		-	-	-	-	-	-	-	-	-
DEVELOPMENT CONTRIBUTIONS		-	-	-	-	-	-	-	-	-
EUROPEAN UNION		-	-	-	-	-	-	-	-	-
PPL MINE		-	-	-	-	-	-	-	-	-
OTHER PUBLIC CONTRIBUTIONS		-	-	-	81	81	-	81	#DIV/0!	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	38 316	40 066	58 191	2 497	724	-	724	#DIV/0!	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	179 667	182 677	176 025	(83 889)	89 307	118 083	(28 776)	-24.4%	118 383

5.3 ASSET MANAGEMENT

Description	Ref	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		22 674	32 235	32 235	2 627	32 235
Call investment deposits		20 313	31 471	31 471	22 438	31 471
Consumer debtors		4 263	3 479	3 479	8 703	3 479
Other debtors		17 230	1 437	1 437	17 957	1 437
Current portion of long-term receivables		121	113	113	90	113
Inventory		378	452	452	(220)	452
Total current assets		64 979	69 187	69 187	51 595	69 187
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		20 412	29 922	14 286	20 412	29 922
Investments in Associate		-	-	-	-	-
Property, plant and equipment		388 551	230 935	201 601	493 584	230 935
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		1 379	2 371	997	2 010	2 371
Other non-current assets		18	18	18	18	18
Total non current assets		410 359	263 246	216 902	516 023	263 246
TOTAL ASSETS		475 339	332 433	286 089	567 618	332 433

EXPENDITURE ON REPAIRS AND MAINTANANCE OF ASSETS

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		1 074	1 200	1 200	39	763	1 200	437	36.4%	1 200
Infrastructure - Road transport		1 074	1 200	1 200	39	763	1 200	437	36.4%	1 200
Roads, Pavements & Bridges		1 074	1 200	1 200	39	763	1 200	437	36.4%	1 200
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		473	262	262	(220)	6	262	256	97.7%	262
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		17	32	32	(2)	21	32	11	34.3%	32
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		456	231	231	(218)	(15)	231	245	106.5%	231
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		785	1 312	1 312	52	1 029	1 312	283	21.6%	1 312
General vehicles		95	397	397	1	245	397	152	38.3%	397
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		67	114	114	-	75	114	39	34.1%	114
Computers - hardware/equipment		81	147	147	-	6	147	141	96.2%	147
Furniture and other office equipment		-	5	5	-	-	5	5	100.0%	5
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		541	650	650	52	704	650	(54)	-8.2%	650
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure		2 332	2 775	2 775	(128)	1 798	2 775	977	35.2%	2 775

CHAPTER 5 - COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

CAPITAL EXPENDITURE TRENDS

Month	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July		6 702	6 702	1 097	1 097	6 702	5 605	83.6%	1%
August		6 702	6 702	3 001	4 098	13 404	9 306	69.4%	5%
September		6 702	6 702	14 247	18 345	20 106	1 760	8.8%	23%
October		6 702	6 702	2 061	20 406	26 808	6 402	23.9%	25%
November		6 702	6 702	7 980	28 386	33 510	5 124	15.3%	35%
December		6 702	6 702	8 746	37 132	40 212	3 080	7.7%	46%
January		6 702	6 702	2 298	39 430	46 914	7 484	16.0%	49%
February		6 702	6 702	(31 445)	7 984	53 615	45 631	85.1%	10%
March		6 702	6 702	14 072	22 057	60 317	38 260	63.4%	27%
April		6 702	6 702	4 786	26 843	67 019	40 177	59.9%	0
May		6 702	6 702	10 888	37 731	73 721	35 990	48.8%	0
June	(0)	6 702	6 702	47 408	85 139	80 423	(4 716)	-5.9%	0
Total Capital expenditure	(0)	80 423	80 423	85 139					

