

# **UGU DISTRICT MUNICIPALITY DRAFT ANNUAL REPORT**

**VERSION 1.2 (28.08.2014)**

## **2013/14**



## CONTENTS

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY .....	4
CHAPTER 2 – GOVERNANCE .....	18
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I).....	39
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE .....	115
CHAPTER 5 – FINANCIAL PERFORMANCE.....	129
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS .....	147
GLOSSARY .....	158
APPENDICES .....	160
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE .....	160
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES.....	167
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE .....	172
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY .....	173
APPENDIX E – WARD REPORTING.....	174
APPENDIX F – WARD INFORMATION .....	177
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0.....	178
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS.....	179
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE .....	186
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS .....	187
APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE.....	189
APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE.....	189
APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE .....	190
APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG .....	191
APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES .....	192
APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME.....	192
APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME .....	194
APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0.....	196
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0.....	197

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS..... 198

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION ..... 199

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY ..... 200

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT ..... 201

VOLUME II: ANNUAL FINANCIAL STATEMENTS ..... 202

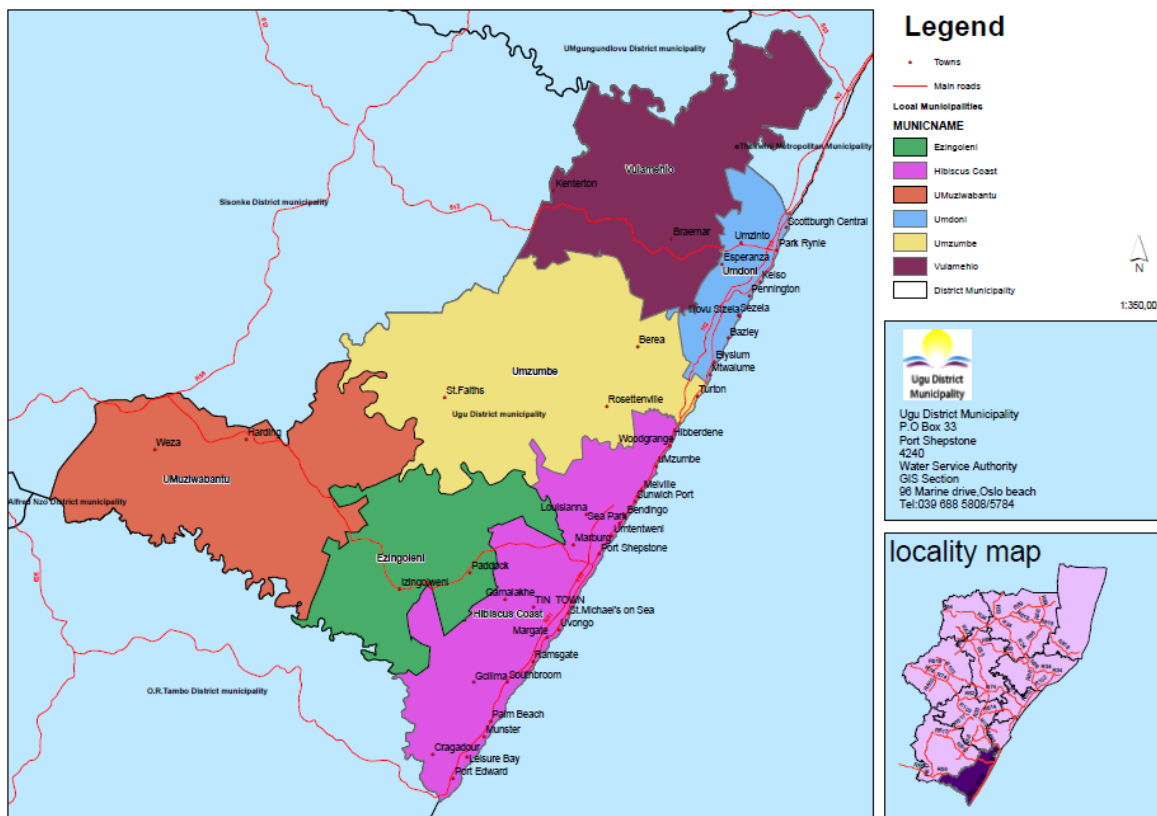
During the preparation of the five-year Integrated Development Plan (IDP) in 2012/13, the Ugu District Municipal Council adopted a long-term Vision and Mission. Through this Vision and Mission, the Council expresses the desired future state for the District and commits to how it will achieve this objective.

