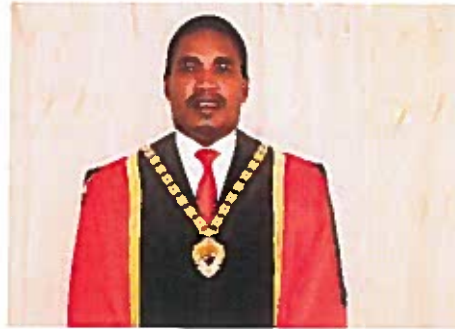


NTABANKULU LOCAL MUNICIPALITY



Service Delivery & Budget Implementation Plan: 2016/2017

As adopted by Council on the 27 May 2016



SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2016/2017

The above subject matter bears reference.

I, Councillor Vusumzi Mgoduka, in my capacity as the Mayor of Ntabankulu Local Municipality hereby approve the Service Delivery and Budget Implementation Plan for 2016/17 as required in terms of section 53 (1) (c) (ii) Municipal Finance Management Act, of 2003 (MFMA)

A handwritten signature in black ink, appearing to be 'V. Mgoduka', written over a solid horizontal line.

Vusumzi Mgoduka

Mayor

TABLE OF CONTENTS

1. Acronyms	4
2. Introduction	
3. Vision, Mission and Values	5
4. Legislative Background	6
5. Institutional arrangements	7
5.1 Service Delivery Targets: Office of the Municipal Manager	10
5.2 Service Delivery Targets: Corporate Services Directorate	11
5.3 Service Delivery Targets: Budget & Treasury Directorate	12
5.4 Service Delivery Targets: Strategic Development & Planning Directorate	13
5.5 Service Delivery Targets: Community Services Directorate	14
5.6 Service Delivery Targets: Infrastructure Planning & Development Directorate	15
6. Conclusion	16

ACRONYMS

SDBIP:	Service Delivery and Budget Implementation Plan
IDP:	Integrated Development Plan
SDF:	Spatial Development Framework
MFMA:	Municipal Finance Management Act
PMS:	Performance Management System
KPA:	Key Performance Areas
ICT:	Information Communication Technology
PDI's:	Previously Disadvantaged Individuals
DLTC:	Driving license Testing Centre
MVL:	Motor Vehicle License
EPWP:	Expanded Public Works Programme
CWP:	Community Works Programme
eNatis:	Electronic National Traffic Information System
IGR:	Intergovernmental Relations

1. INTRODUCTION

The Municipal Finance Management Act (MFMA) 56 of 2003 requires municipalities to prepare a Service Delivery and Budget Implementation Plan (SDBIP) as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their Integrated Development Plan.

The SDBIP is a detailed one year plan of the Municipality that gives effect to the IDP and Budget of the Municipality. It gives expression of the IDP objectives of the municipality in quantifiable outcomes that will be implemented for the financial year. The Service Delivery and Budget Implementation Plan contain targets for each quarter and is a plan which facilitates planning and reporting on financial and non financial performance of the Municipality.

The SDBIP 2016/17 will not only ensure appropriate monitoring in the execution of the Ntabankulu budget and processes involved in the allocations of budget to achieve key strategic priorities as set by the Ntabankulu IDP but will also serves as the basis of annual performance contracts for Senior management and all employees of the Municipality.

The SDBIP provide a guide to the executive committee, council and the community in their respective oversight responsibility.

2. Vision

“A developmental municipality that creates an enabling environment which empowers and develops community economically and socially to ensure sustainable and affordable services”

2.1 Mission

In pursuing our vision NLM, will;

- Ensure the optimal use of resources effectively and efficiently through active community participation.
- Promote human development through provision of quality and sustainable services.
- Generate revenue and stimulate economic growth through investing in human capital.

Theme.

Umanyano Nophuhliso Loluntu ngundoqo

2.2 Values

Ntabankulu Local Municipality embraces the following values:

- Unity and social cohesion
- Transparency
- Accountability
- Fairness
- Democracy, integrity, good governance and public participation/community involvement
- Ethics and loyalty
- Team work and co-operation

3 LEGISLATIVE BACKGROUND

Section 1 of the Municipal Finance Management Act (MFMA) No. 56 of 2003 defines the “service delivery and budget implementation plan” as the detailed plan approved by the mayor of the municipality in terms of Section 53 (1) (c) (ii) for implementing the municipality’s delivery of municipal services and its annual budget and which must include the following:-

- a) Projections of each month of-
 - i. revenue to be collected, by source; and
 - ii. operational and capital expenditure, by vote;
- b) Service delivery targets and performance indicators for each quarter; and
- c) Any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(1) (c).

In terms of Section 53 (1) (c) (ii) of the MFMA, the SDBIP must be approved by the Mayor of a municipality within 28 days of the approval of the budget.

MFMA Circular No. 13, “The Municipal Manager is responsible for the preparation of the Service Delivery and Budget Implementation Plan which must be legally submitted to the Mayor for approval once the budget has been approved by Council.