CAPITAL EXPENDITURE ON NEW ASSETS

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		(0)	63 653	63 653	45 570	79 734	63 653	(16 081)	-25.3%	63 653
Infrastructure - Road transport		(0)	63 653	63 653	27 153	58 019	63 653	5 634	8.9%	63 653
Roads, Pavements & Bridges		(0)	63 653	63 653	27 153	58 019	63 653	5 634	8.9%	63 653
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	18 018	20 168	-	(20 168)	#DIV/0!	-
Generation		-	-	-	18 018	20 168	-	(20 168)	#DIV/0!	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	399	1 547	-	(1 547)	#DIV/0!	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	399	1 547	-	(1 547)	#DIV/0!	-
Community		0	5 521	5 521	431	1 200	5 521	4 321	78.3%	5 521
Parks & gardens		-	1 000	1 000	22	22	1 000	978	97.6%	1 000
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		0	4 521	4 521	409	1 178	4 521	3 343	74.0%	4 521
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		0	7 110	7 110	996	2 877	7 110	4 233	59.5%	7 110
General vehicles		0	2 750	2 750	-	1 400	2 750	1 350	49.1%	2 750
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	3 200	3 200	283	479	3 200	2 721	85.0%	3 200
Computers - hardware/equipment		-	460	460	292	390	460	70	15.3%	460
Furniture and other office equipment		-	100	100	-	89	100	11	11.4%	100
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	62	62	-	(62)	#DIV/0!	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	600	600	360	458	600	142	23.7%	600
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		(0)	4 140	4 140	411	1 328	4 140	2 811	67.9%	4 140
Computers - software & programming		(0)	4 040	4 040	300	1 217	4 040	2 822	69.9%	4 040
Other		-	100	100	111	111	100	(11)	-11.1%	100
Total Capital Expenditure on new assets	1	(0)	80 423	80 423	47 408	85 139	80 423	(4 716)	-5.9%	80 423

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Description	Ref	2013/14	Budget Year 2014/15							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		19 276	36 279	36 279	(12 354)	7 428	36 279	(28 851)	-80%	29 713
Government - operating		116 295	136 804	136 804	(1 016)	136 914	136 804	110	0%	547 657
Government - capital		94 247	72 921	72 921	42 957	75 978	72 921	3 057	4%	303 912
Interest		3 173	3 200	3 200	266	3 579	3 200	379	12%	14 317
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(153 101)	(139 463)	(139 463)	(19 371)	(124 684)	(139 463)	(14 779)	11%	(498 734)
Finance charges		(1 776)	(21)	(21)	7	0	(21)	(21)	101%	0
Transfers and Grants		(2 547)	(4 559)	(4 559)	(211)	(3 414)	(4 559)	(1 144)	25%	(13 657)
NET CASH FROM/(USED) OPERATING ACTIVITIES		75 567	105 161	105 161	10 277	95 802	105 161	(9 359)	-9%	383 209
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		3 030	262	262	-	-	262	(262)	-100%	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	-	-	(3 107)	2 602	-	2 602	#DIV/0!	10 407
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(128 010)	(80 423)	(80 423)	-	-	(80 423)	(80 423)	100%	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(124 980)	(80 161)	(80 161)	(3 107)	2 602	(80 161)	(82 763)	103%	10 407
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	35 542	(89 453)	-	(89 453)	#DIV/0!	(357 810)
Borrowing long term/refinancing		49 619	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	(17 626)	(17 626)	-	-	(17 626)	(17 626)	100%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		49 619	(17 626)	(17 626)	35 542	(89 453)	(17 626)	71 827	-408%	(357 810)
NET INCREASE/ (DECREASE) IN CASH HELD		206	7 374	7 374	42 711	8 951	7 374			35 806
Cash/cash equivalents at beginning:		49 512	83 095	83 095	-	-	83 095			-
Cash/cash equivalents at month/year end:		49 717	90 470	90 470	-	8 951	90 470			35 806

5.11 GRAP COMPLIANCE

The municipality has been fully compliant with the GRAP reporting requirements and reporting. The financial statements for 2014-2015 were compiled in line with the GRAP requirements.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION PREVIOUS YEAR

Umzimvubu Municipality

Audit Report

For the year ended 30 June 2014

**REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL
LEGISLATURE AND THE COUNCIL ON THE UMZIMVUBU LOCAL MUNICIPALITY**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Umzimvubu Local Municipality set out on pages ...to ..., which comprise the statement of financial position as at 30 June 2014, 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, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with 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, 2013 (Act No. 2 of 2013) (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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Umzimvubu Local Municipality as at 30 June 2014 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 44 to the financial statements, the corresponding figures for 2013 have been restated as a result of errors discovered during 2014 in the financial statements of the municipality at, and for the year ended, 30 June 2013.

