

# Service Delivery Reporting

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# Service Delivery Reporting

## Functional Areas

Infrastructure and Economic Development: Local Economic Development

Function: Infrastructure & Economic Development

Sub-Function: Economic Development

Headed: General Manager: Infrastructure and Economic Development

## Overview

The LED Section is responsible for all activities associated with economic development initiatives, which include economic planning, investment opportunities packaging, promotion of partnerships, promotion of Small Medium and Micro Enterprises (SMME's), mainstreaming of vulnerable groups (youth, women and physical challenge individuals) in economic development, promote sustainable livelihoods and rural economic development.

## Description of the Activity

The function of the economic development within the municipality is administered as follows:

- Economic Planning-the section is responsible for economic development planning i.e. Development of LED Plans, Economic Sector Plans, Urban Renewal Plan, Beachfront Development Plans and Industrial Park Redevelopment Plans.
- SMME Development Programmes and Support – working with various stakeholders (e.g. Small Enterprise Development Agency (SEDA), Esayidi FET, Construction Industrial Development Board (CIDB), South African Revenue Services (SARS), Tourism Enterprise Programme (TEP) etc) to provide the integrated business development services as prescribed by the Amendment of the National Small Business Act. One of the flagship

projects has been the Emerging Contractors Development Programme.

- Tourism Marketing is one of the key function of the LED Unit, which involves tourism destination (South Coast) marketing, attending the tourism trade shows (Tourism Indaba), supporting of the tourism events (i.e. South Coast Music Festival, Ugu Jazz Festival, Lorries Awards, Sardine Run etc), marketing brochure development and tourism information dissemination and management.
- Agricultural Development Programme has been linked with the new agricultural catalyst project known as the Ugu Fresh Produce Market. The programme involves development of the emerging farmers and also development of the whole agricultural value chain.
- Niche Market Development Plan which involves planning and promotion of niche markets e.g. Sport Tourism, Business Processing Outsourcing, and Biofuels.
- Black Economic Empowerment Monitoring is a task that is performed to monitor the BEE implementation in the district internally (Supply chain management spends) and externally (private sector procurement and BEE Deals facilitation).
- Sector Development Planning and support; provide support to the manufacturing, mining, trade and service sectors.
- Implementation of the business retention and expansion strategies,
- Creating the enabling environment for the business to thrive which will lead to wealth creation, job creation and poverty reduction.

## Key issues: 2006/2007

- Development and Adoption of the credible LED Strategy with its sector plans,
- Establishment of the Single Tourism Body,
- Co-operatives Development Programme Plan,
- Emerging Contractors Development Programme,



- Operationilisation of the Ugu Fresh Produce Market,
- Hibberdene Harbour Development Project preferred developer appointment,
- Management and implementation of the Integrated Sustainable Rural Development Programme,

### Urban Renewal Strategies as Business Retention, Attraction and Expansion Strategy

Two urban renewal projects in the district are currently being implemented namely, Harding CBD Infrastructure upgrading project and Umzinto CBD Renewal Plan. The projects form part of the business retention, attraction and expansion strategy.

The Harding CBD Project included the town clean up, restructuring of major town roads, storm water drainage system, an improvement of traffic control infrastructure. The

project investment is currently at R9 million.

The Umzinto Urban renewal Project is still on a planning stage and the urban renewal plan and business plan has been completed. The project was funded by DBSA and Ugu District Municipality and the projected costs of the project is R1, 2 million.

### Other Rural Development Strategies

The municipality's rural strategy is based on the integrated approach which involves providing basic services through the Water Services Authority, coordinating investment by other departments in the district and also focusing on the P68 Corridor Development. The progress in terms of the poverty eradication programmes is significant. The infrastructure development programmes are subscribing to the principles of Extended Public Works Programme (EPWP). A number of jobs have been created.

List of key performance areas	Actual	Target
Adoption of the LED Strategy	100%	100%
Establishment of the Single Tourism body.	80%	100%
Fully functional Ugu Fresh Produce Market.	65%	100%
Implementation of Ugu District Sport Complex,	45%	100%
Finalisation of the Hibberdene Harbour Project	50%	100%

**Table 5.1 Analysis of the Local Economic Development Function**

Detail	Total	Amount (R)
Number and cost to employer of all economic development personnel:		
Professional (Directors/Managers)	3	1 308 000
Non-professional (Clerical/Administrative)	1	164 617
Temporary	None	-
Contract	None	-
Detail and cost of urban renewal strategies: Umzinto Urban Renewal Project	1	400 000

**Table 5.2 Grants received**

Detail	Total	Amount (R)
Type and number of grants and subsidies received:		
Flagship Feasibility Project	1	155 000
Department of Agriculture-Ugu Agricultural Market Grant	1	8 000 000
Gijima-KZN Business Plan	1	136 676
Gijima-KZN-LED Strategy	1	227 758
Gijima-KZN-Ugu Market Depots	1	274 665
<b>Total</b>	<b>5</b>	<b>8 794 100</b>



## Treasury

### Finance

FUNCTION	TREASURY
Sub Function	Finance
Reporting Level	Detail
Overview:	<p>Headed by the General Manager Treasury, the Treasury Department comprises of the following sections:</p> <ul style="list-style-type: none"> <li>• Accounts and Equity;</li> <li>• Grants and Expenditure;</li> <li>• Budget Office</li> </ul> <p>Financial planning and management is where Treasury puts in a considerable effort. Adherence to statutory requirements; timeous preparation and production of monthly management reports; annual financial statements; exercising financial discipline through effective, efficient and economical budgeting; financial reform and the efficient implementation of the Supply Chain Management Policy.</p>
Function of the Treasury Department:	<p>Budget Control Officer is responsible for coordinating the entire budget process.</p> <p>Manager Accounts &amp; Equity is responsible amongst others, investment management, processing and updating of the General Ledger, creditors, fixed asset register updating and maintenance, external loans, bank reconciliations and receipting of water sales and sundry income.</p> <p>Manager Grant &amp; Expenditure is primarily responsible for grant expenditure management and reporting, salary payments and Supply Chain Management Policy Implementation.</p>
Annual Priorities:	<ul style="list-style-type: none"> <li>• Preparation of General Ledger so as to comply with GRAP/GAMAP reporting requirements.</li> <li>• Finalising the implementation of the new Enterprise Resource Planning (ERP) System.</li> <li>• Asset Management Strategies and Programmes.</li> <li>• Capital Financing Strategies and Programmes; including Debt Management.</li> <li>• Training and Development of financial and non financial staff.</li> <li>• Investment and Cash Management Policies and Procedures.</li> <li>• Credit Control and Debt Collection initiatives.</li> <li>• Supply Chain Management Policy Review.</li> </ul>

### Analysis of the Finance Function

Detail	Total	Amount (R)
Debtor billings: number and value of annual billings:		
Function: Water and Sanitation		10 457 601
Debtor collections: value of amount received and interest:		
Function: Water and Sanitation		41 883 352
Debtor analysis: amount outstanding: 30 June 2007		65 513 974
<b>Function: Water</b>		
Total debts outstanding as stratified	Current - 30 days	24 571 692
	31 - 60 days	2 966 987
	61 - 90 days	2 113 936
	+ 90 days	35 861 359
Write off of debts: Value of debts written off:		704 024



Indigent Policy		
Quantity (number of households affected)		3 148
Quantum (total value across municipality)		4 420 387
Loans		
External Loans		81 874 135
Total of original loan - local registered stock		22 944 081
Capital lease Liabilities		2 769 845
Annuity loans		56 160 209
Total loans received and paid during the year		22 462 185
Loans written off/redeemed		12 410 482

## Supply Chain Management

### Overview

The fundamental role and responsibility of the Supply Chain Management (SCM) unit is to implement the SCM Policy in terms of section 111 of the MFMA, giving effect to section 217 of the Constitution; and Part 1 of Chapter 11 and other applicable provisions of the Act, in a fair, equitable, transparent, competitive and cost effective manner. It does so in compliance with the regulatory framework prescribed in Chapter 2 of the SCM Regulations; and any minimum norms and standards that may be prescribed in terms of section 168 of the Act.

The above is achieved through the procuring of goods and services; or disposing those no longer needed by the municipality. The value attached to execution thereof is classified as follows:

- Tenders/Bid system is used to procure goods and services valued at R200 000 or more VAT inclusive per tender; Approximately R132 000 000 was spent in respect of Community projects, Emergency Water Supply and Property, Plant and Equipment
- Three Quotation system is used to procure goods and services valued at R1 – R200 000 VAT inclusive, Approximately R 93 000 000 was spent in respect of Repairs and Maintenance, General Expenses and Bulk Purchases.

- Contract management related costs amounting to approximately R8 000 000 in respect of contracted services.

Credible supplier database maintenance is also a function of the Supply Chain Management Unit

### Function of the Supply Chain Management Unit

The function of the Supply Chain Management Unit within the municipality is, amongst others, administered as follows:

- Through the monitoring by the Provincial Treasury as regards the status on the implementation of the SCM Policy
- Through the oversight role of the Municipal Council by continuous assessment of policy implementation progress through quarterly reports
- The Accounting Officer through the Chief Financial Officer strategically manages the day to day SCM Policy implementation, especially the establishment and maintenance of the supplier database that promotes rotation of suppliers, implementation of bid committee systems, and further monitors operation to ensure that procurement activities are conducted as legislated giving effect to fair, transparent, equitable and cost effective procurement of goods and services.



## Annual Priorities

The key issues in the 2006/2007 financial year were:

- SCM Policy annual review
- Updating of the supplier database
- Implementation of the integrated Procurement Supply Chain Management module within the new ERP system.

## Supply Chain Management Governance

There are three bid committees in place and their functions are briefly as follows:

- Bid Specification Committee  
Compile the specifications for the procurement of goods and services by the municipality.
- Bid Evaluation Committee  
Evaluates bids and submits to the bid adjudication committee, a report with recommendations regarding the award of the bid.
- Bid Adjudication Committee  
Considers the report and recommendations of the bid evaluation committee; and,
  - Depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
  - Make another recommendation to the accounting officer on how to proceed with relevant procurement.