MFMA Circular No. 13 further states that “...being a management and implementation plan (and not a policy proposal), the SDBIP is not required to be approved by Council”-It is however tabled to before Council and made public for information and for the purposes of monitoring. The SDBIP should be seen as a dynamic document that may (*at lower layers of the plan*) be continually revised by the Municipal Manager and other top managers, as actual performance after each month or quarter is taken into account. However the top layer of the SDBIP and its targets cannot be revised without notifying the Council, and if there is to be changes in the service delivery targets and performance indicators, this must be with the approval of the Council, following approval of an adjustments budget (section 54 (1) (c) of the MFMA) This Council approval is necessary to ensure that the Mayor or

Municipal Manager do not revise service delivery targets downwards in the event where there is poor performance.

The Council has approved Service Delivery and Budget Implementation Plan 2015/2016 that responds to 5 Local Government Key Performance Areas.

1. Municipal transformation and organisational development;
2. Basic service delivery;
3. Local economic development;
4. Municipal financial viability and management; and
5. Good governance and public participation.

Components of the SDBIP

1. Monthly projections of each source of revenue to be collected.
2. Monthly projections of each vote's expenditure (operating and capital) and revenue.
3. Quarterly projections of each vote's service delivery targets and performance indicators.
4. Information on expenditure and service delivery in each ward.
5. Detailed capital works plans allocated by the wards over three years.

4 INSTITUTIONAL ARRANGEMENTS

Ntabankulu Local Municipality has six Directorates:

4.1 DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER

4.1.1 Purpose:

To oversee the administration of and serve as Chief Executive and Accounting Officer of the Municipality

4.1.2 Functions

- Develop and lead an economical, effective, efficient and accountable municipal administration;
- Coordinate processes towards development of Municipal IDP
- Oversee the implementation of the municipality's IDP and Institutional PMS;
- Oversee the appointment of staff other than Section 57 appointees, subject to the Employment Equity Act (55) of 1998;
- Oversee the maintenance of discipline of municipal staff;
- Advise political structures and political office bearers of the municipality;
- Manage communications between the municipality's administration and its political structures and political office bearers;
- Account for the implementation of Council Resolutions;

- Oversee the administration and implementation of municipal by-laws, policies and other legislation;
- Account for municipal income, expenditure and assets; and
- Facilitate participation by the community in the affairs of the municipality

4.2 DIRECTORATE: CORPORATE SERVICES

4.2.1 Purpose

To render Human Resources, Administrative and ICT Support Services.

4.2.2 Functions

- Manage and lead the Human Resources function
- Render Information and Communication Technology (ICT) service and support
- Coordinate Municipal Employee Wellness
- Coordinate records management and access to information in terms of the Promotion of Access to Information Act

4.3 DIRECTORATE: BUDGET & TREASURY

4.3.1 Purpose

To Manage Municipal Finances, Procurement and Assets

4.3.2 Functions

- Render Budget planning, Monitoring, Financial Statements and Reporting;
- Render Accounting functions relating to Expenditure
- Collect and manage income and revenue;
- Render provisioning, assets and fleet management services;
- Render and manage Financial Risk Management Services

4.4 DIRECTORATE: STRATEIC & DEVELOPMENT PLANNING

4.4.1 Purpose

To coordinate and manage land use, integrated sustainable economic development and planning, communications.

4.4.2 Functions

- Coordinate Formulation and implementation of Spatial Development Framework (SDF).
- To Stimulate local Economic Development
- To include PDI's into socio economy
- To profile, market and brand the institution

4.5 DIRECTORATE: COMMUNITY SERVICES

4.5.1 Purpose

To develop and provide sustainable, accessible and affordable services that meet the needs of the Community of Ntabankulu within the legal framework, standards and regulations

4.5.2 Functions

- Support the provision of Library Services
- Solid Waste collection and disposal
- Landfill site Management
- Environmental Management programmes
- Maintenance and Management of Public Amenities e.g. Community Halls, Cemeteries, Pound, Parks & Sport fields
- Traffic-law enforcement and bylaws
- Public Safety Education
- Safeguarding of Municipal Assets and Properties
- Provision of DLTC, MVL and eNatis Services
- Municipal Public Works programs e.g. EPWP/CWP
- Coordination of Public Participation programs and Council Support
- Coordination and Development of Community Sport, Arts and Culture

4.6 DIRECTORATE: INFRASTRUCTURE PLANNING & DEVELOPMENT

4.6.1 Purpose

To plan, develop, operate and maintain infrastructure

4.6.2 Functions

- Provide, facilitate and maintain the following infrastructural services:
- Building and Civil Works Services
- Roads and Storm water Services
- Electricity

“ANNEXURE A”

Service Delivery and Budget Implementation Plan 2016/2017

OFFICE OF THE MUNICIPAL MANAGER

“ANNEXURE B”