Material impairments

9. As disclosed in notes 4 and 5 to the financial statements, material impairments of R30,8 million were incurred as a result of the inadequate implementation of the debt-collection policy.

Additional matters

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

Unaudited supplementary schedules

11. The supplementary annexures set out on pages xxx to xxx do not form part of the financial statements and are presented as additional information. I have not audited these annexures and, accordingly, I do not express an opinion thereon.

Unaudited disclosure notes

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2014:
 - Infrastructure and planning on pages x to x
 - Citizens and community services on pages x to x

15. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
16. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information (FMPPI)*.
17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. The material findings in respect of the selected development priorities are as follows:

Infrastructure and Planning

Usefulness of reported performance information

Consistency of objectives and indicators and targets

19. Section 41(c) of the Municipal Systems Act requires the integrated development plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 25% of the reported objectives, 41% of the reported indicators and 33% of the reported targets were not consistent with those in the approved integrated development plan. This was due to lack of proper reviews of documents prepared.

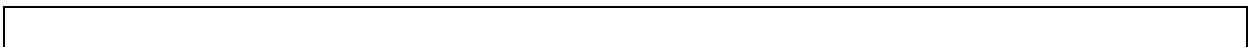
Measurability of indicators and targets

20. The FMPPI requires the following:
 - Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 20% of the indicators were not well defined.
 - Performance indicator must be verifiable, meaning that it must be possible to validate the processes and systems that produced the indicator. A total of 38% of the indicators were not verifiable.
 - Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 24% of the targets were not specific.
 - Performance targets must be measurable. We could not measure the required performance for 33% of the targets.

This was because management did not adhere to the requirements of the FMPPI due to a lack of proper systems and processes and technical indicator descriptions.

Reliability of reported performance information

21. I did not raise any material findings on the reliability of the reported performance information for the selected programmes.



Additional matters

22. I draw attention to the following matters:

Unaudited supplementary schedules

23. The supplementary information set out on pages xx to xx does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

Achievement of planned targets

24. Refer to the annual performance report on pages xx to xx for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness of the reported performance information for the selected development priorities reported in paragraphs xx to xx of this report.

Compliance with legislation

25. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Annual report and annual financial statements

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

Asset management

27. An adequate management, accounting and information system was not in place to account for assets, as required by section 63(2)(a) of the MFMA.
28. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Predetermined objectives

29. Measurable performance targets for the financial year with regard to each of the objectives and key performance indicators were not set in the IDP, as required by section 41(1)(b) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) and the Municipal planning and performance management regulations, 2001 (Government Gazette 22605 of 2001) (MPPMR) 12(1) and 12(2)(e).
30. The performance management system and its related controls were inadequate as it did not describe and represent the processes of performance (planning, monitoring, measurement, review, reporting and improvement) and how it is conducted, organised and managed, as required by sections 38 of the MSA and regulation 7 of the MPPMR.

COMPONENT B: AUDITOR-GENERAL OPINION CURRENT YEAR 2014-2015

Report of the auditor-general to the Eastern Cape provincial legislature and the council on Umzimvubu local municipality

Report on the financial statements

Introduction

1. I have audited the financial statements of the Umzimvubu Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2015, 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, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with 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, 2014 (Act No. 10 of 2014) (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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with the SA standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matter

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

Material impairments

8. As disclosed in note 3 to the financial statements, material impairments of R3 million for receivables from exchange transactions were incurred as a result of inadequate implementation of the debt collection policy.
9. As disclosed in note 4 to the financial statements, material impairments of R18, 3 million were incurred for receivables from non-exchange transactions as a result of inadequate implementation of the debt collection policy.

Additional matters

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

Unaudited supplementary schedules

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

Unaudited disclosure notes

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

Report on other legal and regulatory requirements

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 findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2015:
- Infrastructure and planning on pages x to x
 - Citizens and community services on pages x to x
15. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
16. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priorities. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information (FMPPPI)*.
17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify material findings on the usefulness and reliability of the reported performance information for the selected development priorities:

Additional matter

19. I draw attention to the following

Achievement of planned targets

20. Refer to the annual performance report on page(s) x to x for information on the achievement of planned targets for the year.