**Vision**

“A place where everyone benefits equally from socio-economic opportunities and services”

**Mission**

“Create an enabling environment for social and economic development resulting in the provision of quality drinking water and access to decent sanitation. Ensure community participation and coordinate public and private players.”



## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD



#### **Vision**

A place where everyone benefits equally from socio-economic opportunities and services

#### **Mission**

To provide quality drinking water and access to sanitation. Create an enabling environment for social and economic development. Ensure community participation and coordinate public and private players

#### **Key Policy Developments:**

Ugu District Municipality has developed the District Growth Development Strategy which seeks to align the national and provincial developmental needs of the municipality with that of the National Government. The District Growth Development Strategy Summit was convened wherein various stakeholders participated to endorse this developmental blue print of the district.

A central principle of the Municipal Turn-Around Strategy is financial stability and sustainability.

We have at this point, cash backed our grants and during the commencement of the 2014/2015 financial year we will ensure that our cash reserves which are retentions and consumer deposits are cash backed to the value of approximately R39 million.

#### **Key Service Delivery Improvements:**

Ugu District Municipal Council has embarked on a massive Infrastructure Grant which is targeted to rectify Ugu water supply challenges, the pipeline replacement project is registered at R705 million and will be allocated

proportionally each year to deal with critical replacement of aged infrastructure throughout the district.

A highlight of this project is the town of Harding whereby 95% of replacing aged pipelines and the balance to be complete in the 2014/2015 financial year. We have also replaced pipes in Ramsgate (Marine drive, Lynne road, Linton road) and Marburg (valley road, Crescent Street).

#### **Public Participation:**

The Council is a legislative political structure which is entrusted with an oversight responsibility on matters pertaining to the developmental progress and implementations of service delivery projects. There are various portfolio committees that are chaired by the members of the Executive Committee who are playing a political oversight on various activities that are implemented by municipal administration departments, those portfolio committees are as follows:

- Finance
- Water and Sanitation
- Local Economic Development
- Corporate Services
- Special Programmes

Financial management and administration performance is further monitored and evaluated by the committees below,

- Internal Audit Committee
- Municipal Public Accounts Committee

There are various statutory participation mechanisms that have been established as to promote and enhance community participation on matters of service delivery namely;

Mayoral Izimbizo, this is an annual initiative by the District Mayor and Executive Committee members to reach out to communities in order to listen to the community views on service delivery projects being undertaken in their respective localities and further allow communities to identify needs to be incorporated in the next financial planning and budgeting processes. The Mayoral Izimbizo are conducted around the months of October and November every year and public comments are then incorporated to Integrated

Development Plan annual review process and the budgeted is allocated accordingly..

The Municipal Manager has seconded personnel to the Speakers Office, a Public Participation Practitioner is responsible for the coordination of ward committee activities within Ugu district family of municipalities as a result a District Public Participation Forum has been established. The District Public Participation Forum is comprised of representatives from all the local municipalities referred to as Public Participation Practitioners.

There is a person deployed by the KZN Department of Cooperative Governance and Traditional Affairs, who advises, provide support and give strategic directions on matters of public participation. The Speakers Forum which is chaired by the District Speakers is meeting on a monthly basis to facilitate and also play a political oversight role on matters of public participation. The Intergovernmental Relations (IGR) District Mayors and Municipal Managers Forum further synthesis decisions of the Speakers Forum and ensures that resolution taken are put into practice.

The special groups such as people living with disability, youth, farmers and women has established their respective forums and the Special Programmes Portfolio Committee facilitate and ensure a rapid responses to the needs of the vulnerable groups.

#### **Future Actions:**

We have made tremendous progress terms of future actions thus far, during our political term of office major projects of water and sanitation services are to be undertaken and these are funded from our capital budget.