Service Delivery and Budget Implementation Plan 2016/2017

CORPORATE SERVICES DIRECTORATE

Strategic Area	Strategic Objective	Key Performance Indicator	Target	Actual	Comments	Responsible
Strategic Area 1	Strategic Objective 1.1	1.1.1	100% of employees receive training	95%	Training program completed for 95% of employees. Remaining 5% to be trained by Q3 2017.	Director Corporate Services
		1.1.2	90% of employees receive training	85%	Training program completed for 85% of employees. Remaining 15% to be trained by Q4 2017.	Director Corporate Services
Strategic Area 2	Strategic Objective 2.1	2.1.1	100% of employees receive training	100%	Training program completed for 100% of employees.	Director Corporate Services
		2.1.2	90% of employees receive training	85%	Training program completed for 85% of employees. Remaining 15% to be trained by Q4 2017.	Director Corporate Services
Strategic Area 3	Strategic Objective 3.1	3.1.1	100% of employees receive training	100%	Training program completed for 100% of employees.	Director Corporate Services
		3.1.2	90% of employees receive training	85%	Training program completed for 85% of employees. Remaining 15% to be trained by Q4 2017.	Director Corporate Services
Strategic Area 4	Strategic Objective 4.1	4.1.1	100% of employees receive training	100%	Training program completed for 100% of employees.	Director Corporate Services
		4.1.2	90% of employees receive training	85%	Training program completed for 85% of employees. Remaining 15% to be trained by Q4 2017.	Director Corporate Services
Strategic Area 5	Strategic Objective 5.1	5.1.1	100% of employees receive training	100%	Training program completed for 100% of employees.	Director Corporate Services
		5.1.2	90% of employees receive training	85%	Training program completed for 85% of employees. Remaining 15% to be trained by Q4 2017.	Director Corporate Services
Strategic Area 6	Strategic Objective 6.1	6.1.1	100% of employees receive training	100%	Training program completed for 100% of employees.	Director Corporate Services
		6.1.2	90% of employees receive training	85%	Training program completed for 85% of employees. Remaining 15% to be trained by Q4 2017.	Director Corporate Services
Strategic Area 7	Strategic Objective 7.1	7.1.1	100% of employees receive training	100%	Training program completed for 100% of employees.	Director Corporate Services
		7.1.2	90% of employees receive training	85%	Training program completed for 85% of employees. Remaining 15% to be trained by Q4 2017.	Director Corporate Services
Strategic Area 8	Strategic Objective 8.1	8.1.1	100% of employees receive training	100%	Training program completed for 100% of employees.	Director Corporate Services
		8.1.2	90% of employees receive training	85%	Training program completed for 85% of employees. Remaining 15% to be trained by Q4 2017.	Director Corporate Services
Strategic Area 9	Strategic Objective 9.1	9.1.1	100% of employees receive training	100%	Training program completed for 100% of employees.	Director Corporate Services
		9.1.2	90% of employees receive training	85%	Training program completed for 85% of employees. Remaining 15% to be trained by Q4 2017.	Director Corporate Services
Strategic Area 10	Strategic Objective 10.1	10.1.1	100% of employees receive training	100%	Training program completed for 100% of employees.	Director Corporate Services
		10.1.2	90% of employees receive training	85%	Training program completed for 85% of employees. Remaining 15% to be trained by Q4 2017.	Director Corporate Services

“ANNEXURE C”

Service Delivery and Budget Implementation Plan 2016/2017

BUDGET & TREASURY DIRECTORATE

“ANNEXURE D”

Service Delivery and Budget Implementation Plan 2016/2017

**STRATEGIC DEVELOPMENT & PLANNING
DIRECTORATE**

Legislation	compliance with Municipal legislative prescripts, policies, by-laws and sector plans by June 2017	performance of Service Providers	MDU's, SCM policy and Appointment letters.	reports.	performance of Service providers.	contracts signed with service providers	Service provider's performance in line with the set deliverables as per signed SLA's within the directorate by June 2017	performance of service providers	progress reports on the performance of service providers	performance of service providers	progress reports on the performance of service providers	performance of service providers	progress reports on the performance of service providers	performance of service providers	progress reports on the performance of service providers	Service Providers	STRATEGIC
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“ANNEXURE E”

Service Delivery and Budget Implementation Plan 2016/2017

COMMUNITY SERVICES DIRECTORATE

“ANNEXURE F”