Compliance with legislation

21. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material finding on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, is as follows:

Procurement and contract management

22. Bids were not always evaluated by bid evaluation committees which were composed of officials from the departments requiring the goods or services and at least one SCM practitioner of the municipality as required by SCM regulation 28(2).

Internal control

23. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are

Appendices

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Ordinary and Special Council Meetings:

No.	Members of Council	Ordinary Council Meeting			Special Council Meeting		
		Number of ordinary meetings scheduled	Number of meetings attended	Number of meetings absent	Number of ordinary meetings scheduled	Number of meetings attended	Number of meetings absent
1.	CIlr ZO Sisilana	6	6	0	9	7	2
2.	CIlr KS Phangwa	6	6	0	9	8	1
3.	CIlr N Mbele	6	5	1	9	5	4
4.	CIlr Z Ndevu	6	5	1	9	4	5
5.	CIlr LT Qasha	6	6	0	9	8	1
6.	CIlr EN Ngalonkulu	6	4	2	9	4	4

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7.	CLlr AV Bulana	6	4	2	9	4	5
8.	CLlr N Mpumlwana	6	4	2	9	5	4
9.	CLlr MV Nkqayi	6	6	0	9	8	1
10.	CLlr N Nkula	6	6	0	9	8	1
11.	CLlr PK Thingathinga	6	5	1	9	4	5
12.	CLlr N Boyce	6	4	2	9	5	4
13.	CLlr S Cekeshe	6	6	0	9	5	4
14.	Chief N Fikeni	6	3	3	9	3	7
15.	CLlr NN Gcadinja	6	6	0	9	5	4
16.	CLlr N Gogela	6	5	0	9	5	4
17.	CLlr ON Godlo	6	2	4	9	4	5
18.	CLlr N Gwanya	6	6	0	9	7	2
19.	CLlr ZA Gwebani	6	6	0	9	4	5
20.	CLlr J Hem	6	5	1	9	8	1
21.	CLlr N Jijana	6	4	2	9	4	5
22.	CLlr B Jojo	6	3	3	9	5	4

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23.	CIlr M Jojo	6	4	2	9	6	3
24.	CIlr EN Jojo	6	2	4	9	2	7
25.	CIlr X Jona	6	4	2	9	5	4
26.	CIlr MH Kwekwile	6	6	3	9	3	6
27.	CIlr T Mabindisa	6	6	6	9	7	2
28.	CIlr UG Makanda	6	6	6	9	6	3
29.	CIlr NG Makaula	6	2	4	9	0	0
30.	CIlr T Makaula	6	1	5	9	1	8
31.	CIlr AT Mambi	6	4	2	9	4	5
32.	CIlr M Mankanku	6	5	1	9	7	2
34.	CIlr AN Mantshongo	6	3	3	9	5	4
35.	CIlr ZJ Mendu	6	3	3	9	6	3
36.	CIlr NP Mlandu	6	6	0	9	9	0
37.	CIlr NM Mlenzana	6	6	0	9	7	2
38.	CIlr B Mngweba	6	6	0	9	5	4
39.	CIlr SK Mnkwa	6	3	3	9	3	6

Appendices

40.	Cllr M Mpakumpaku	6	5	0	9	5	4
41.	Cllr N Mpanda	6	3	3	9	2	7
42.	Cllr MM Mpepanduku	6	6	0	9	6	3
43.	Cllr ZB Mtebele	6	4	2	9	5	4
44.	Cllr AL Mwezula	6	3	3	9	5	4
45.	Cllr SP Myingwa	6	5	1	9	5	4
46.	Cllr N Ncapai	6	2	4	9	3	6
47.	Cllr PN Ndabeni	6	3	3	9	2	7
48.	Cllr CT Ndawo	6	3	3	9	4	5
49.	Cllr V Ngabaza	6	3	3	9	3	6
50.	Cllr CM Ngalonkulu	6	3	3	9	3	6
51.	Cllr F Ngonyolo	6	4	2	9	4	5
52.	Cllr BT Ngqasa	6	6	0	9	6	3
53.	Cllr S Nogcantsi	6	6	0	9	8	1
55.	Cllr F Ntwakumba	6	5	1	9	3	6
56.	Cllr V Nyangane	6	5	1	9	5	4