## Total number of times that bid committees met during year:

Bid Specification Committee	21 times
Bid Evaluation Committee	30 times
Bid Adjudication Committee	30 times

## Average time taken from tender advertisement to award of tender:

One month.

## Bid committee membership

Bid Specification Committee members

- Manager: Grants and Expenditure
- Relevant managers.

## Bid Evaluation Committee members

- General Manager: Treasury (Chairperson)
- Manager: Project Management Unit
- Manager: Water Reticulation
- Acting Manager: Human Resources.

## Bid Adjudication Committee members

- Deputy Municipal Manager (Chairperson)
- General Manager: Water Services
- General Manager: Infrastructure and Economic Development.

## Tenders adjudicated: July 2006 to June 2007

A large percentage of awards have been awarded on the 90/10 preference point system basis.



**Tenders adjudicated: July 2006 to June 2007**

The following is a list of tenders that were adjudicated during the 2006/2007 financial year. Contracts with the value above R200 000 to R500 000 are awarded based on a 80/20 split (80 points for price and 20 points for preferential procurement. Contracts with the value above R500 000 are awarded based on a 90/10 split (90 points for price and 10 points for preferential procurement).

Date of Meeting	Contract	Amount (R)	80/20 or 90/10
30/06/2007	Ugu-02-541-2006	R = Unspecified	90/10
	Ugu-06-557-2006	R = Depend on insurance claims history and assets value insured.	90/10
	Ugu-07-564-2006	1 482 000	90/10
	Ugu-07-561-2006	4 503 000	90/10
11/08/2006	Ugu-07-553-2006	1 994 637	90/10
	Ugu-02-578-2006	958 461	90/10
	Ugu-02-579-2006	982 385	90/10
28/08/2006	Ugu-02-505-2006	1 530.960	90/10
	Ugu-02-568-2006	This tender was awarded to various tenderers as follows:	
	Ugu-02-568-2006	212 930 excl VAT	90/10
	Ugu-02-568-2006	212 256 excl VAT	90/10
	Ugu-02-568-2006	192 600 excl VAT	90/10
	Ugu-02-568-2006	271 410 excl VAT	90/10
	Ugu-02-568-2006	272 304 excl VAT	90/10
	Ugu-02-568-2006	272 800 excl VAT	90/10
	Ugu-02-568-2006	229 770 excl VAT	90/10
	Ugu-02-568-2006	177 908 excl VAT	90/10
	Ugu-02-568-2006	227 150 excl VAT	90/10
	Ugu-02-568-2006	163 520 excl VAT	90/10
	Ugu-02-568-2006	161 768 excl VAT	90/10
	Ugu-02-568-2006	174 033 excl VAT	90/10
	Ugu-02-576-2006	6 200 000	90/10
	Ugu-02-567-2006	This tender was awarded to various tenderers as follows:	
	Ugu-02-567-2006	4 347 000 excl VAT	90/10
	Ugu-02-567-2006	4 290 650 excl VAT	90/10
	Ugu-02-567-2006	4 262 360 excl VAT	90/10
09/10/2006	Contract No. SFKN 01	1 290 000	90/10
16/10/2006	Ugu-02-585-2006	1 603 591	90/10
	Ugu-02-591-2006	1 801 157	90/10
	Ugu-02-592-2006	2 099 951	90/10
	Ugu-02-593-2006	2 200 000	90/10
	Ugu-02-565-2006	1 190 873	90/10
	Ugu-02-588-2006	852 763	90/10
24/11/2006	Ugu-07-558-2006	353 345 excl. vat	90/10
	Ugu-05-573-2006	42 000	90/10
	Ugu-07-571-2006	2 526 294	90/10



Date of Meeting	Contract	Amount (R)	80/20 or 90/10
	Ugu-02-587-2008	1 900 000	90/10
	Ugu-07-597-2006	1 269 583	90/10
	Ugu-02-566-2006	421 577	90/10
	Ugu-07-620-2006	1 890 119	90/10
	Ugu-02-628-2006	1 850 000	90/10
12/12/2006	Ugu-02-598-2006	1 575 000	90/10
	Ugu-02-599-2006	2 163 082	90/10
	Ugu-02-600-2006	1 911 528	90/10
	Ugu-07-611-2006	2 793 000	90/10
	Ugu-07-613-2006	509 452	90/10
	Ugu-07-619-2006	1 926 882	90/10
	Ugu-02-602-2006	1 013 225	90/10
	Ugu-02-603-2006	114 615	90/10
	Ugu-02-604-2006	991 708	90/10
	Ugu-02-605-2006	1 999 660	90/10
	Ugu-02-606-2006	1 253 094	90/10
	Ugu-02-607-2006	1 019 052	90/10
	Ugu-02-608-2006	1 431 798	90/10
	Ugu-02-609-2006	1 570 099	90/10
	Ugu-02-615-2006	1 473 894	90/10
	Ugu-02-617-2006	1 147 125	90/10
	Ugu-02-610-2006	2 512 193	90/10
	Ugu-02-586-2006	1 400 000	90/10
	Ugu-02-618-2006	2 130 000	90/10
	Ugu-07-614-2006	632 176	90/10
09/02/2007	Ugu-02-634-2006	1 723 362	90/10
	Ugu-02-635-2006	1 307 872	90/10
	Ugu-02-636-2006	1 754 385	90/10
	Ugu-02-456-2005	371 250	90/10 (Extended Contract)
	Ugu-02-631-2006	3 030 815	90/10
	Ugu-02-629-2006	1 985 740	90/10
	Ugu-07-630-2006	1 473 251	90/10
16/02/2007	Ugu-05-574-2006	R = Depend on the amount of repairs and maintenance to be done on airconditioning units for the 2 year period of the contract	90/10
	Ugu-07-601-2006	6 500 000	90/10
	Ugu-07-554-2006	1 257 789	90/10
	Ugu-02-639-2006	6 809 883	90/10
	Ugu-02-638-2006	577 486	90/10
	Ugu-07-623-2006	478 344	90/10
	Ugu-02-511-2005	On going maintenance work	90/10





Date of Meeting	Contract	Amount (R)	80/20 or 90/10
	Ugu-07-624-2006	911 608	90/10
28/03/2007	Ugu-02-643-2006	1 002 273	90/10
	Ugu-02-633-2006	444 787	90/10
	Ugu-02-640-2006	2 559 753	90/10
	Ugu-02-637-2006	864 821	90/10
05/04/2007	Ugu-07-625-2006	294 434	90/10
	Ugu-07-626-2006	419 448	90/10
	Ugu-07-627-2006	1 802 184	90/10
	Ugu-02-616-2006	1 647 191	90/10
	Ugu-02-576-2006	6 200 000	Terminated
	Ugu-02-576-2006*	960 000	Completion of terminated Contract
	Ugu-02-576-2006*	4 800 000	Completion of terminated Contract
<i>*Ugu-02-576-2006 split into two separate contracts and awarded as stated above.</i>			
	Ugu-02-548a-2006	1 368 000	Terminated
	UGU-02-667-2007	453 848	Completion of terminated contract No. 548a as stated above
	Ugu-02-642-2006	2 929 153	90/10
	Ugu-02-647-2007	5 951 632	90/10
	Ugu-02-641-2006	1 147 936	90/10
15/05/2007	Ugu-02-674-2007	Not yet awarded	90/10
	Ugu-02-661-2007	1 710 000	90/10
	Ugu-02-656-2007	846 587	90/10
	Ugu-05-575-2006	41 175	90/10
20/04/2007	Ugu-02-666-2007	460 000	90/10
25/05/2007	Ugu-02-648-2007	562 338	90/10
	Ugu-02-649-2007	1 710 949	90/10
	Ugu-02-650-2007	1 661 977	90/10
	Ugu-07-644-2007	1 335 894	90/10
	Ugu-07-645-2007	590 580	90/10
	Ugu-07-646-2007	1 354 144	90/10
02/05/2007	Request for Proposal: Ugu Jazz Festival	500 000	90/10
	Ugu-07-651-2007	237 871	90/10
	Ugu-07-652-2007	1 102 954	90/10
06/06/2007	Ugu-07-665-2007	491 407	90/10
	Ugu-02-657-2007	Engineers database	90/10
	Ugu-02-576-2007 (Section A)	4 800 00	90/10
	Ugu-02-576-2007 (Section B)	960 000	90/10



Date of Meeting	Contract	Amount (R)	80/20 or 90/10
	Ugu-02-659-2007	300 000	90/10
	Ugu-07-663-2007	322 536	90/10
	Ugu-07-664-2007	1 363 488	90/10
	Ugu-07-666-2007	922 699	90/10
	Ugu-02412-2004	800 000	90/10
15/05/2007	Ugu-02-661-2007	1 710 000	90/10
	Ugu-02-656-2007	846 587	90/10
	Ugu-05-575-2006	41 175	90/10

## Water and Sanitation

### Water

Water Distribution		
Detail	Total	Cost (R)
Includes the bulk purchase and distribution of water	4 319 334	10 934 739
<b>The water purchase and distribution functions of the municipality are administered as follows and include:</b>		
1. Water Services Operations		
1.1 Operations and maintenance – distributing treated water to consumers and maintains the existing infrastructure.		
1.2 Water Treatment – Abstracting, treating water and maintaining quality of water distributed to consumers.		
1.3 Electrical and Mechanical – support services to maintain pumpstations and telemetry system.		
1.4 Water Income – Performs metering and billing function for services provided to consumers.		
Special Projects – Implementation of new water projects and water loss control and metering.		
2. Water Services Authority and Administration		
2.1 Planning and administration – Development of 5-year plan for water projects and reviewal of the water services development plan.		
2.2 Development Control – Performs plan approval function for every development.		
2.3 Regulating and Monitoring – Enforcement of legislation ,monitoring and reporting.		
2.4 Fleet Management – provision of transport services and fleet maintenance.		
The Municipality has a mandate to provide water and sanitation services		
<b>The strategic objectives of this function are:</b>		
1. Providing and ensuring access to basic water services.		
2. Planning and regulating water services provision.		
3. Ensuring continuous water supply and 24 hour turnaround.		
4. Ensuring safe drinking water for all.		
5. Maintaining and developing sustainable infrastructure.		
<b>The key Issues for 2006/2007 are:</b>		
1. Mitigation of drought through tankering.		
2. Reduction of water loss		
3. Preparation of the Water Services Development plan in a new gazetted (Feb 2007) format.		