The highlight of those projects that will characterise 2014/15 budget implementation process are aligned with our new turn around strategies, below is a list of projects;

- Umgeni will be handing over Ezinqoleni scheme to Ugu District Municipality, this follows an emergency pipeline replacement which was aimed at restoration of water supply to the Shobeni/ Mbeni areas and this system has stabilised.
- The tender for the completion of the gravity main from uMtanvuna water works to Nzimakwe has been awarded and we will shortly be able to supply water under gravity to

the Nzimakwe area, this will also relieve pressure on the electricity network as previously water to Nzimakwe was pumped through various pump stations.

- The extension of the Nzimakwe gravity main to Port Edward will be the second phase of a project to ensure an additional water supply to the Port Edward area. This project is due to go to the tender process shortly.
- Pipeline assessment Survey is underway to detect the old pipes, each water services area Manager is currently focussing on the assessment survey within their operational areas. The outcome of this survey is to align the pipeline replacement project to the actual needs on the ground.
- The current upgrades of our two biggest purification plants namely Bhoboyi and uMtanvuna will ensure both additional quantity as well as improved quality of water emanating from these plants. Umgeni is assisting in monitoring of quality through regular sample analysis
- A water services operation has reviewed the use of the pilot shift program for plumbers and has subsequently realigned the shift to new working hours in line with a day shift. This has availed more resources to assist with preventative maintenance whilst still keeping a 24 hours repair service in place through a realigned standby system for artisans.
- Ugu currently has appointed a service provider to provide emergency repair works in the fields of mechanical, electrical, reinstatement, and plumbing. All internal staff overtime is capped at 40 hours in terms of the law. Should any emergency repair then be required the emergency service provider is called in to effect repairs.
- No water supply problem since the South Coast scheme was commissioned. Ugu embarked on a fast tract project to link Scottsburg central to the south coast bulk pipeline. This was duly accomplished just prior to the last December season hence the reduction of water supply outages within the Scottsburg area.

- Telemetry system review project is underway, this project will focus on the revamp of the telemetry system to ensure that we are able to remotely monitor all our reservoirs and pump stations via internet access. This will enable us to detect any operations problems within a shorter space of time thus reducing the long outages that are currently being experienced by consumers
- We are busy developing a Vendor Performance Policy which its intended objective is to black list contractors with poor performance. This will ensure that all those contractors who are doing a shoddy work which compromise the quality of service delivery are prohibited from re-doing business with Ugu District Municipality
- The sanitation refurbishment project is currently being implemented at a cost of some R30 million for this phase. This project is focussing on mostly pump and electrical replacement at sanitation pump stations together with backup generators; however we are also replacing some aged sanitation pipelines especially in the boundary road, within the Port Edward area.
- Operation Sihamba Sonke has been identified as an initiative that will enhance and strengthen water supply provision in hinterland areas, these includes the creation of rain water harvesting, boreholes, spring protection and continued supply of stationery tanks in areas that has not yet been reticulated.
- Further we have commenced engagements with KZN COGTA, Umgeni Water, Ethekwini Metro, Department of Water Affairs and Eskom to operationalise all our Dysfunctional Water Projects. We are convinced that the resolution of challenges around these projects can bring much needed relief especially to our rural communities thereby helping us to implement our mandate.

#### **Agreements / Partnerships:**

- Ugu DM is working on a number of collaboration with Umgeni to resolve water supply challenges Ugu and urgent are partnering in emergency pipeline replacement

projects as well as abstraction assessment of some key critical schemes especially in the hinterland areas.

- A tender for the auditing of meters has been awarded and this project will encompass the auditing of all properties in the district with emphasis on the water and sanitation connections.
- Each property will be checked for a meter, meter number, actual reading, and type of sanitation system and consumer details. This in turn will be verified against our current data. This project also incorporates the monthly reading of meters.

#### **Conclusion:**

We have publicly declared our challenges especially financial and gave an unequivocal commitment to turn around our situation. The complexity and degree of our challenges was clearly exemplified by the Auditor General Report (2012/2013) which was clearly an unacceptable state of affairs. Our challenges were crystal clear with all reports corroborating each other. Ours is then to implement all agreed strategies to drive the adopted Turnaround Strategy.