Appendices

57.	Cllr EN Pakkies	6	3	3	9	4	5
58.	Cllr B Ripa	6	2	4	9	2	7
59.	Cllr AN Sobahle	6	6	0	9	7	2
60.	Cllr M Sodladla	6	2	4	9	1	8
61.	Cllr N Sonyabashi	6	6	0	9	7	2
62.	Cllr FM Sogoni	6	1	5	9	2	7
63.	Cllr V Sontsi	6	0	6	9	2	7
64.	Cllr LN Xezu	6	5	1	9	4	5
65.	Cllr BM Zililo	6	5	1	9	5	4

Executive Committee

Members of committee	Number of meetings scheduled	Number of meetings held	Number of meetings attended	Number of meetings absent	Number of Special meetings scheduled
Cllr KS Phangwa	10	13	11	2	3
Cllr LT Qasha	10	13	10	3	3
Cllr Z Ndevu	10	13	9	4	3
Cllr MV Nkqayi	10	13	10	3	3
Cllr N Mpumlwana	10	13	7	6	3
Cllr AV Bulana	10	13	9	4	3
Cllr EN Ngalonkulu	10	13	8	5	3
Cllr PK Thingathinga	10	13	9	4	3
Cllr N Nkula	10	13	11	2	3

Municipal Public Accounts Committee/ Oversight Committee

Members of committee	Number of meetings scheduled	Number of meetings held	Number of meetings attended	Number of meetings absent
Cllr N Mpanda	10	08	08	00
Cllr NN Gcadinja	10	08	05	03
Cllr NO Godlo	10	08	04	04
Cllr UG Makanda	10	08	04	04
Cllr NM Mlenzana	10	08	04	04
Cllr ZB Mtebele	10	08	03	05
Cllr S Myingwa	10	08	05	03
Cllr NP Ndabeni	10	08	06	02
Cllr BT Ngqasa	10	08	04	04
Cllr SK Mnkwa	10	08	02	06
Cllr B Ripa	10	08	03	05

Infrastructure and Planning Portfolio Committee

Members of committee	Number of meetings scheduled	Number of meetings held	Number of meetings attended	Number of meetings absent
Cllr MV Nkqayi	10	10	9	1
Cllr N Mbele	10	10	7	3
Cllr N Nkula	10	10	6	4
Cllr N Godlo	10	10	5	5
Cllr MM Gwanya	10	10	9	1
Cllr UG Makanda	10	10	7	3
Cllr CT Ndawo	10	10	5	5
Cllr F Ntwakumba	10	10	6	4
Chief Sontsi	10	10	5	5
Chief Fikeni	10	10	5	5

Budget & Treasury Committee

Members of committee	Number of meetings scheduled	Number of meetings held	Number of meetings attended	Number of meetings absent
Cllr Z Ndevu	10	10	10	0
Cllr PK Thingathinga	10	10	9	1
Cllr S Cekeshe	10	10	5	5
Cllr M Jojo	10	10	7	3
Cllr J Mendu	10	10	8	2
Cllr MM Mpepanduku	10	10	8	2
Cllr S Myingwa	10	10	6	4
Cllr N Sobahle	10	10	8	2
Cllr M Zililo	10	10	4	6
Chief G.T. Nota	10	10	0	0

Special Programmes & Communications Committee

Members of committee	Number of meetings scheduled	Number of meetings held	Number of meetings attended	Number of meetings absent
Cllr EN Ngalonkulu	10	10	8	2
Cllr N Gogela	10	10	7	3
Cllr Z Mtebele	10	10	8	2
Cllr L Mwezula	10	10	7	3
Cllr T Mabindisa	10	10	8	2
Cllr MC Ngalonkulu	10	10	5	5
Cllr M Pakkies	10	10	4	6
Chief N. Ncapai	10	10	5	5
Chief N. Jojo	10	10	3	7
Chief M. Sodladla	10	10	3	7
Chief N. Makaula	10	10	1	9