4. Review of Infrastructure Backlog statistics and alignment with IDP baseline data.		
5. Preparation of business plans for bulk water infrastructure (Loans)		
6. South Coast Bulk pipeline linkages.		
7. Implementation of pipeline extension programme		
8. Presentation of the new restructured organogram to departmental sections.		
<b>Number and cost to employer of all personnel associated with the water distribution function:</b>		<b>R</b>
- Professional (Engineers/Consultants)	9	3 385 211
- Field (Supervisors/Foremen)	17	2 956 043
- Office (Clerical/Administration)	52	6 830 970
- General Workers	353	20 370 885
<b>Total</b>	<b>431</b>	<b>33 543 109</b>
<b>Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer</b>		<b>R</b>
- Category 1 (Umgeni water)	4 319 334	10 934 739
<b>Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:</b>	262 391KL	705 832
<b>Total year-to-date water losses in kilolitres and rand</b>	<b>Kilolitres</b>	<b>R</b>
Visible water losses throughout the distribution system	5 921 100	33 395 004
<b>Number and cost of new connections:</b>		
15mm dia	260	580 596
15mm dia (rural)	732	791 958
20mm dia	24	60 135
25mm dia	12	38 993
40mm dia	16	81 320
50mm dia – 100mm dia	140	1 540 000
Number and cost of disconnections and reconnections:	1 184	3 093 001
Number and total value of water projects planned and current:		
- Current (financial year after year reported on)	48	79 230 688
- Planned (future years)		620 659 977
Anticipated expansion of water service: (below and above RDP standard households combine)		489 418 100
Combined (below RDP and above RDP) households	54 308	621 627 000
<b>Free Basic Service Provision:</b>		
- Quantity (number of households affected)	33 796	1 143 657
- Standpipes	4 000	Free
- Quantum (value to each household)	6KL/HH	R34/HH
Type and number of grants and subsidies received:		97 817 624
<b>Total operating cost of water distribution function</b>		<b>188 551 840</b>



<b>FUNCTION:</b>	<b>Waste Water Management</b>
<b>Sub Function:</b>	<b>Sewerage etc</b>
<b>Reporting Level</b>	<b>Detail</b>
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities
Description of the Activity:	The sewerage functions of the municipality are administered as follows and include:
	<b>1. Water Services Operations</b>
	1.1 Waste water treatment – conveying, treating and disposing/discharging effluent in a correct manner and ensure that the process do comply with national standards.
	1.2 Operations and maintenance – maintains the existing infrastructure and provision of clearing conservancy tanks. ( VTS draws)
	1.3 Electrical and Mechanical – support services to maintain pump stations and telemetry system.
	1.4 Water Income – Performs metering and billing function for services provided to consumers.
	<b>2. Water Services Authority and Administration</b>
	2.1 Planning and administration - Development of 5-year plan for Sanitation projects and review of the water services development plan.
	2.2 Development Control - Performs plan approval function for every development.
	2.3 Regulating and Monitoring - Enforcement of legislation, monitoring and reporting.
	2.4 Fleet Management - provision of transport services and fleet maintenance.
	<b>The strategic objectives of this function are:</b>
	1. Providing and ensuring access to basic sanitation services
	2. Planning and regulating water services provision.
	<b>The key issues for 2006/07 are:</b>
	1. Preparing of business plans for waterborne sewerage (Loans)
	2. Private package plants audit to reduce water pollution
	3. Presenting the new restructured organogram to departmental sections.

<b>Analysis of the Function:</b>	<b>Total</b>	<b>Cost (R)</b>
<b>1. Number and cost to employer of all personnel associated with sewerage functions:</b>		
- Field (Supervisors/Foremen)	2	752 269
- Non-professional (blue collar, outside workforce)	108	6 232 452
<b>2. Number of households with sewerage services, and type and cost of service:</b>		
- Flush toilet (connected to sewerage system)	14 434	43 899 587
- Flush toilet (with septic tank or conservancy tanks)	19 362	-
- Pit latrine with ventilation	70 358	-
- No toilet provision	5 497	15 908 640
<b>3. Anticipated expansion of sewerage</b>		
- Flush/chemical toilet	As per 20 year sanitation master plan	1 886 770
- No toilet provision (VIPs)	Target 5 497 per year	15 908 640
<b>Total operating cost of sewerage function</b>		<b>56 898 704</b>



Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
1. Municipal transformation and institutional development	Revised organogram	100%	100%
2. Good governance and community participation	Road shows to schools in 6 local municipalities	6	4
3. Municipal financial viability and management	Debt collection ratio	95%	96%
4. Local economic development	Enhancement of blue flag beaches by installing early warning systems at sewage pump stations and refurbishment of equipment	100%	90%
5. Basic service delivery and infrastructure investment	Refurbishment of sanitation infrastructure	50m	35m

Grant	Budget	Income	Expenditure	Grant conditions met Yes/No	Financial year	
					2004/2005	2005/2006
Municipal Infrastructure Grant	92 283 226	–	92 283 226	Yes	1 July 2004 to 30 June 2005	
	95 091 011	–	95 091 011	Yes		1 July 2005 to 30 June 2006
Water Services Operating & Transfers	534 000	534 000	58 148	Yes		1 July 2005 to 30 June 2006
WSP Facilitate Water Delivery Planning	431 000	431 000	204 182	Yes		1 July 2005 to 30 June 2006
WDM Facilitate Water Delivery Mechanism	835 000	835 000	423 001	Yes		1 July 2005 to 30 June 2006



FINANCIAL YEAR 2006/2007						
Grant	Budget	Income	Expenditure	Grant Conditions Met Yes/No	Outputs Received	Outcomes Achieved
1. Refurbishment of Rural Water Schemes	1 168 300	1 168 300	-	Yes		
2. Development Infrastructure Capacity Building	120 000	120 000	-	Yes	Capacitate water services technical staff (Plumbers, operators and artisans) Develop procedure and system manuals for our plants.	Appointment of a service provider to conduct training and accredit the technical staff. In progress.
3. Assessment of Service Delivery Mechanism	200 000	200 000	-	Yes	Outsourcing Repairs & Maintenance Operations after hours. Maintenance of Fire Hydrant Meters. Illegal Connections & Water Pollution Control	Cost Effective Operational & Maintenance: Programme still in progress
4. Water Services Infrastructure Backlog	250 000	250 000	-	Yes	Review the backlog statistics and align it with the IDP	Appointment of the service provider to undertake the backlog study
5. Water Delivery Planning	550 000	550 000	-	Yes	Review the WSDP as per the new DWAF version	Evaluate the backlog statistics and prepare revised project list as per the new programmes.
6. Water Services technical support	740 000	740 000	-	Yes	Capacitate water services technical staff (Plumbers, operators and artisans) Develop procedure and system manuals for our plants.	Appointment of a service provider to conduct training and accredit the technical staff. In progress.
7. Energy Sector Planning and REDS Support	200 000	200 000	-	Yes	Assessment of current energy usage and future requirements for water services and mitigation plans	On going.

CALCULATION SHEET FOR WATER AUDIT:2004/05 FY TO 2005/06 FY

Quarter	Water Production	Water Sales		Total sales	% UAW
		Legitimate unbilled	Water Sales		
July- Sep 04	5 342 022	197 310	3 175 402	3 372 712	36.9
Oct -Dec 04	5 661 067	826 317	2 929 373	3 755 690	33.7
Jan- Mar 05	5 551 292	607 238	2 954 459	3 561 697	35.8



CALCULATION SHEET FOR WATER AUDIT:2004/05 FY TO 2005/06 FY					
Quarter	Water Production	Water Sales		Total sales	% UAW
		Legitimate unbilled	Water Sales		
Apr- Jun 05	5 396 298	570 651	2 956 121	3 526 772	34.6
2004/2005	21 950 679	2 201 516	12 015 355	14 216 871	35.2
July-Sep 05	5 839 505	576 585	3 040 916	3 617 501	38.1
Oct - Dec 05	5 734 432	676 906	3 006 116	3 683 022	35.8
Jan - Mar 06	5 468 564	572 834	3 122 634	3 695 468	32.4
Apr - Jun 06	5 331 666	746 376	3 010 697	3 757 073	29.5
2005/2006	22 374 167	2 572 701	12 180 363	14 753 064	34.1

Quarter	Water Productions	Legitimate Unbilled	Water Sales	Total Sales	% UAW
Water Audit For 2006/2007 FY					
July - Sep 06	5 951 173	613 810	3 426 967	4 040 777	32.1
Oct - Dec 06	6 110 318	1 031 124	3 042 189	4 073 313	33.3
Jan - Mar 07	5 951 173	819 747	3 468 499	4 288 246	27.9
Apr - Jun 07	6 004 221	821 560	3 312 551	4 134 111	31.1
<b>Total</b>	<b>24 016 885</b>	<b>3 286 241</b>	<b>13 250 206</b>	<b>16 536 447</b>	<b>31.1</b>



## Ugu District Municipality: Disclosure of Grants and Subsidies in Terms of Section 123 of MFMA, 56 of 2003

GRANTS AND SUBSIDIES RECEIVED						
Name of Grant	Name of Organ of State or Municipal Entity	Quarterly Receipts				
		Jun	Sept	Dec	March	Jun
FMG	National Treasury	-	-	500,000	-	-
Equitable Share	National Treasury	-	30 179 845	22 630 357	37 711 228	-
Sports and Recreation	Dept Sport & Rec	-	-	-	-	150 000
Ugu Agricultural Market	Dept Agriculture	-	-	-	-	-
Gijima	DEAT	616 098	-	-	-	1 331 631
Various Provincial	DLGTA	2 460 274	56 405	1 205 575	700 000	11 506 437
Various National	DPLG	31 731 630	26 255 700	13 930 000	29 443 103	25 960 522
DWAF	DWAF	2 360 000	-	-	-	-
<b>Total Grants and Subsidies Received</b>		<b>37 168 002</b>	<b>56 491 950</b>	<b>38 265 932</b>	<b>67 854 331</b>	<b>38 948 590</b>
FMG	National Treasury	65 578	81 341	71 544	66 891	83 639
Equitable Share	National Treasury	-	15 962 774	16 306 332	15 282 509	15 396 555
Sports and Recreation	Dept Sport & Rec	911 198	-	-	58 440	-
Ugu Agricultural Market	Dept Agriculture	1 724 606	-	-	-	-
Gijima	DEAT	67 368	-	269 337	135 666	225 163
Various Provincial	DLGTA	3 223 818	198 479	108 860	828 089	1 509 793
Various National	DPLG	46 616 389	17 977 441	26 140 703	40 419 926	7 010 922
DWAF	DWAF	-	-	-	-	-
<b>Total Grants and Subsidies Received</b>		<b>52 608 957</b>	<b>34 220 035</b>	<b>42 896 775</b>	<b>56 791 521</b>	<b>24 226 073</b>

The projects and programmes identified during the year under review include:

- Vulamehlo regional water scheme
- Mhlabatshane regional water scheme
- Ezinqoleni water scheme
- Umtwalume bulk upgrade
- South coast bulk pipeline
- Urban waterborne sanitation
- Bhoboyi water augmentation project.