We report that to date we are cash locked on all grants, and in July 2014 all reserves will be cash backed.

Our focus is to give us a solid institutional foundation to give unfettered attention to our Core Mandate Provision of Access to Water and Sanitation to all our communities.

We are cautiously optimistic that our stringent cost-cutting measures are paying dividends and we thank all our communities who have so unselfishly participated and assisted us. This support is priceless and we commit to work with you.

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**CLLR NH GUMEDE**

**Mayor**

### 1.1 MUNICIPAL MANAGER'S OVERVIEW

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Any election involving the general populace is an ideal mechanism for a customer satisfaction survey. An objective analysis of the engagements between aspirant and existing political representatives should provide a very informed assessment of governments' performance translating into service delivery.

This assessment should be the yardstick by which we unconditionally measure our performance and look to implement initiatives to surpass the Service Delivery expectations of our beneficiary communities.

Water and Sanitation, our core mandate is still a basic necessity not accessible to all our communities. Our approach to this is two-fold whereby we must ensure that the present service is maintained to agreed acceptable standards and the programme to ensure all communities are beneficiaries is fast-tracked by employing creative and innovative measures.

We have together with other stakeholder's galvanised appropriate resources to focus on all dysfunctional water schemes whose sustained functionality can bring much needed relief especially to our rural communities. The capacity of our systems is being exhausted and our infrastructure expenditure must respond to this evaluation.

In keeping with national pronouncements, the District must facilitate a cohesive and coherent local economic

development plan that is focussed on job creation and poverty alleviation. The Growth & Development Strategy must find expression in this initiative.

The Council's objectives with its core mandate being the primary focus of its IDP must be performance driven. The provision of services must be informed by outputs that achieve desired outcomes. Irrelevant outputs for compliance purposes will not influence a positive impact occasioned by Service Delivery objectives.

The year under review has seen a very concerted effort in ensuring alignment of Council's priorities, reflected in the IDP and given expression in the performance indicators and expected service delivery outcomes. It is expected that this re-alignment will yield tangible positive service delivery outcomes in the coming year.

Our financial sustainability which was the focus in this year is still work in progress. Our status of "a going concern" is still under threat and whilst there is a remarkable improvement in our financial health, we still have a very long way to go before we can pronounce ourselves to be out of "danger".

We have been able to "cash back" our grants and hope to at the beginning of the new financial year "cash back" all our cash reserves.

The issue of personnel costs which for now is a primary threat to our financial sustainability is not receiving the appropriate attention. Given the sensitivity and emotion this matter evokes, the reluctance to act is understandable. However, it is a threat and a very objective, well balanced effort without fear or favour must ensue. Both the political and administrative leadership of the Municipality must commit to build an effective, efficient and economical institution delivering Service Delivery Excellence.

A matter of serious concern is the water losses which is undermining our ability to deliver on our core mandate and contributing to our financial woes. A holistic



approach has been adopted to control the loss to a negligible threshold.

One of the defining characteristics of the Turnaround Strategy is the implementation of cost-cutting measures especially on non-core activities. It was disconcerting to note the misguided reactions of those who sought to maintain the status quo and continue to enjoy unwarranted privileges. These cost-cutting measures have to remain a permanent feature of our administration.

The District Municipality co-ordinates Shared Services, agreements for Disaster Management, Audit Committee & G.I.S. Presently discussions are under way to implement a Shared Service in respect of planning.

In preparation for 2016 Local Government Elections the process of implementing demarcation changes which affects Vulamehlo and Umdoni in the North and Hibiscus Coast and Ezingoleni in the South has commenced.

The Honourable President J G Zuma in his first State of the Nation Address of his second term has clearly enunciated that Local Government and Service Delivery

(NOTE TO BE ADDED WHEN AUDIT REPORT IS RECEIVED)

remains a primary priority of government. This then is a clear indication that Municipalities must be in a state of continuous readiness to implement programmes of action to give effect to this national priority.