Citizen & Community Services Portfolio Committee

Members of committee	Number of meetings scheduled	Number of meetings held	Number of meetings attended	Number of meetings absent
Cllr AV Bulana	10	10	9	1
Cllr N Boyce	10	10	6	4
Cllr J Hem	10	10	10	0
Cllr S Mankanku	10	10	2	8
Cllr N Mlenzana	10	10	7	3
Cllr B Mngweba	10	10	7	3
Cllr F Ngonyolo	10	10	6	4
Cllr N Xezu	10	10	9	1
Chief T. Makaula	10	10	1	9

Corporate Services Portfolio Committee

Members of committee	Number of meetings scheduled	Number of meetings held	Number of meetings attended	Number of meetings absent
Cllr LT Qasha	10	10	9	1
Cllr NN Gcadinja	10	10	7	3
Cllr NH Kwekwile	10	10	7	3
Cllr A Mambi	10	10	7	3
Cllr N Mlandu	10	10	9	1
Cllr SK Mnukwa	10	10	3	7
Cllr S Nogcantsi	10	10	5	5
Cllr V Nyangane	10	10	7	3
Cllr N Sonyabashi	10	10	8	2
Chief M. Sogoni	10	10	2	8

LED Committee

Members of committee	Number of meetings scheduled	Number of meetings held	Number of meetings attended	Number of meetings absent
Cllr N Mpumlwana	10	10	7	3
Cllr ZA Gwebani	10	10	9	1
Cllr N Jijana	10	10	8	2
Cllr N Matshongo	10	10	8	2
Cllr N Mpakumpaku	10	10	9	1
Cllr N Ndabeni	10	10	6	4
Cllr V Ngabaza	10	10	3	7
Cllr B Ngqasa	10	10	7	3
Cllr B Ripa	10	10	3	7
Chief B. Jojo	10	10	3	7

Local Labour Forum

Member of committee	Number of meetings scheduled	Number of meetings held	Number of meetings attended	Number of meetings absent
Cllr LT Qasha	11	4	2	2
Cllr NN Gcadinja	11	4	7	-
Cllr S Nogcantsi	11	4	3	1

APPENDIX B – CORRECTIVE ACTION PLAN TO ADDRESS ISSUES RAISED IN THE AUDIT REPORT 2014-2015

AUDIT QUERY	AUDIT 2014/15 FY							
	CAUSE	REMEDIAL ACTION	PLANNED ACTIVITY FOR THE NEXT 6 MONTHS				BUDGET NEEDED FOR REMEDIAL ACTION	RESPONSIBLE PERSON
			JAN-MAR	POE	APR-JUN	POE		
Inconsistency between Annual Performance report and Portfolio of Evidence	Inadequate review by management and internal audit	Presentation of APR and POE in a special management meeting before submission and more intensive internal audit reviews	Audit of Performance information for completeness and accuracy, implementation of IA recommendations	Internal Audit report	Monthly reporting and development of Annual Performance information, Review by Internal Audit	Annual performance report, Internal Audit Report	R0.00	CFO
Assets on the floor not traceable to the asset register and vice versa	Inadequate asset register review, inadequate implementation of internal controls	Monthly update of asset register, 2 asset verification processes per annum to ensure accuracy and completeness of asset register	1 asset verification, update of AR for interim FS processes	Asset Verification Results, Interim Financial Statements, Internal and external audit Reports	1 Asset verification and update of AR for AFS compilation processes	Asset Verification Report, AFS	R0.00	ASSISTANT MANAGER:SCM
Property plant and Equipment not bar-coded	Inadequate of asset register review, inadequate implementation of internal	Monthly review of Asset Register	Review of all assets on the AR and ensuring that they are bar-coded. Internal Audit Review	Updated AR, Internal Audit Report	Review of all assets on the AR and ensuring that they are bar-coded. Internal Audit Review	Updated AR, Internal Audit Report	R0.00	ASSISTANT MANAGER:SCM