## Annual Performance Reports 2006/2007

### Water Services

KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Municipal Transformation and Institutional Development	1. To facilitate water service delivery planning and develop a 5-year WSDP.	Review of Water and Sanitation policies	Revised policies by May 2007	100%	Gazetted and publicized tariffs
		Annual review of Water Services Development Plan	Revise the WSDP by 30 June 2007	60%	New gazetted format was introduced end February 2007.
	2. To ensure the provision of affordable and sustainable water services	Water Quality Compliance	95%	98%	100% Achieved
		Waste Water Compliance	94%		
Municipal Financial Viability and Management	1. To increase municipal revenue in accordance with infrastructure and developmental mandate	Debt Reduction	R 26.6 M 30/06/2007	R33.4 M	The debt for the year under review was contained.
		Collection rate	96%	96.11%	
		Indigent Register	3 000 indigents	3 300 indigents	This is in respect of consumers with metered connections.
Good Governance and Community Participation	1. To maintain effective channels of communication	Water awareness programme	6 Road shows per year	100%	Targeted schools and Indigents

### Infrastructure and Economic Development

KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Basic Service Delivery and Infrastructure development	1. Enhance service delivery	Water Loss Reduction (Rural)	30% by 30/06/2007	29%	New Leakage Management division is under development.
		Water Loss Reduction (Urban)	25%	27.4%	Work in progress of the Non-Revenue Water Master plan development.
		Water Quality Compliance	95%	98%	100% Achieved. The long outstanding water quality in Harding town which presented complex high iron and manganese content were finally resolved.
		Waste Water Compliance	95%	94%	Refurbishment of waste water works (Shelly Beach and Margate) is still underway.
	2. To ensure the provision of affordable and sustainable water services	Refurbishment of water reticulation pipelines	Pipe bridges, Old pipelines and Undersized pipes (100%)	90% of allocated budget	Poor performance by contractors resulting in delays
		Augmentation of Umzimkhulu water supply system R200 M	Business Plans and Loan acquisition (100%)	80%	Application for the loan is still pending with DBSA.
		Construction of South Coast Bulk pipeline	Construction – 100% 30/06 2007. Linkages to Ugu system – 100% 30/06/2007	90%	Pipeline to be commissioned in December 2007  Pending the completion of the pipeline
		Refurbishment of urban sanitation infrastructure	75% by 30/06/2007	60%	Dramatic reduction of sewerage spillages in the South Coast.



KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Municipal Transformation and Institutional Development	1. To ensure staff training & development	Training Needs Assessment	100% by 30/06/2007	80%	Training Needs were identified and staff attended relevant training.
	2. To review the Supplier Database	Development of an implementation plan	100%	100%	Plan is in place
		Development of an accredited database	90%	60%	Accreditation of Suppliers is done only administratively.
Good Governance and Community Participation	1. To Review the Supply Chain Management Policy	1. Policy review plan in line with legislative changes and amendment	100%	100%	Policy review plan is in place
		2. Review of the SCM Policy	90%	80%	Policy reviewed in line with legislative changes and a draft policy was adopted as working document.
		3. Obtain Public Comments on the Policy	100%	0%	The public participation process had not commenced since Exco had not yet approved the draft policy

## Treasury

KPA	Objective	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Institutional Development	1. To provide for the administrative needs of the Treasury Department	Expenditure on equipment and furniture as and when required	100%	100%	Budgeted office furniture has been procured
		Expenditure on computer equipment as and when required	100%	80%	Most of computer equipment have been procured
Finance Management	2. To ensure the adequate accountability of income and expenditure of grant funding.	Division of Revenue Act	100%	100%	National Treasury Financial Mandates have been met.
		Approved Business Plans			
		Appropriate Reporting Format			
		Accurate & Complete Financial Information	100%	100%	Grant Funding reconciliations and reporting is done monthly
	Continuous monitoring of grant inflows and outflows with general ledger entries.	100%	100%	Expenditure on grant funding have not exceeded budgets	
	1. Payment of Salaries and Salary Deductions	Preparation of salaries input deadline schedule.	100%	75%	Input deadline dates have been communicated to the Human Resources Management
Processing of salaries input		100%	75%	Every Salaries input submitted within set timeframe is processed prior to pay-run.	
Transfer of salaries to staff and Councillors.		100%	100%	No instances where salaries were paid later than prescribed pay day date (20th of every month)	



KPA	Objective	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Finance Management	2. Updated Fixed Assets Register	Update of Fixed Assets Register.	100%	100%	The register was completed and balanced in the first week of August 2007
		Balance Fixed Asset Register with General Ledger control account on a monthly basis.	100%	90%	The register was completed and balanced in the first week of August 2007
		Fixed Asset stock take.	100%	100%	Completed during April 2007
		Examine probability of a fixed assets auction.	100%	100%	
		Fixed Asset auction.	100%	0%	Auction was held in 2007 financial year.
		Infrastructure grant funded assets handed over to Water Services.	100%	0%	No infrastructure projects handed over from PMU to Water Services due to them still being under construction.
	3. Implementation of Accepted Banking Tender	Agreed to implementation plan.	100%	90%	Implementation plan agreed to and in the process of implementation
		Transfer of Ugu Bank Accounts	100%	80%	Not all bank accounts at other institutions are closed yet as some consumers are still paying into these accounts. Processes are in place to phase out all other bank accounts by changing electronic transfer links with banks.
		Possible implications on consumers paying accounts electronically with new banking regulations.	100%	90%	This is monitored constantly to ensure minimum disruption to consumers. Old accounts will be closed once all links are corrected.
		Minimum disruption in banking of cash and payment to suppliers.	100%	70%	Program for electronic receipting of downloaded bank statement is being tested by the programmer.
		Continuous monitoring of service and quick action to avoid any major problems.	100%	Ongoing	The banking services are monitored on a daily basis and all problems are reported immediately and corrective measures taken.
		Agreed to implementation plan.	100%	100%	Unqualified audit report received for the year ended 30 June 2006.
	4. GRAP Implementation - Financial statements 30 June 2006.	Conversion of prior and current year data to GRAP format and preparation of working papers.	100%	100%	
		Drafting of GRAP compliant Annual Financial Statements	100%	100%	
		Review of Annual Financial Statements by 25 August 2006	100%	100%	
		Delivery of Annual Financial Statements to Auditor General offices by 31 August 2006	100%	100%	



KPA	Objective	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Finance Management	5. Approved Investment Policy	Undivided attention given to specialist and Auditor-General.	100%	100%	Policy approved by Council in August 2006.
		Timeous response to queries raised by Auditor-General.	100%	100%	
		Obtain all relevant legislation and regulations.	100%	100%	
		Drafting of policy document.	100%	100%	
		Top Management approval of policy.	100%	100%	
		Exco approval of policy.	100%	100%	
		Implementation and monitoring of policy.	100%	100%	
	6. Approved Borrowing Policy	Obtain all relevant legislation and regulations.	100%	100%	Policy is in the process of being drafted for approval.
		Drafting of policy document.	100%	50%	
		Top Management approval of policy.	100%	0%	
		Exco approval of policy	100%	0%	
		Implementation and monitoring of policy	100%	0%	
	7. Long Term Debt – Secure and obtain external loans for financing infrastructure expenditure	Obtain business plans in respect of water from water services department.	100%	45%	Business Plans and EIA taking longer than anticipated and received in respect of DBSA R50m Loan.  By year end only R20m loan money had been drawn down
		Satisfy SCM policy and MFMA requirements in respect of long-term debt.	100%	100%	
		Prepare information statement for Public, National and Provincial Treasury and Council after approval of budget in May 2006.	100%	100%	
		Give 21 days notice to Public of the meeting where the loans will be discussed.	100%	100%	
		Supply Council, National and Provincial Treasury with information statement at least 21 days prior to the meeting where the loans must be approved.	100%	100%	
		If the loans are approved, arrange for draw downs as and when required.	100%	16%	
	8. Winding down of RSC levies	Legislation on abolishment of RSC levies	100%	100%	
		Draft implementation plan, including re-allocation of staff.	100%	100%	
Get implementation plan approved		100%	100%		
Publish notice in press		100%	100%		



KPA	Objective	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Financial Management		Inform Levy payers	100%	100%	
		Inform attorneys dealing with levies	100%		
		Collect outstanding debt	100%	60%	Some arrear levies are still collected by attorneys. As at the year end R2 935 646 had been collected in respect of arrear levies.
		Finalizing of levies and filing all files to archives.	100%	60%	The account levies is in the process of filing all levies documentation in boxes for storage at central registry.
	9. To ensure good governance through efficient and timeous reporting.	Agreed to reporting format.	100%	100%	Format agreed on.
		Submitted relevant information.	Monthly	70%	Although 12 reports were submitted, all were not done so timeously.
		Reliable software.	100%	100%	Implemented new ERP system.
		Agreed to deadline schedule.	Monthly	100%	
		Dedicated Staff.	100%	70%	Different section report individually.
	10. MFMA Compliance	Understanding the Act.	100%	70%	Some areas still need attention and are phased in by Government.
		Liase with other Department & give advice on new MFMA updates.		0%	As and when circulars are issued, same are brought to attention of departments.
		Surf website for new circulars updates.		20%	As and when circulars are issued, same are brought to attention of departments.
		Quarterly reporting.		100%	All quarterly reports have been submitted and discussed at quarterly workshops.
	11. To capacitate the budget office in order to fully comply with MFMA.	Fund Managers position with FMG.	100%	0%	The Budget Office Manager had not been appointed by 30 June 2007.
Build up the capacity within Budget Office.		0%			
Pay out MFMA Interns Salaries.		100%		Interns progressing well.	
12. Integrated IDP, PMS and Budget Process Plan for year end 30 June 2008.	Preparation of process plan for year end 30 June 2008.	100%	100%	The Budget Process Plan for the 2007/2008 had been adopted by Council in conjunction with IDP process plan 2007-2012 on the 24th of August 2006.	
Confirm process plan deadline dates, comply with legislative requirements.					
Obtain commitment from persons responsible for key deliverables on process plan.					
Budget Process Plan approval.					