As a high capacity district municipality in a "highly" regulated environment our institutional arrangements geared towards Service Delivery should not be found wanting. Our present predicament cannot be logically explained and is clearly self-inflicted. There can be no detour from the path that this Turnaround Strategy has put us on.

It is only an unquestionable commitment to this path that can elevate us to be a people centred institution leading the quest for seamless Service Delivery Excellence.

***We are all manufacturers – making good, making trouble, or making excuses H.V. Adolt***

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**DD NAIDOO**  
**Municipal Manager**

## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The Municipal Structures Act of 1998 (as amended) makes provision for the division of powers and functions between the District and Local municipalities.

The provincial MECs adjust these powers and functions according to the capacity of the municipalities to deliver services.



Ugu's primary function is the provision of Water and Sanitation services as well as the maintenance of water and sanitation infrastructure.

As this remains the primary purpose of our existence, accordingly the majority of our resources should be directed in pursuit of this core mandate.

The achievement of universal access to Water and Sanitation must be drawing closer at a very progressive rate.

To achieve this, the Municipality has directed significant resources to:

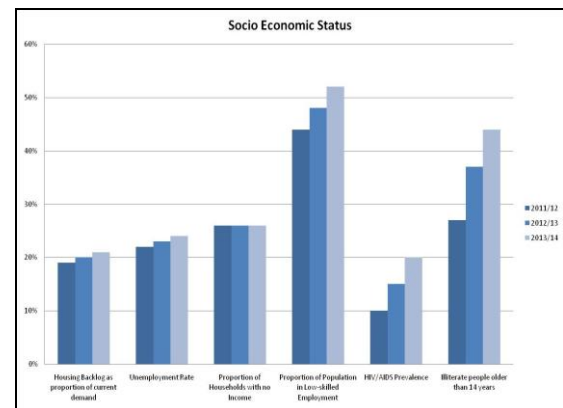
- Provide new Water and Sanitation infrastructure
- Maintain, rehabilitate and replace ageing infrastructure.

Our IDP, SDBIP and Performance Management Systems must reflect the implementation of this universal imperative.

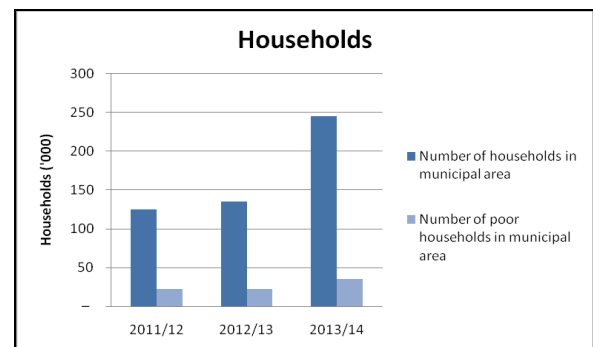
The Municipal entity known as Ugu –South Coast Tourism Company (USCT) has been mandated to identify market gaps and needs, develop new tourist products, attract new tourism (domestic and international) and strategically market the destination. Since its formal inception there's been an improvement in the

distribution of tourism spends in the entire district, better improvement of the events that are hosted by the municipal areas outside our tourists' hub. Challenges range from lack of skills, lack of well packaged tourism products, lack of well packaged black economic empowerment transactions in the industry and failure to unlock public sector owned land for tourism industry. Key factors impacting on the development of tourism in underdeveloped areas of Ugu are poor road access, ownership of land, and environmental degradation across the district.

In terms of Shared Services, the Municipality is providing limited shared services to the Local Municipalities and with the necessary capacitation of local municipalities; our role should be streamlined to be a more supportive and that of co-ordinating and facilitation.



Our investment in Water and Sanitation infrastructure is yielding positive results as this translates to increased access to water and sanitation.