	controls							
Long outstanding Debtors not handed over	Expiry of contract with REVCO	Appointment of debt collection company and handing over of long outstanding debts	Fast-tracking of SCM processes to appoint debt collectors	Appointment letter, SLA, list of handed over debtors	Handing over of long outstanding debtors	List of handed over debtors, Report from debt collectors	R0.00	ASSISTANT MANAGER: REVENUE MGT ABD DEBT COLLECTION
Incorrect Casting on AFS	Inadequate AFS Review process	Extensive review of AFS by management and internal audit unit.	Compilation of interim FS using caseware and review by internal and External Audit for completeness	Interim FS, Internal and External Audit Reports.	Compilation of monthly Financial Statements for early detection of abnormal figures	Monthly FS	R0.00	ASSISTANT MANAGER : BUDGET AND REPORTING
Municipal rates and taxes not verified (for awarded bidders)	Inadequate controls and filing of documents	Development and implementation of checklist for awarding of bids	Review of all awarded contracts to ensure availability (correct filing) of rates clearance, Amendment of MANCO report for awarded tenders to include validity of rates clearance certificates	Manco Report	Continuous reporting on awarded tenders	Manco Report	R0.00	ASSISTANT MANAGER:SCM
Suppliers not paid within 30 days	Non-availability of written reasons for delated payments	Documentation of reasons for delayed payments on the creditors reconciliation	Manco reports with documented reasons for all creditors above 30 days, with	Manco reports	Manco reports with documented reasons for all creditors above 30 days, with	Manco reports	R0.00	ASSISTANT MANAGER: EXPENDITURE AND PAYROLL MANAGEMENT

			supporting documents		supporting documents			
Depreciation not calculated on assets from WIP	Inadequate reviews of AR	Monthly Review of AR and contracts register	Interim FS compilation and AR development	Interim Financial Statements, Audit Report	Close monitoring of work in progress to remove completed assets and calculate depreciation accordingly	Movement on WIP, Asset Register	R0.00	DEPUTY CFO
Projects not registered on CIDB Website	Inconsistency on the CIDB Website and inadequate support from CIDB	Engagement of CIDB officials to get clear contacts that can assist when the website is not available	Arranging meeting with CIDB, Uploading tenders on the CIDB website, Editing of Manco report for awarded tenders to include CIDB reporting	MANCO:CIDB Upload Report	Monthly reporting with new MANCO template	Manco Report on awarded Tenders	R0.00	ASSISTANT MANAGER: SCM
Inaccurate commitment amount disclosed	Inadequate review of the contracts register	Review of contract register to ensure that all contracts are correctly disclosed in terms of nature and figures	Monthly update and review of contract register, Monthly reporting on contracts register	Contract register, Manco Report	Monthly reporting on contracts register	Contract register, Manco Report	R0.00	ASSISTANT MANAGER : SCM
Contingent Liabilities not agreeing to AFS	Inaccurate information supplied by attorneys	Engaging attorneys on the requirements of contingent liability disclosure	Meeting with attorneys and requesting contingent liabilities for interim FS	Minutes of the Meeting, Interim FS disclosure	Continuous correspondence with attorneys to check the status of contingent liabilities and debtors	Correspondence and reports	R0.00	CFO

Cashflow not balancing to note 46	Inadequate reviews of AFS	Intensive reviews of AFS before submission to auditors, compilation of monthly AFS for early detection of abnormal figures.	Interim FS compilation and auditing by internal and external auditors	Internal and External Audit Reports	Implementation of recommendation by internal and external auditors, Monthly FS compilation	Monthly Financial Statements	R0.00	CFO/DCFO
Budget: incomplete disclosure	Extracting information from the financial system to populate the budget statement on the Financial Statements	Review of Budget on the system to ensure that it balances with budget submitted to Treasury	Engaging Munsoft about separate disclosures on the system, or manually populating budget statement for AFS purposes so as to comply with GRAP 24	Meeting with Munsoft, Budget review, Manco report on Budget movements	MANCO report	Reporting budget movements on a monthly basis	Manco report	ASSISTANT MANAGER: BUDGET AND REPORTING
Functionality not Properly disclosed to bidders	Inadequate proof that bid documents are properly discussed at briefing sessions and training session	Proper minutes to be taken by SCM official at Briefing sessions	Minute taking at all briefing sessions	Minutes of briefing sessions, Training manuals	Minute taking at all briefing sessions	Minutes of briefing sessions, Training manuals	R0.00	ASSISTANT MANAGER: SCM
Overspending of conditional grants	VAT portion included on the budget and inadequate monitoring of grants register	Close monitoring of GRANTS register to avoid overspending	Monthly reporting on grants expenditure	MANCO Report	Monthly reporting on grants expenditure	MANCO Report	R0.00	ASSISTANT MANAGER: BUDGET AND REPORTING