## Development Planning

KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Institutional Development and Transformation	1. To develop performance contracts for management of municipalities to ensure that the municipality effectively monitors implementation of IDP service delivery in general.	Signed copies of performance contracts for the relevant managers.	100% by 30/06/2007 for level 0-1 and by 30/07/ 2007 for level 3 employees	Level 0-1: 100% L2 and L3: partially achieved	Limited incentives
		Signed copies of performance contracts for Section 57 staff members	7 by 30/07/2006	100%	To develop performance contracts for management of municipalities to ensure that local municipalities effectively monitor implementation of IDPs & service delivery in general.
		Signed copies of performance contracts for Section 57 staff members	100% by 30/08/2006 for 06/07 & 100% by 30/06/2007 for 07/08	100% by 30/08/06 100% by 30/06/07	
Democracy and Governance	1. To effectively monitor implementation of IDPs & service delivery in general through quarterly reviews of SDBIP & PMS.	Number of quarterly review meetings conducted.	4 by 30/07/2007	100% by 30/06/2007	
		Number of Quarterly report.	4 by 30/08/2007	100%	
	2. To prepare an Integrated Development Plan fostering integrated development planning approach ensuring sustainable & participatory development.	First draft IDP adopted.	100% by 28/02/2007	100%	
		A newly formulated 5-year IDP.	100% 30/06/2007	100%	
	3. To assist and support local municipalities in completing the development of their IDP on time.	Adopted IDP documents	6 by 30/06/2007	100%	
		Number of Local Municipalities supported with their IDP process.	6 by 30/06/2007	100%	
	4. To ensure that local municipalities have good management systems for effective implementation and monitoring of the IDP projects.	% PMS & SDBIP completion (adopted by Council).	100% by 30/06/2007	67% (4 of 6 Local Municipalities)	



KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Democracy and Governance	5. To develop performance contracts for management of municipalities to ensure that local municipalities effectively monitor implementation of IDPs & service delivery in general.	No of quarterly reviews conducted	4 per municipality by 30/07/2007	100%	
		Number of Quarterly reports	3 per municipality by 30/07/2007	100%	
	6. To ensure implementation of the annual work plan.	% of projects completed from activity Plan	100% by 30/06/2007	80%	Project delayed
		2007/08 Activity Plan submitted to DPLG	100% by 28/02/2007	100%	
Infrastructure and Services	1. To minimise the effects of environmental degradation.	% completion of IWM plan (adopted by Council)	100% by 30/03/2007	Well managed waste management within the district	On going
		% MSIG grant expenditure	100% by 30/03/2007	100%	
	2. To ensure a well developed public transport system within Ugu.	% Adoption of public transport plan by Council	100% by 30/12/2006	100%	
	3. To initiate a Peer Review Mechanism to foster peer support & partnership amongst local municipalities to enhance performance & service delivery.	An adopted Peer Review Policy	30/09/2006	100%	
4. To improve economic growth and social infrastructure by partnering with local businesses in a structured manner through Regional Management Model.	Regional Management Model	30/10/2006	0%	Document finalized but council opted not to adopt the concept and document	



## Corporate Services

### Secretariat

KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Financial Management	1. To reduce costs	% Reduction of telephone costs per person.	5% per annum until 06/2007	1% to date	There has to be strict implementation of the telephone policy. The implementation of 3G data cards is also contributing to the increase in telephone costs.
	2. To ensure that the departmental budget is submitted in time.	Number of sectional budgets submitted to the GM	Operational and capital budget submitted by due date.	100%	
Institutional Development and Transformation	1. To ensure that the municipality has good management systems.	% completion of the IT 3rd phase (Infrastructure) of Audit/General's report.	30/06/2007	50% complete. Reviewal of 1st and 2nd implementation phases in progress, Draft 3rd Phase Plan close to finalisation, and plans for management approval are being prepared.	In the process of developing IT policies, and incorporating them in the envisaged IT Strategy. The Scope of work and check list has been drawn.
		% ERP Implementation.	31/12/2007	60% Complete. The functional specifications have been developed into the system for the bulk of the modules; Treasury super users and users have been trained; server hardware configured and Axapta installed in the Treasury Department, The initial go-live phase on the Financials and Trade and Logistics modules was on 14 March 2007. Work is in progress regarding the configuration for the billing module.	A further extension of the Go-Live date to November 2007 has been requested by the consultant and the request is at Steering Committee level.





KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement	
Institutional Development and Transformation		% Completion of IT Policies and Procedures	31/12/2007	25% Complete. Review of IT policies, with a view to developing IT policies covering all aspects.	The IT User and Management Policies will be finalized by 31 December 2007.	
		% Completion of IT Computer Upgrade	30/06/2007	100% Complete. Worked according to plan and replaced and upgraded some computer hardware like laptops, computers, LCD Screens, projectors, extension modem, print servers, mobile messengers.		
		% implementations of DIMS.	30/06/2007	60% complete. IDP and Human Resource data is captured and system adaptors to transfer information from Axapta to DIMS and vice versa are completed.		
	3.	To link GIS with other systems and update its information.	% completion of water infrastructure and facilities data capturing for Umzumbe Municipality.	100% by 30/06/2007	100% complete, data capturing finalized, 3D modelling of the data complete and the project handed over to the municipality.	The plan is to implement at Vulamehlo Municipality in the 2007/2008 financial year.
		% completion of Ugu aerial photograph.	100% by 30/06/2007	100% complete. New updated images for Port Shepstone CBD were delivered in November 2006.		
		% upgrade of GIS software.	100% by 31/03/2007	Software upgrades were done in March 2007 with all the extensions.		
	4.	To ensure a sound and effective institutional arrangement.	% completion of the office decentralization process	30/06/2007	Building plans for the new Oslo Beach office block have been approved by Hibiscus Coast Municipality. Target date for the completion of the building is 30 November 2007. Umgeni Water will be vacating the Park Rynie building they are currently using by 30 June 2007 and renovations will be effected with a view to relocating the Water Services staff stationed in Park Rynie to the said building. However, alternative planning will have to be done as the Oslo Beach building was destroyed by fire on 29 June 2007.	A long term and a short term office accommodation plan will have to be developed.



KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Institutional Development and Transformation	5. To provide an efficient secretariat and administrative service.	% of meetings where agendas were distributed no later than 48 hours before the meeting.	Ongoing	While efforts are made to distribute agendas for Council and all portfolio committees as per the Top Management resolution dated 22 May 2006 (That agendas be distributed 7 days before the meeting), it should be noted that this had not been achieved due to the late submission of agenda items. However, agendas in respect of Exco and Top Management are distributed as per the resolution.	
		% of meetings where minutes were available 10 days after a meeting.	Ongoing	70%, as extracts are circulated prior to minutes. The situation is improving.	
		% of mail sent to relevant people within a working day.	Ongoing	80% and ongoing	
		% of invoices received and sent to Treasury within 24 hrs of receipt.	Ongoing	All invoices received by the registry are sent directly to the Creditors Division of the Treasury Department for marking to the relevant sections and officials. 100% of invoices received are given to Treasury within 24 hours of Receipt.	
		% update of approved policies.	Ongoing	50% and ongoing. Secretariat is embarking on a project to collate all policies approved by council and filing them in a form of a policy book.	
	6. To develop a fully-fledged registry and filing system in accordance with legislation.	% of filing of property files.	100% by 30/06/2007	95% complete, steel filing cabinets per KZN Archives requirements have been acquired, fire proofing has been done, revamp of the water services registry is in progress and 97% complete.	
		Approved filing system	31/08/2005	100% complete	
		Records Management Policy and procedures manual.	30/06/2007	50% complete. Development of a draft policy and procedures manual is in progress, to be submitted to KZN archives upon finalisation.	
		Implementation of the filing system.	Approval of the implementation plan 31/03/2007	Implementation plan approved by the Portfolio Committee in June.	
		Gaining control over the files throughout the institution	Documents warehouse – 100% by 30/06/2007	50% complete	The exercise is ongoing as historical documents have to be filed as per the file plan.