Service Delivery and Budget Implementation Plan 2016/2017

INFRASTRUCTURE PLANNING & DEVELOPMENT DIRECTORATE

Department	Priority Area	IDP Objective	IDP Objective number	IDP Strategies	Indicator	Indicator Number	Baseline on the date of review (May 2015)	Annual Target	2016/2017 Quarter 1 target (July - September)	2016/2017 Quarter 2 target (October - December)	2016/2017 Quarter 3 target (January - March)	2016/2017 Quarter 4 target (April - June)	POE	Measurement Source & Frequency	Budget Amount	Funding Source	Castellan	
Basic Services Delivery	Roads and storm water maintenance	To sustain accessibility and optimise the design life through maintenance of roads and storm water facilities by municipalities	BS 02	To gravel access roads per roads maintenance plan for financial year 2016/2017.	Develop scope of works and schedule implementation plan for gravel access roads per roads maintenance plan for financial year 2016/2017.	1.2.1	13 km of roads maintained in 2015/2016 financial year	7km of roads maintained in 2015/2016 financial year	Coordinate the work for gravel access roads for confirmation of scope of works to be prepared as a draft tender document	Approved business plan for scope of works approved by HOD and tender document	Prepare final tender document	Final tender document submitted to BTO	Request for quotation or email	Maintenance report signed by HOD, photos signed by the Superintendent	Annual report based on evidence for the implementation of the maintenance plan	R2.4m	ES	Director: Infrastructure Planning and Development
					Develop scope of works and schedule implementation	Number of works implemented	10 street lights maintained by June 2017	Determine scope of works for maintenance of street lights	Scope of works approved by the HOD	Maintenance report signed by the HOD, photos signed by the electrician	Maintenance report based on the identified scope. Expenditure reports	R 100 000	ES	Director: Infrastructure Planning and Development				
	Maintenance of municipal street lights	To ensure public safety through maintenance of municipal public lights by June 2017	BS 04	Continuous maintenance of street lights	Develop scope of works and schedule implementation	1.4.1	There are 34 street lights that were maintained in January 2015.	10 street lights maintained by June 2017	Determine scope of works for maintenance of street lights	Scope of works approved by the HOD	Maintenance report signed by the HOD, photos signed by the electrician	Maintenance report signed by the HOD, photos signed by the electrician	Maintenance report based on the identified scope. Expenditure reports	Annual report based on evidence for the implementation of the maintenance plan	R 450 000	ES	Director: Infrastructure Planning and Development	
					Develop scope of works	Number of public lights maintained	Coordinate procurement of truck with installed cherry picker by June 2017	Draft specification with proof of submission to BTO	Memo and requisition	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	R 450 000
Community Facilities	Maintenance of public infrastructure	By June 2017	BS 05	To develop and implement a maintenance plan for community halls for financial year 2016/2017.	Develop scope of works	1.6.1	There are 21 community halls	1 community hall by March 2017	Conduct assessment and develop scope of works for 1 community hall	Scope of works approved by the HOD	Maintenance report approved by HOD, expenditure reports, photos signed by HOD	Maintenance report approved by HOD, expenditure reports, photos signed by HOD	Maintenance report based on the identified scope. Expenditure reports	Annual report based on evidence for the implementation of the maintenance plan	150 000	ES	Director: Infrastructure Planning and Development	
					Develop scope of works and schedule implementation	Number of community halls maintained	Procure truck with cherry picker	Determine specification and submit to BTO	Memo and requisition	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Building Control	To enforce the quality and aesthetic look of buildings in the municipal area by June 2017	BS 07	To develop and implement a maintenance plan for municipal buildings	Develop scope of works and schedule implementation	1.8.1	12 existing municipal buildings maintained	12 existing municipal buildings maintained	Implement maintenance plan for municipal buildings	Scope of works approved by the HOD	Maintenance report approved by HOD, expenditure reports, photos signed by BCD	Maintenance report approved by HOD, expenditure reports, photos signed by BCD	Maintenance report approved by HOD, expenditure reports, photos signed by BCD	Maintenance report approved by HOD, expenditure reports, photos signed by BCD	Annual report based on evidence for the implementation of the maintenance plan	R 400 000	ES	Director: Infrastructure Planning and Development	
				Develop scope of works and schedule implementation	Number of municipal buildings maintained	Coordinate procurement of truck with installed cherry picker by June 2017	Determine scope of works for maintenance of street lights	Scope of works approved by the HOD	Maintenance report signed by the HOD, photos signed by the electrician	Maintenance report based on the identified scope. Expenditure reports	Annual report based on evidence for the implementation of the maintenance plan	R 400 000	ES	Director: Infrastructure Planning and Development				

CONCLUSION

The Service Delivery and Budget Implementation Plan is the basis of performance plans and agreements of the municipal manager and managers reporting directly to the municipal manager and also for Middle managers as Ntabankulu Local Municipality is cascading PMS in phases to lower levels.

The municipality will continuously endeavour to improve its Performance Management System as it strives to get a clean Audit. Ntabankulu Communities will be able to measure the municipal performance through the Service Delivery and Budget Implementation Plan.