Population Details							Population '000		
Age	2011/12			2012/13			2013/14		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	44208	43501	87709	44154	43354	87508	44035	43196	87231
Age: 5 - 9	38547	37438	75985	38637	37527	76164	38668	37540	76208
Age: 10 - 19	79667	77995	157662	79342	77844	157186	79045	77628	156673
Age: 20 - 29	62761	67118	129879	63892	67918	131810	65078	68214	133292
Age: 30 - 39	37972	44717	82689	38942	45406	84348	39936	46221	86157
Age: 40 - 49	26764	38274	65038	27565	39113	66678	28566	40129	68695
Age: 50 - 59	21146	30143	51289	21354	31022	52376	21743	32048	53791
Age: 60 - 69	15070	22964	38034	15488	23319	38807	15991	23772	39763
Age: 70+	10533	21514	32047	10847	22204	33051	11208	23063	34271

*Source: Statistics SA Census 2011*

Natural Resources	
Major Natural Resource	Relevance to Community

Natural Resources	
Major Natural Resource	Relevance to Community
<b>Coast</b>	Tourism, recreation and aesthetics, religious beliefs, source of livelihood (food, employment and income), research and education
<b>Biodiversity</b>	Tourism, recreation and aesthetics, religious beliefs, source of livelihood (food and income), research and education, traditional health (medicine)
<b>Air quality</b>	Clean and safe environment, human health, education
<b>Water resources</b>	Domestic and industrial use, recreation, source of livelihood, education and research
<b>Land</b>	Agriculture, human settlements, resources for human consumption, source of power and human contentment

Socio Economic Status					
Year	Unempl oyment Rate	Propor tion of House holds with no Income	Propor tion of Popula tion in semi/u nskille d Emplo yment	HIV/ AIDS Preval ence	No of illiterate people older than 20 years with no schooling
2011 /12	27%	-	45%	15%	-
2012 /13	28%	-	44%	15%	-
2013 /14	29%	14%	43%	15%	12.8%

#### COMMENT ON BACKGROUND DATA:

Unemployment in the district remains high with almost 30% of the working age population being unemployed. The data shows that 14% of Ugu's households have no income. The district's workforce is mostly semi skilled/unskilled which presents challenges in terms of the employability of the district's workforce. The prevalence of HIV and AIDS deaths in Ugu is one of the highest in the province. There has been a significant improvement in levels of literacy in the district over the years. Data shows that almost 13% of those over the age of 20 years had no level of schooling.

	Ugu	Umzumbe	Umuziwabantu	Ezingoleni	Hibiscus Coast	Vulamehlo	Umdoni
Urban Formal	119115	-	9181	-	79988	-	29947
Urban Informal	7839	-	686	-	4562	-	2591
Traditional / Rural	569006	159368	84025	49662	159433	74952	41566
Farms	19965	1166	2161	2667	9607	2266	2099
Parks and recreation	320	-	-	-	76	-	244
Collective living quarters	765	-	-	-	92	-	673
Industrial	770	-	220	111	439	-	-
Vacant	1412	442	283	100	318	184	85
Commercial	3291	-	-	-	1621	-	1670
<b>Total</b>	<b>722484</b>	<b>160975</b>	<b>96556</b>	<b>52540</b>	<b>256135</b>	<b>77403</b>	<b>78875</b>

### 1.3 SERVICE DELIVERY OVERVIEW

#### SERVICE DELIVERY INTRODUCTION

In terms of the National Government's definition of backlogs; households must have access to a formal water supply within a 200m walking distance. This implies that 70,5 % of households in the Ugu District have been served with a RDP level of service.

Taking the approximate 20 000 HH that are classified as "scattered" into account, the backlog that can be served with "piped" water is ONLY 18 %. BUT the 20 000 HH must then received alternative water supply such as springs, boreholes, or rainwater harvesting.

The SIHAMBASONKE - Ugu Water Master Plan was introduced by the Deputy Mayor, Cllr. Chiliza, to address the short term supply of water to all residents.

The plan will ensure that all residents receive some level of service, even though it might be below the National standard. The project has made progress on the ground since it has been introduced to 6 Local Municipalities within the District. The programme is headed by the Deputy Mayor as the Community participatory information gathering process. During the introductory meetings Ward Councillors were tasked with the responsibility to work together with ward committees in co-coordinating meetings on the ground with communities so that they would gather accurate information on the following sectors:



**Existing infrastructure** - that is functional/ non-functional water schemes. (This will assist in making a valuable assessment of what needs to be done in order to rectify the situation on the ground).



tanks can be added in order to meet the supply and demand in a cost effective method.