### Human Resources

KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Institutional Development and Transformation	7. To create a local government institution embracing good governance and batho pele principles.	Structured training programmes, short courses and learnerships.	100% by 30/06/2007	100% by 30/06/ 2006	
		Municipal policies and procedures bound and disseminated to all new employees.	100% by 30/09/2006	92% by 31/10/2006	
		Learners to be registered on the ABET programme .	60% by 30/11/2006	100%	
		Course fees paid to institutions of learning in respect of bursaries for staff members.	100% by 30/06/2007	100%	
		Training needs captured in the Workplace Skills Plan.	100% by 30/06/2007	100%	
		Approval of Principle contractor's Safety Plans on all municipal construction sites.	100% by 30/06/2007	100%	
		Implementation of internal Annual Safety Plan.	100% by 30/06/2007	100%	
		Implementation of approved Employee Assistance Programme plan.	100% by 30/06/2007	100%	
	8. Restructuring of the institutional set up for enhanced service delivery and development.	Filling of vacant and new positions in the section.	100% by 30/09/2006	100% by 30/06/2007	
		Computer equipment and software purchased.	100% by 31/08/2006	100% by 30/06/2007	



## Disaster Management

KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Democracy and Governance	1. Extend and Promote Disaster Management in the district.	Final Draft DM Phase 2	100% by 30/06/2007	100%	Workshop convened by Exco for final evaluation in August 2007.
		Risk Reduction Plans	On going	25%	Risk Management committee formed – on going process
		LMs to develop DM Plans	On going	80%	Undergone tendering process.
	2. Mitigate against disasters and facilitate Disaster Risk Planning	Assisted LMs in providing Emergency Relief.	On going	100%	Funds spent on emergency relief and employment of consultant for the wave disaster and Oslo Beach fire.
		Appointment of Admin Secretary.	100% by Aug 2006	10%	Shortlisting of applications completed.
		Purchased three fire fighting equipment.	100% by June 2007	100%	Funds transferred to Umdoni to be utilised for shared services in Umzumbe & Vulamehlo Municipalities.
		Donate funds for the purchase of fire fighting equipment.	100% by June 2007	100%	Funds transferred to Umdoni to be utilised for shared services in Umzumbe & Vulamehlo Municipalities.
		Facilitated the formation of Fire Protection Association.	On going	10%	Held district workshop facilitated by DWAF to explain about formation of FPA's & met with Farmers Association (SCG).
		Facilitated setting up of fire & emergency services in the five local municipality.	On going	25%	Signed agreement with LM's for the Shared Services.
		Trained Fire Fighting/Disaster Teams (Volunteer Core Unit).	On going	0%	Assisted shared Services in setting up fire and emergency services at LMs.
		Monitoring Risk regarding Fire, Flooding, Drought, Epidemic's & Business Continuity.	On going	25%	Ongoing meeting with LMs Disaster Management Practitioners.
		Communication Links Investigated.	On going	30%	Signed agreement with SANDF.
		Back up systems installed.	100% by June 2007	10%	IT Section completed investigation.
		Disaster Management Advisory Forum.	On going	100%	Ongoing, three meetings held.
		IDP Forum.	On going	100%	Ongoing attendance of meetings.



### Mayorality

KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Good Governance and Democracy	1. Ensure improved communication between municipality and its internal and external stakeholders.	<p>Successful implementation of the district's communication and community participation strategy through:</p> <ul style="list-style-type: none"> <li>• Effective use of print and electronic media</li> <li>• Community meetings and public events</li> <li>• Publications</li> <li>• Marketing and promotions activations.</li> </ul>	100% by 30/06/2007	<p>80%</p> <ul style="list-style-type: none"> <li>• Weekly media releases published in the local media</li> <li>• Fortnightly radio slots secured and used accordingly in respect of Mayoral messages</li> <li>• 23 Community meetings held in respect of the Budget roadshows</li> <li>• 23 000 copies of internal and external newsletters printed and distributed</li> <li>• 500 copies of internal newsletter produced and distributed</li> <li>• 4 special events held during 3rd and 4th quarter</li> <li>• Website overhaul project commenced with</li> <li>• Branding and corporate material purchased and deployed accordingly.</li> </ul>	Staff capacity hindered progress in respect to this deliverable.
Infrastructure and Services	1. Ensure improved service delivery and infrastructure development.	<p>Successful implementation of programmes related to:</p> <ul style="list-style-type: none"> <li>• Project sod turnings and project handovers</li> <li>• Creation of effective project steering committees</li> <li>• Successful service delivery</li> <li>• Enhancement programmes such as Masakhane campaign</li> <li>• Indigent Support Programme.</li> </ul>	100% by 30/06/2007	<p>60%</p> <ul style="list-style-type: none"> <li>• 7 sod turning ceremonies and project handovers completed held</li> <li>• Steering committees set up and functioning for projects commissioning during period under review.</li> </ul>	Staff capacity hindered progress in respect of this deliverable.
Financial Viability	1. Support the development of a culture of sound financial management of resources at our disposal.	<ul style="list-style-type: none"> <li>• Approval of quarterly plans in respect of the SDBIP.</li> <li>• Elimination of over expenditure and under utilisation of approved funds.</li> </ul>	100% by 30/06/2007	<p>100%</p> <ul style="list-style-type: none"> <li>• SDBIP reports submitted accordingly</li> <li>• Budget utilized accordingly</li> <li>• R350 000 in grants-in-aid distributed to 40 community based organisations and projects.</li> </ul>	



Special programmes  
HIV/AIDS

KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
FINANCIAL MANAGEMENT	1. To ensure that the sectoral funds allocated are effectively utilised.	% of budget/ funding allocated to each key performance area	100% achieved by June 2007	<ul style="list-style-type: none"> <li>Dedicated budget</li> <li>Implementation Plan</li> <li>Draft District Strategic Plan developed</li> <li>Integrated planning and co-sharing of resources.</li> </ul>	<p>Integrated programme of action.</p> <p>District recognized as a central player for support.</p>
Institutional Development and Transformation	1. To facilitate a co-ordinated response to HIV/AIDS.	A functional HIV and AIDS strategy in the District.	100% participation of formal and informal sectors  Coordinated response.	<ul style="list-style-type: none"> <li>Focal persons from all implementing sectors and local municipalities participating</li> <li>Integrated planning, IDP item</li> <li>District AIDS Council launched, functional, chaired by the Mayor</li> <li>Visible political and Top Management support</li> <li>Interim Coordinating forum in place in local municipalities</li> <li>District programme of action developed</li> <li>Presentation conducted at the 3rd SA AIDS Conference -4 delegates attended.</li> </ul>	
		No of Workshops, training and mentorship programmes conducted.	100% achieved	<ul style="list-style-type: none"> <li>Basic information, Capacity Building and Mentorship workshops conducted (6 workshops conducted-a total of 400 people trained)</li> </ul>	<p>Workshops cosponsored with implementing departments.</p> <p>Support for local municipalities and implementing sectors in progress.</p>
		Support programmes for destitute families, orphaned and vulnerable children and people with special needs.	100% achieved by June 2007	<ul style="list-style-type: none"> <li>Ongoing support to destitute families provided e.g. support for child headed families in progress as per identified family e.g. Project collaborated with Department of Housing</li> <li>A total of 75 families supported in 2006/2007</li> </ul>	A minimum of 30 referrals to government departments per month, especially Department of Social Development and Health.
		Resource mobilization programmes (distribution of resources).	100% achieved	<ul style="list-style-type: none"> <li>Information brochures, Home Based Care kits, nutrition supplements provided to local municipalities and civil society/ implementing organization-control systems in place.</li> </ul>	<p>A number of 355 Home Based Acre kits, 275 boxes of protein porridge.</p> <p>230 boxes of soul city books distributed to all local municipalities.</p>



KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
		Research, Monitoring and evaluation.	100% achieved	100%	<ul style="list-style-type: none"> <li>• Research projects ongoing, mostly facilitated by implementing sectors</li> <li>• Ongoing surveillance system e.g. for information on the HIV incidence and prevalence in the District.</li> </ul>

### Rights of the Child

KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Financial Management	1. To ensure that the sectoral funds are allocated and effectively utilized.	% budget/ funding allocated to each key performance area.	100% achieved by June 2007	100%	
Institutional Development and Transformation	1. To facilitate a district programme of action.	Establishment of a district programme of a coordinating task team in progress.	100% participation of government departments, local municipalities, NGOs and all relevant stakeholders	<ul style="list-style-type: none"> <li>• ORC Focal person identified in all government departments</li> <li>• Cosponsoring of special events supported e.g. child protection week</li> <li>• Ongoing support to programmes on the Rights of the Child</li> <li>• School uniforms provided to destitute families attending at Mgaye Primary School-Umzumbe Municipality .</li> </ul>	

### Farm Workers

Financial Management	1. To ensure that the sectoral funds are allocated and effectively utilized.	% budget/funding allocated to each key performance area.	100% achieved by June 2007	100%	
Institutional Development and Transformation	1. To convene a Baseline survey conducted.	<ul style="list-style-type: none"> <li>• Establishment of a coordinated forum/council in progress.</li> </ul>	100%	<ul style="list-style-type: none"> <li>• 60% achieved, to continue in next quarter</li> <li>• Baseline survey conducted, STATUS QUO-report available</li> <li>• Facilitation of road shows focusing on Human Rights, health and hygiene issues in conducted (4 sites per LM)</li> <li>• First meeting convened with government departments, local municipalities and other relevant stakeholders.</li> </ul>	



### Women Programme

KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Financial Management	1. To ensure that the sectoral funds are allocated and effectively utilised.	% budget/funding allocated to each key performance area.	100% achieved by June 2007	100%	
Institutional Development and Transformation	1. To ensure a district programme of action.	Capacity Building programmes for interim district women council .	100% by June 2007	<ul style="list-style-type: none"> <li>• 80% achieved</li> <li>• Facilitation, Support and launch of local Umdoni Council</li> <li>• Gender Machinery Strategic Workshops</li> <li>• Women led projects supported</li> <li>• A number of training programmes focusing on Capacity Building with a view to improve economic development for women focusing on cutting across issues e.g. HIV and AIDS, Leadership, Entrepreneurship skill, Project Management and women Empowerment</li> <li>• A total of 350 women trained on various workshops.</li> </ul>	

### Disability Programme

KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Financial Management	1. To ensure a coordinated district programme for People with Disabilities.	% budget/funding allocated to each key performance area.	100% by June 2007	100%	
Institutional Development and Transformation	1. To ensure a coordinated district programme for People with Disabilities.	Institutional coordination	100% by June 2007	<ul style="list-style-type: none"> <li>• 100% achieved and programmes ongoing</li> <li>• District Forum in place</li> <li>• Dedicated implementation plan in place</li> <li>• Focal persons from implementing sectors participating</li> <li>• Interim Structure established with 18 members from all local municipalities (3 per LM).</li> </ul>	





KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
		To lobby for mainstreaming and integration of disability issues in all sectors and municipality departments.	100% by June 2007	<ul style="list-style-type: none"> <li>100% achieved</li> <li>Relevant key implementing sectors e.g. social Welfare/ Health have dedicated sector plans.</li> <li>District has a dedicated plan of action.</li> <li>Mainstreaming of disability issues in progress in all municipality departments.</li> </ul>	
		Capacity Building and training programmes.	100% by June 2007	<p>The following projects are in progress, participants recruited through a collaborative process with all local municipalities:</p> <ul style="list-style-type: none"> <li>Basic Computer and business Management course at Esayidi FET College</li> <li>ICDL Course (20 Learners)</li> <li>Carpentry Course (18 learners)</li> <li>Carpentry course (12 learners).</li> </ul>	

### Senior Citizens

KPA	Objectives	Key Performance Indicators	SDBIP Targets	Actual Achievement	Remarks on Level of Achievement
Financial Management	1. To ensure a coordinated district programme of action.	% budget/funding allocated to each key performance area.	100% by June 2007	<ul style="list-style-type: none"> <li>100% achieved by June 2007</li> </ul>	
Institutional Development and Transformation	1. To ensure a coordinated district programme of action.	Coordinating a district strategy for Senior Citizens.	100% by June 2007	<ul style="list-style-type: none"> <li>100% achieved</li> <li>District programme of action in progress, facilitated in collaboration with all implementing sectors and relevant NGOs</li> <li>Draft implementation plan 2007/2008 in progress</li> <li>Hosted a Senior Citizens event and Launch of Ugu District Senior Citizens Forum (900 delegates attended)</li> <li>Hosted a Christmas party for Senior Citizens at St Faiths (500 delegates).</li> </ul>	
		Develop Terms of Reference for the Interim Coordinating Forum.	100% by June 2007	Draft Terms of Reference in progress.	





# Council's Oversight Report on the 2006/2007 Annual Report





# Report to the Council

## Oversight Report in respect of the 2006/2007 Annual Report for the Ugu District Municipality

**DATE: 25 MARCH 2008**

### 1. Purpose

To propose that Council adopts the Oversight Report in respect of the 2006/2007 Annual Report.

### 2. Background and Rationale

#### 2.1 Oversight Process

MFMA Circular Number 32, issued by National Treasury on 15 March 2006, provides guidelines on the preparation of an oversight report in respect of a municipality's annual report and those of its entities. The processes recommended in the said circular include the following:

- The establishment of an Oversight Committee under sections 33 and 79 of the Municipal Structures Act, 1998. The said committee should conduct a detailed analysis and review of the annual report and draft an oversight report to be considered by Council. The Committee should also receive and review representations made by the public and also seek input from other Councillors and Council Portfolio Committees. Upon finalisation, this draft Oversight Report could then be taken to Full Council for discussion.
- The Oversight Committee should only comprise non-executive councillors and community representatives. Municipal officials cannot be members of the Oversight Committee as this would pose a conflict of interests. Assistance from the municipality's Audit Committee is also recommended as a major source of independent specialist advice.

At its meetings held on 24 January 2008 and 28 February 2008 respectively, the Council established the Oversight Committee comprising of 8 non-executive councillors and 2 community representatives, with the Chairperson of the Audit Committee and the Chief Financial Officer as invitees.

The Committee's term of office is three years and is composed as follows in terms of the National Treasury guidelines:

Cllr J Janse van Vuuren – Chairperson

Cllr SM Zuma – Deputy Chairperson

Cllr E Moosa Bux

Cllr SO Njongo

Cllr NH Gumede

Cllr BT Lubanyana

Cllr D Snashall

Cllr NF Shusha

Mr T Krummeck – Community Representative

Ms N Boyce – Community Representative

The committee's role is to conduct a detailed analysis and review of the 2006/2007 Annual Report and draft an Oversight Report for submission to Council by 31 March 2008.

The Oversight Committee sat on 10, 17 and 25 March 2008, and the minutes of the meetings are attached hereto as Annexures A, B and C.

#### 2.2 Consultation Process

Following the tabling of the Draft 2006/2007 Annual Report in Council on 24 January 2008, a public notice on the availability of the Draft 2006/2007 Annual Report was placed in local media. The community was invited to submit representations on the report.



Copies of the Draft Annual Report were placed for review at the Scottburgh Library, Port Shepstone Library, Margate Library, Umuziwabantu Library, Eziqoleni Library and all Ugu District Municipality Offices.

However, no representations or comments were received by the closing date of 7 March 2008.

## 2.3 Comments

### 2.3.1 Financial Matters – Annual Financial Statements – Section 121 (3) MFMA

It be NOTED that:

- The annual financial statements included in Chapter 4 of the Annual Report are the statements that were submitted to the Auditor-General.
- The Auditor-General expressed an unqualified audit opinion in respect of Ugu District Municipality.
- The Audit Report was included in the Annual Report as tabled.
- Management action plans to the audit findings raised by the Auditor-General in the Audit Report have been discussed through the Audit Committee and will be included in the printed Annual Report.
- The defined benefit plan expense for 2006 is more than the expense for the 2007, as the 2006 amount of R12 980 070 is a prior adjustment and an accumulation of the years prior to 2006, whereas the 2007 amount of R9 247 777 is an annual adjustment.
- With respect to Councillors' arrear consumer accounts, no Councillors had arrear accounts outstanding for more than 90 days at 30 June 2007.
- It is a concern that the municipality was not adequately insured in respect of the assets that were destroyed by fire at the Oslo Beach Offices, and as a result the municipality lodged a claim of R12 million, when the assets that were destroyed by the fire had a book value of R14 million. To correct this and to prevent it in future, the municipality is in the process of asset itemisation which will be renewed on an annual basis.

### 2.3.2 Disclosures – Allocations received – Section 123 MFMA

Note must be taken that allocations received by the municipality were mostly grants, and the amounts received have been gazetted in terms of the Division of Revenue Act. The received amounts were conditional grants and any unspent conditional grants have been reflected under creditors.

### 2.3.3 Municipal Performance

It be NOTED that:

- Though the budget road shows, Council meetings and IDP road shows serve as platforms for public participation in respect of the performance evaluation of the municipality, the participation of the public in the performance review of the municipality needs to be intensified. As a result, the team that will be evaluating the performance of the Municipal Manager and Section 57 managers for the 2007/2008 year will also comprise a community representative.
- Notwithstanding the fact that the inclusion of one community representative on the evaluation team for the Municipal Manager and Section 57 managers is regulated, it should be noted that the said community representation is not sufficient to enhance public participation in the performance management of municipalities. To address the said shortcoming, it should be ensured that community representatives are involved in the municipality's organisational performance evaluation.
- For the 2007/2008 reporting year, a Performance Audit Committee reporting to the Audit Committee has been established to be responsible for the assessment of the performance management system.
- The Integrated Development Plan (IDP) is not user friendly, as there are numerous acronyms in the report. There must be an addendum to the IDP listing all the acronyms.

### 2.3.4 Overview of the Municipality and Governance

It must be NOTED with concern that:

- The 2001 census figures were utilised for population, age break-down and skills profile sections of the Annual Report. An enquiry must be made with the province regarding updated figures.



- The attendance of the Planning, Economic Development and Tourism Committee is 55% and lower than the other portfolio committees.

The public participation component of the IDP Representative Forum should be emphasised and more IDP Road Shows should be conducted.

### 2.3.5 Highlights and Challenges

The quality of effluent that is discharged onto the beaches should be attended to, as that is negatively affecting the Blue Flag status of the beaches; and specific focus should be given to the sources of the said effluent.

### 2.3.6 Human Resources and Other Organisational Management

The fact that 21% of the total funded posts for management are vacant should be noted with concern.

It is suggested to management that an Annual Report Editorial Task Team should be appointed to look at the grammar and cosmetics of the report.

## 3. Strategic Implications

The adoption of the Oversight Report is in line with the KPAs – Good Governance and Public Participation, and Infrastructure and Services Delivery.

## 4. Legal/Statutory Implications

- Municipal Finance Management Act, 2003 (Act 56 of 2003) (Chapter 12).
- Municipal Systems Act, 2000 (Act 32 of 2000) (Chapter 6), as read with the Municipal Systems Amendment Act, 2003 (Act 44 of 2003).
- Municipal Structures Act, 1998 (Act 117 of 1998).

## 5. Staff/Personnel Implications

None.

## 6. Financial Implications

The Annual Report and the oversight process are provided for in the 2007/2008 budget.

## 7. Communication Implications/ Public Relations

- Invitations for nomination of two community representatives to serve on the Oversight Committee were placed in the local press.
- A public notice inviting representations from the community was placed in the local media.
- Meetings of the Oversight Committee were advertised in the local press.

## 8. Other Parties Consulted

The Auditor-General.

## 9. Recommendations

That Council resolves as follows:

- a) That the Council having fully considered the Annual Report of the municipality and representations therein, adopts the Oversight Report; and
- b) That Council approves the Annual Report without reservations.

J JANSE VAN VUUREN

CHAIRPERSON



# Annexure A

## Minutes of the Oversight Committee Meeting held in the boardroom, Aqua House, 28 Connor Street, Port Shepstone on Monday, 10 March 2008 at 09h00.

### Present:

Cllr J Janse van Vuuren : Chairperson  
Cllr SM Zuma : Deputy Chairperson  
Cllr E Moosa Bux  
Cllr SO Njongo  
Cllr NH Gumede  
Cllr BT Lubanyana  
Cllr D Snashall  
Mr T Krummeck  
Ms N Boyce

### In Attendance:

Ms Y Roboji : Manager: Secretariat, ICT and Auxiliary Services  
Ms ZP Mavundla : Committee Clerk

## 1. Notice of Meeting

The notice of meeting was taken as read.

At this point of the proceedings the Chairperson requested Cllr E Moosa Bux to open the meeting in prayer.

## 2. Applications for leave of Absence

It was noted that Cllr NF Shusha had requested leave of absence from this meeting.

Following this,

It was

### **RESOLVED**

That Cllr NF Shusha be granted leave of absence from this meeting.

## 3. Introduction of Members

The Chairperson requested members to introduce themselves.

## 4. Oath or Solemn Affirmation by Members of the Committee

The Speaker requested members to stand and say the oath. He also requested members to sign the oath and the signed copies be filed at Secretariat. He said that members should serve on the committee meticulously and with a critical eye. He further mentioned that the oversight report would be presented to Council and be adopted by Council, and he wished the committee well in the execution of its responsibilities.