AUDITED IMPLEMENTATION STATUS ON AUDIT ACTION PLAN

Pinning Category	Total Findings	Total Findings to be Remedied as by end April 2018	In Progress	Not Remedied
Office of MM - PMU	4	0	4	0
Office of MM - FO	4	1	2	1
Office of MM - Internal Audit	16	16	5	1
Office of MM - DP - PMS	23	19	8	5
Employee costs - Perform	8	5	0	2
Employee costs - NH	22	17	7	2
Employee costs - BTO	7	2	0	6
Contaminated	2	0	0	2
Grant & Bids	3	7	3	3
Grants	3	1	1	1
Finance lease	1	0	1	0
Professionals	1	0	1	0
Recruitment	18	14	0	2
Revenue	7	4	2	2
Commitments	3	3	2	1
Cash Flow	2	2	0	1
Unauthorised, Irregular, Fulfills	3	1	0	1
Expenditure	6	4	3	0
IT	2	2	0	2
Inventory	110	7	0	2
DPE	46	46	1	1
Payables	5	4	0	4
Other liabilities	3	0	0	3
SCM	32	32	7	13
Contract liabilities	3	3	0	0
Val	1	1	0	0
Community services	5	5	0	0
Annual Financial Statements	2	2	2	0
	250	127	73	50

AUDITED ANALYSIS PER DIRECTORATE

	Total no of Findings	In progress	Not Remedied
Office of the Municipal Manager	21	7	7
Community Service	45	15	15
Budget and Treasury Offices	194	31	31
Corporate Services	32	22	22
	59	75	75

INSTITUTIONAL ANALYSIS

	Total no of Findings	In progress	Not Remedied
	177	50	70
	100	79	79

SUMMARY OF AUDIT FINDINGS ON BASIS FOR QUALIFIED OPINION

REF NO MGMT LT	CATEGORY OF FINDINGS	DESCRIPTION OF AUDIT FINDING	ROOT CAUSE	RECOMMENDATION	ACTION PLAN	ACTION PLAN START DATE	ACTION PLAN COMPLETION DATE	RESPONSIBLE PERSON	PROGRESS AS AT 30th April 2018
18 1	Performance Information	Section 41 (c) of the Municipal Systems Act requires the annual performance to report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 43% of the reported objectives were not consistent with those in the approved annual performance development plan.	This was due to inconsistent indicators and targets.	Management should take all the necessary steps to ensure that the reports are consistent with all laws and regulations and maintain records which evidence the compliance.	Review template of the DPJ objectives to ensure consistency and targets for each objective and priority.	11 November 2015	31 March 2018	DP/ICR/PMS Manager	EPJ Objectives with input, output and outcome indicators has been presented to IDP Technical Committee, IDP Steering Committee and will be presented to Council with draft IDP on 30th March 2018

Internal Audit	The previous company that was outsourced had their contract terminated in January 2015 and assumed delivery of the Annual Financial Statements.	1. The municipality to establish an Internal Audit Unit and further expand its unit with the Service Provider.	31 March 2018	Municipal Manager	The In House Internal Auditor has been appointed with effect from 1st December 2015 The Audit Committee requested that the Management should consider two more permanent positions on the Internal Audit Structure and the structure will be reviewed accordingly
Grant Management	The municipality did not evaluate its performance in respect of programmes or functions funded by the Municipal System Improvement Grant allocation, as required by section 12(5) of the Division of Revenue Act	1. Identify grant recipients to be prepared and reviewed within seven working days after the end of each month. Monthly recognition of expenditure on grants as income.	By the 7th of every month	CFO	The grant reconciliations are being prepared on a monthly basis. They are prepared within 7 working days after the end of each month. However the grant register is not updated bi-monthly. Prize year error adjustments was done for the following grants: DSMAC, ECD local government and DEDEAT. At the total amount of R156 473. Half year FB have been submitted for audit.
Procurement and Contract Management	Goods and services with a transaction value of below R200 000 are procured without obtaining the required price quotations as required by SCM regulation 17 (a) and (c)	Management should ensure that the grant register is kept up to date and amounts allocated and received are reconciled	Ongoing	CFO	A supply chain management checklist was developed which assist in ensuring all procurement processes are followed as per SCM regulations. The implementation of the checklist improved consistency. A checklist is being developed for every procurement. Furthermore a memo circulation is developed whereby the number of quotations obtained is stipulated
	Municipality does not maintain evidence of checking whether unfilled prospective providers have been checked to see if they meet filing requirements prior to accepting their quotes.	Management should ensure that the grant register is kept up to date and amounts allocated and received are reconciled	Ongoing	CFO	Suppliers who deliver against are checked against their own register as they do not meet the criteria for registration in the municipality supplier database For all other suppliers a supplier code is generated upon registration on the supplier database. This code is reflected on the purchase order.
	Bid specifications were not always obtained by bid specifications committee which were composed of one or more members as required by SCM regulation 27(2)	Management should ensure that the grant register is kept up to date and amounts allocated and received are reconciled	Ongoing	CFO	The bid specification committee did not set on all contracts on the award register to develop specifications
	Bid selection was not always done by committees which were composed in accordance with SCM 33(2)	Management should ensure that the grant register is kept up to date and amounts allocated and received are reconciled	Ongoing	CFO	SCM manager forms part of the Bid Adjudication committee
	Quotations were awarded to contractors that did not comply with section 16(1) of the CIDB regulations 17 and 24(7A).	Management should ensure that the grant register is kept up to date and amounts allocated and received are reconciled	Ongoing	CFO	The declarations of interest forms are being completed on all awards above R30 000 A checklist has been developed to ensure adherence to the SCM processes.
	The evaluation and adjudication committees of the municipality did not comply with the existing and pending the bids.	Management should ensure that the grant register is kept up to date and amounts allocated and received are reconciled	Ongoing	CFO	Construction contracts are being advertised on the CIDB