{At this point in time (09h20) the Speaker recused himself from the meeting.}

## 5. Brief Overview

The Chairperson took members through this item. He mentioned that the establishment of the Oversight Committee was in line with the provisions of the Municipal Finance Management Act.



He mentioned that it was the first time that the committee was established.

He also mentioned that the committee was a monitoring system for the Council in terms of executing its duties. He also stated that members should peruse and study through the documents provided in the members' package.

He said that the public and as portfolio committees were given an opportunity to make comments. He mentioned that the Chief Financial Officer would provide the necessary answers in terms of the financial statements.

He said that meetings of the Oversight Committee were supposed to sit in February but they had to wait for the report from the Auditor-General as it was an integral part of the Annual Report. He further mentioned that the Act required the Council to approve the oversight report by 31 March 2008.

Cllr Snashall enquired as to whether there were any comments from the public and the manner in which the invitation for comments was publicised.

Responding, the Chairperson stated that the closing date for the submission of comments was Friday, 7 March 2008, and as a result such could not be submitted to the meeting. He added that the comments would be submitted to the next meeting of the committee. He also mentioned that the advertisement for the submission of comments was placed in local newspapers.

It was

#### **RESOLVED**

That the overview of the oversight process as given by the Chairperson be noted.

## **6. Terms of Reference**

The Chairperson took members through this item. He mentioned that the establishment and membership of the committee was in terms of the Municipal Structures Act and the Municipal Finance Management Act.

He also mentioned that the term of the committee was three years and it consisted 8 non-executive members and community representatives. He also mentioned that the Chief Financial Officer and the Chairperson of the Audit Committee would need to be present at future meetings.

Cllr Snashall enquired as to the implications of the Oversight Report not being ready by 20 March 2008.

Responding, the Chairperson said that the Council meeting would have to be postponed but it would depend how far the members would have progressed in developing the report.

Cllr Zuma enquired as to whether there were any allowances for members serving on the committee. He enquired as to whether members would be receiving parking coupons as it was a problem when councillors were attending meetings.

Cllr Gumede added they were promised some parking coupons and that Hibiscus Coast Municipality would be allocating the said coupons.

Responding, the Chairperson said that they would have to find out from the General Manager: Treasury. Also responding, the Manager: Secretariat, ICT and Auxiliary Services said that the coupons that had already been given to Councillors were only for Hibiscus Coast Councillors, not for Ugu Councillors. She further mentioned that with respect to Ugu, discussions on parking arrangements were in progress with the Hibiscus Coast Municipality.

Members requested that this matter be finalised as soon as possible. The Chairperson also mentioned that minutes of the Oversight Committee would be submitted to Council as proof of the process followed by the committee.

Cllr Zuma enquired if any of the members were familiar with financial management. Responding, the Chairperson said that the General Manager: Treasury would be invited to all the meetings as well as Internal Audit. He also said that he was also an Accountant by profession.





Cllr Njongo enquired as to how the Terms of Reference of the Committee were compiled and what criteria was used to appoint members of the public.

Responding, the Chairperson said that this committee was new, and the terms of reference were drawn up in line with the Municipal Finance Management Act guidelines.

Also responding, Cllr E Moosa Bux said that with regards to community representatives, an advert was placed in the newspapers and that only four members applied. He also mentioned that at the last council meeting the best two were chosen.

After questions of clarity had been satisfactorily answered,

It was

**RESOLVED**

That the Terms of Reference of the Oversight Committee be noted.

## 7. Disclosure of Interest

It was

**RESOLVED**

That members should fill in the disclosure of interest forms and return them at the next meeting.

## 8. Annual Report 2006/2007

The Chairperson took members through this item. He suggested that members should study the report and prepare their questions for the next meeting.

Cllr Zuma enquired as to how the research was done in terms of the educational level of the Coloured population. Responding, the Chairperson said that a study was done through a census with Department of Statistics South Africa and that they looked at demographics. He also mentioned that members should bear in mind that Coloureds were very few in our region.

The Manager: Secretariat, ICT and Auxiliary Services reminded members that annexure D, the checklist for the annual report would guide members in terms of the oversight processes.

Responding, the Chairperson said that they would look at annexure D when they have scrutinised all the documents, and then be able to answer all questions.

Cllr Njongo enquired as to whether they were expected to read the entire documentation.

Responding, the Chairperson said that he would like to concentrate on Chapter 4 of the report, being the the financial statements. Members commended the Secretariat for the manner in which the committee support documentation had been compiled.

After questions of clarity had been satisfactorily answered,

It was

**RESOLVED**

That the Chief Financial Officer as well as the Chairperson of the Audit Committee be invited to the next meeting.

## 9. In Committee matters

Nil.

## 10. Date of next meeting

It was noted that the date of next meeting would be Monday, 17 March 2008 at 14h00.

## 11. Closure

There being no further items for discussion, the Chairperson declared the meeting closed at 10h45.

**CHAIRPERSON**

17 March 2008



## Annexure B

### Minutes of the Oversight Committee Meeting held in the boardroom, Aqua House, 28 Connor Street, Port Shepstone on Tuesday, 17 March 2008 at 14h00.

#### Present:

Cllr J Janse van Vuuren : Chairperson  
Cllr SM Zuma : Deputy Chairperson  
Cllr E Moosa Bux  
Cllr SO Njongo  
Cllr NH Gumede  
Cllr D Snashall  
Mr T Krummeck  
Ms N Boyce

#### In Attendance:

Mr L Mahlaka : Municipal Manager  
Mr VH Hukum : Chief Financial Officer  
Mr A Ramnath : Chairperson: Audit Committee  
Ms Y Roboji : Manager: Secretariat, ICT and  
Auxiliary Services  
Mr SM Dlamini : Committee Coordinator

#### 1. Notice of Meeting

The notice of meeting was taken as read.

#### 2. Applications for leave of absence

Nil.

#### 3. Confirmation of Minutes: meeting held on 10 March 2008

It was unanimously

##### **RESOLVED**

That the minutes of the meeting held on 10 March 2008 be confirmed.

{At this stage of the proceedings, the Municipal Manager advised members that the issue of parking coupons for Councillors had been discussed with the Hibiscus Coast Municipality. He mentioned that he was still communicating with them to secure a decision}.

#### 4. Annual Report 2006/2007

The Chairperson of the Audit Committee advised members that in his view, there was no need for the General Manager: Treasury to repeat what was contained in the report. He said that members should only comment on the report

The Chairperson reminded members that they were expected to express their opinion based on what was contained in the document.

In terms of the Financial Statements, the General Manager: Treasury explained that same had been submitted to the Auditor-General and the report tabled before the committee was the correct audit report.



The Chairperson commended the format of the report and requested that the issue of assets management be addressed.

The General Manager: Treasury apprised members that they had communicated with brokers to indicate that the Ugu District Municipality was under-insured.

He assured members that the Auditor-General had guaranteed Ugu District Municipality that they would go through the draft document prior to its completion.

After members had shown that the content of the report was correct, using the checklist to ascertain whether this report had met the required standard, the Chairperson of the Audit Committee expressed his concern regarding the quality of the report in terms of grammar and other language usage mistakes.

He emphasised that the content of the report was acceptable, except that it had a number of grammatical errors, syntax and spelling mistakes.

He mentioned that after editing had been done, concentration should be on consistency, and grammatical errors. He advised

that emotive language be removed from the document and be made simple to read and understand.

Following discussion,

It was unanimously

#### **RESOLVED**

That the Officials be tasked to edit the report with the assistance of the Chairperson of the Audit Committee and submit a corrected version at the next meeting, scheduled for 25 March 2008.

## 5. Closure

There being no further items for discussion, the Chairperson declared the meeting closed at 16h19.

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**CHAIRPERSON**

25 March 2008



## Annexure C

### Minutes of the Oversight Committee Meeting held in the boardroom, Aqua House, 28 Connor Street, Port Shepstone on Tuesday, 25 March 2008 at 09h00.

#### Present:

Cllr J van Vuuren : Chairperson  
Cllr D Snashall  
Mr T Krummeck  
Ms N Boyce

#### In Attendance:

Mr L Mahlaka : Municipal Manager  
Mr A Ramnath : Chairperson: Audit Committee  
Ms Y Roboji : Manager: Secretariat, ICT and  
Auxiliary Services  
Mr SM Dlamini : Committee Coordinator

### 1. Opening Prayer

The Chairperson requested Cllr D Snashall to open the meeting in prayer.

### 2. Applications for leave of absence

Nil.

### 3. Annual Report 2006/2007

The Chairperson of the Audit Committee reported that when they obtained the report from the printers it contained more errors. He indicated that the service providers tasked with the printing of documents would still need time to complete the document.

However, he mentioned that after he had liaised with the Speaker, it transpired that there was no need to table a published Annual Report at the Council meeting of 27 March 2008 and that an approved document by the Oversight Committee would suffice.

He explained that there were numerous minor mistakes in the document that still needed to be rectified but the content was correct.

The Chairperson expressed his satisfaction over the report and its entire content and sounded confident that it was ready to be circulated to the Council meeting scheduled for 27 March 2008. He then reminded members that this was still a draft document until it was approved by Council.

Cllr Snashall suggested that he would forward a list of identified corrections to the Chairperson of the Audit Committee to effect them to the documents.

The Chairperson of the Audit Committee suggested that the municipality should have an editorial team that would dedicate its time to do the corrections and editing of the Annual Report in future, and liaise with the Auditor-General and printers.



In this regard, the Municipal Manager noted and assured members that this idea would be shared with the officials with a view to finding a solution that would help both the municipality and the Oversight Committee in future.

It must be noted that there were other issues raised during this meeting, which the committee was advised that had been addressed.

Following discussion

It was unanimously

**RESOLVED**

That the Oversight Report in respect of the 2006/2007 Annual Report be circulated to the Council meeting scheduled for 27 March 2008 for adoption.

## 4. Closure

There being no further items for discussion, the Chairperson declared the meeting closed at 10h12.

**CHAIRPERSON**

26 March 2008



# NOTES

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