	<p>The financial statements and performance report were not reviewed for compliance with the purposes of the RPA. The audit committee has identified amendments being identified during the audit.</p>	<p>Late submission of information to be Audited to Internal Audit and Audit Committee</p>	<p>Not provided by AG</p>	<p>1. To facilitate submission of information to be audited 2. Audit Committee to report on non-submission of information to be audited to Council 3. Internal Audit to perform review of Half</p>	<p>1 July 2015</p>	<p>31 March 2016</p>	<p>All Directors</p>	<p>1. Half Year Financial Statements have been received and reviewed by Internal Audit. Although some of the findings have not been received. 2. 1st, 2nd, 3rd quarter and mid term performance reviews have been performed by Internal Audit</p>
	<p>The processes in place to prevent irregular expenditure and irregular expenditure as indicated by the RPA. A million irregular expenditure incurred during the year.</p>	<p>Lack of prevention and detection in due to management not in place to prevent irregular expenditure</p>	<p>Management should monitor their compliance with laws and regulations so as to ensure compliance with the MFMA Act</p>	<p>1. Develop the irregular expenditure register and submit to the Council for consideration by further investigation by NPAC with the presence of the Internal Audit. 2. All irregular expenditure the</p>	<p>25 January 2016</p>	<p>25 March 2016</p>	<p>CFO</p>	<p>The irregular expenditure for the 2014/2015 and the past five years which was conducted on August 2015 has been accounted for correctly that is reviewed on the half year financial statements. 2. The quarterly irregular expenditure reports for three quarters are prepared and submitted to the Council for consideration by NPAC for further investigation. The NPAC will be kept in the presence of the Internal Audit. The investigation is to be conducted on May for all the quarters</p>
<p>Financial and Performance Management</p>	<p>The municipality does not always have a proper filing system. The audit committee provides for the removal of documentation that supports the financial statements, annual performance report and compliance related matters. This filing system, however, has shown a vast improvement when compared to previous years.</p>	<p>1. Lack of review of information submitted 2. Filing room not conducted for the files stored</p>	<p>Not provided by AG</p>	<p>1. Internal Audit to develop filing checklist to be utilized when filing POC files for performance review 2. SOM to monitor the register of documents in the filing room by updating the register when documents are taken in and out of the filing room.</p>	<p>1 July 2015</p>	<p>31 March 2016</p>	<p>Internal Audit</p>	<p>1. Filing checklist has been utilized for 3rd quarter performance reporting 2. All relevant documents to be used for audit purposes are collected by each director on a monthly basis and filed in the office of the municipal manager. A register of documents in the filing room is maintained in the IMU's office</p>
	<p>Adequate daily and monthly monitoring and processing did not always take place over financial and performance reporting. There is a reliance on the audit process to attempt to correct the accounting records of the municipality.</p>	<p>No defined internal control in place to ensure daily and monthly monitoring of financial performance</p>	<p>Not provided by AG</p>	<p>1. Internal Audit to perform review of Half year financial. 2. Internal Audit to perform reviews on Mid term performance and quarterly performance</p>	<p>1 July 2015</p>	<p>31 March 2016</p>	<p>Internal Audit</p>	<p>Internal Audit (IFS) has performed review on half year term performance and 3rd quarter performance review</p>
<p>Compliance Monitoring</p>	<p>The municipality does not have appropriate systems in place to monitor compliance with all applicable legislation. Non-compliance with laws and regulations could have been prevented had compliance o reviewed. However, the number of non-compliance matters identified in the current year has reduced from the prior year indicating that the municipality is serious in their achievement of clean audit administration.</p>	<p>Inadequate controls in place to ensure compliance with relevant laws and regulations</p>	<p>Not provided by AG</p>	<p>1. To monitor the MFMA calendar for implementation 2. To monitor Risk and compliance officer to monitor the implementation of all compliance as per the required legislation.</p>	<p>1 July 2015</p>	<p>31 March 2016</p>	<p>Internal Audit/ Municipal Manager</p>	<p>1. Filing checklist has been utilized for 3rd quarter performance reporting 2. All relevant documents to be used for audit purposes are collected by each director on a monthly basis and filed in the office of the municipal manager. A register of documents in the filing room is maintained in the IMU's office</p>
<p>Governance</p>	<p>The municipality has an audit committee and internal audit unit, however, no action was taken by the governance structures within the municipality against individuals who did not implement audit regular meetings as required by the MFMA. However, the audit committee's ability to provide assurance was limited due to the irregularity of the financial and performance reports provided for their review</p>	<p>Lack of non-compliance management policy in place</p>	<p>Not provided by AG</p>	<p>1. To facilitate reporting on implementation of audit committee resolutions and submit progress to the Audit Committee. 2. To make all the</p>	<p>1 July 2015</p>	<p>31 March 2016</p>	<p>All Directors</p>	<p>1. All directors receive standing invites to the Audit Committee until the resolution has been resolved</p>
		<p>Late submission of information to be Audited to Internal Audit and Audit Committee</p>	<p>Not provided by AG</p>	<p>1. To facilitate submission of information to be audited 2. Audit Committee to report on non-submission of information to be audited to Council 3. Internal Audit to</p>	<p>1 July 2015</p>	<p>31 March 2016</p>	<p>All Directors</p>	<p>1. Veron 3 of the Half Year Financial Statements have been recalled and released by Internal Audit. Although some of the findings have not been received. 2. 1st, 2nd, 3rd quarter and mid term performance reviews have been performed by Internal Audit</p>

<p>Irregular expenditure</p>	<p>R109 314 015 (100%) of irregular expenditure incurred in the financial year was accounted for in accordance with the provisions of SICM legislation. In addition, 13.83% of this irregular expenditure was identified during the audit process and not detected by monitoring processes of the municipality.</p>	<p>The lack of effective prevention and detection are due to management not having adequate procedures in place to prevent and detect irregular expenditure</p>	<p>Management should monitor their compliance with terms and regulations so as to ensure compliance with the MFMA Act.</p>	<p>1. Develop the irregular expenditure quarterly reports and submit to the council for consideration 2. Further investigation by MPAC with the presence of the Internal Audit. 3. All irregular expenditure be</p>	<p>25 January 2018</p>	<p>25 March 2018</p>	<p>CFO</p>	<p>The irregular expenditure for the 2014/2015 and the past five years which were combined on August 2015 has been accounted for correctly that is reversed on the half year financial statements. 2. The quarterly irregular expenditure reports for three quarters were prepared and submitted to the Council for consideration and submission to the MPAC for further investigation. The MPAC for irregular expenditure have not yet started the process of investigation. The investigation is to be conducted on 14th for all the quarters.</p>
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**NTABANKULU LOCAL MUNICIPALITY
2016/17THREE YEAR CAPITAL PLAN (3YCP)**

Table 1: Direct Allocations

Grant (Source of Funding)	Project Name	Total MTEF Project Allocation	Approved Budget	Expenditure during 2015/16 Financial	2016/17 Allocation	2017/18 Allocation	2018/19 Allocation
MIG	Mtabankulu Multi-Purpose Hall	R 26 118 059	R 26 118 059	R 10 558 257	R 9 094 198	R 1 305 903	29 147 000
	Mipoza Access Road	R 4 016 330	R 4 016 330	R 1 976 896	R 185 816		
	Dimwayo to Dumsweni Access Road	R 4 293 365	R 4 293 365	R 2 372 484	R 214 668		
	Buhambo Access Road	R 3 600 549	R 3 600 549	R 2 663 666	R 180 027		
	Ntabankulu Sports Field	R 6 717 392	R 6 717 392	R 2 100 025	R 1 000 000		
				Sub-Total	R 10 674 710		
MIG	PMU OPERATIONS	R 1 798 000	R 1 798 000	R 0	R 1 798 000	R 0	
	Buntshentshe Access Road	R 3 500 000	R 3 500 000	R 0	R 3 325 000	R 175 000	
	Bhayi to Ntlangano Access Road	R 8 016 358	R 8 016 358	R 0	R 7 615 540	R 400 818	
	Gogo Mathia Access Road	R 2 865 000	R 2 865 000	R 0	R 2 721 750	R 143 250	
	Siqokoqweni Pedestrian Bridge	R 400 000	R 400 000	R 0	R 400 000		
	Transido Phase Two	R 3 500 000	R 3 000 000	R 1 200 000	R 2 425 000		
	Re-gravelling of Internal Streets in Town	R 4 000 000	R 4 000 000	R 400 000	R 4 000 000	R 0	
	Madwakazana	R 9 425 000	R 9 425 000	R 0	R 3 000 000	R 905 802	
				Sub-Total	R 25 285 290	R 1 624 870	
					Total Commitment for 2016/2017 financial year	R 35 960 000	

Department of Sports and Recreation									
DSRAC	Ntabankulu Sports Field		R 10 000 000	R 0	R 10 000 000	R 0		R 0	
	Mantlaneni Sports Field(Gomo)		R 4 200 000	R 0	R 0		R 0		
	Cacadu Sport Fields		R 4 200 000	R 0	R 1 000 000		R 210 000		
				Sub-total		R 11 000 000		R 210 000	
	Equitable share Projects- Estimated Budget(R6,500,000)								
E5	2 x Preschools(Bulelani & Madwaba)		R 1 500 000	R 0	R 1 425 000		R 75 000		
	2 X Upgrade of Community Halls(Dunstou& Mijila)		R 1 400 000	R 0	R 1 140 000		R 60 000		
	25 Street Lights		R 2 500 000	R 0	R 2 500 000		R 100 000		
	Noncolosa to Habhu Access Road		R 4 000 000	R 0	R 0		R 0		
	Xhukula Access Road		R 1 200 000	R 0	R 1 200 000		R 0		R 0
				Sub-Total		R 6 265 000		R 235 000	
	Municipal Reserves(2015/16)- R10 000 000								
	Municipal Offices		R 30 000 000	R 0	R 4 100 000		R 25 900 000		R 1 500 000
				Sub-total		R 4 100 000			
							R 57 325 000		
	2017/18 Prioritized Projects(27 738 000)								
Grant (Source of Funding)	Project Name	Total MTEF Project Allocation	Approved Budget	Expenditure during 2015/16 Financial Year	2016/17 Allocation	2017/18 Allocation	2018/19 Allocation		

									35 960 000	27 738 000	29 147 000
	PMU Operations	R 1 386 900	R 1 386 900	R 0	R 0	R 0	R 0	R 0	R 1 386 900	R 1 386 900	R 0
	Mowa Laleni Access Road	R 3 000 000	R 3 000 000	R 0	R 0	R 0	R 0	R 0	R 2 850 000	R 2 850 000	R 150 000
	T-109 to Maxhegwani	R 5 123 160	R 5 123 160	R 0	R 0	R 0	R 0	R 0	R 4 867 002	R 4 867 002	R 256 158
	Lelashe Access Road	R 8 230 179	R 8 230 179	R 0	R 0	R 0	R 0	R 0	R 7 818 670	R 7 818 670	R 411 509
	Taleni Access Road	R 2 300 000	R 2 300 000	R 0	R 0	R 0	R 0	R 0	R 2 185 000	R 2 185 000	R 115 000
	Lunzwana to Mlambo Ndaba	R 2 449 680	R 2 449 680	R 0	R 0	R 0	R 0	R 0	R 2 327 196	R 2 327 196	R 122 484
	Transido Phase Two	R 3 000 000	R 3 000 000	R 0	R 0	R 0	R 0	R 0	R 2 731 332	R 2 731 332	R 150 000
	Nqina to Sidakeni access Road	R 2 300 000	R 2 300 000	R 0	R 0	R 0	R 0	R 0	R 2 185 000	R 2 185 000	R 115 000
	2016/17 Retention amounts								R 1 768 120	R 1 768 120	
									R 26 351 100	R 26 351 100	
									R 27 738 000	R 27 738 000	

Total Commitments for 2017/18 Financial Year

2018/19 Prioritized Projects

Grant (Source of Funding)	Project Name	Total MTEF Project Allocation	Approved Budget	Expenditure during 2015/16 Financial Year	2016/17 Allocation	2017/18 Allocation	2018/19 Allocation	2019/20
					35 960 000	27 738 000	29 147 000	0
	Bhakubha Sports Field	R 4 300 000	R 4 300 000	R 0	R 0		R 4 085 000	R 215 000
	PMU Operations	R 1 435 100	R 1 435 100	R 0	R 0		R 1 435 100	
	Luthambeko Community Hall	R 1 500 000	R 1 500 000	R 0	R 0		R 1 425 000	R 75 000
	Dumusi Community Hall	R 1 500 000	R 1 500 000	R 0	R 0		R 1 425 000	R 75 000

	Thadi Community Hall	R 1 500 000	R 1 500 000	R 0	R 0	R 1 425 000	R 75 000	
	Mbangweni Pre School	R 800 000	R 800 000	R 0	R 0	R 760 000	R 40 000	
	Ngxwaleni Pre-school	R 800 000	R 800 000	R 0	R 0	R 760 000	R 40 000	
	Mowa community Hall	R 1 500 000	R 1 500 000	R 0	R 0	R 1 425 000	R 75 000	
	Mazeni Community Hall	R 1 500 000	R 1 500 000	R 0	R 0	R 1 425 000	R 75 000	
	Silindini Community HALL	R 1 500 000	R 1 500 000	R 0	R 0	R 1 425 000	R 75 000	
	Ndakeni Community Hall	R 1 500 000	R 1 500 000	R 0	R 0	R 1 425 000	R 75 000	
	ndiantaka Sport Field	R 4 200 000	R 4 200 000	R 0	R 0	R 3 950 000	R 210 000	
						Sub-Total Commitment	R 21 005 100	R 1 030 000
						Retention fees 2017/18	R 1 320 151	
						Total Commitment	R 22 325 251	
						Allocation	R 29 147 000	
						Balance	R 6 821 749	

Chief Financial Officer

Date _____

Technical Director / Maanger

Date _____

Provincial Programme Manager

Date _____

Provincial District Manager

Date _____