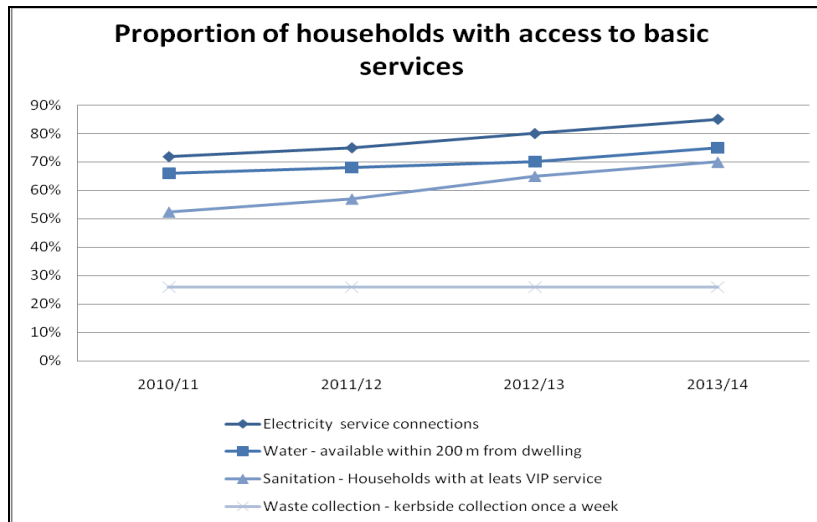
**Rain water harvesting** - This will be dedicated in areas where there are no pipeline extensions and as well as water tankers. The idea behind this is to give every citizen of our Municipality clean water at some point.

**Springs / borehole Protection** - This is highly recommended as the best method of providing clean water to our communities since most of our areas have a good potential to have springs.

**Pipeline extension** - In areas where there is enough water capacity pipes can be extended to accommodate community within the surrounding areas.

**Water tanks** - This will include identifying the existing water tanks within the areas of Local Municipality, taking into consideration the community that utilises that water tank, the period in which it takes for the tank to get depleted in order to determine the intervals of filling the same water tank. Further to this it will assist in establishing where there is high demand so that more

Proportion of Households with minimum level of Basic services				
	2010 /11	2011 /12	2012 /13	2013 /14
Electricity service connections	72%	75%	80%	85%
Water - available within 200 m from dwelling	66%	68%	70%	75%
Sanitation - Households with at least a VIP service	52%	57%	65%	70%
Waste collection - kerbside collection once a week	26%	26%	26%	26%



## 1.4 FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

Text To be added after AFS finalised.

Financial Overview: 2013/14

R' 000			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	330272	350298	203
Taxes, Levies and tariffs	340283	340630	365
Other	9206	12349	78
Sub Total	679761	703277	646
Less: Expenditure	630382	722793	645
Net Total*	49379	-19516	1

Table To be updated after AFS finalised.

Operating Ratios	
Detail	%
Employee Cost	34%
Repairs & Maintenance	3%
Finance Charges & Impairment	6%

Table To be updated after AFS finalised.

**COMMENT ON OPERATING RATIOS:**

To be added after AFS finalised.

R'000			
Detail	Year -2	Year -1	Year 0
Original Budget	366519	324382	375045
Adjustment Budget	335092	282068	342943
Actual	190605	202359	530

Table To be updated after AFS finalised.

Text To be updated after AFS finalised.

## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Human Resources Section renders a comprehensive, integrated and customer focused human resources, including the following:

**Recruitment and Selection:** The key critical positions were filled where Section 57 Managers were appointed except for Deputy Municipal Manager and General Manager: Operations, which are waiting for the final adoption of the organisational structure that is currently under review and once approved the resolution of the Council on these positions, will be implemented.

**Organisational Development:** The Municipality is currently cascading Individual Performance Management Systems to Managers reporting to Section 57 Managers and levels below them with an aim of reaching all levels in the Municipality. Further to that a Policy on Incentives and Rewards has been developed and is currently undergoing the stages of being adopted for implementation. This policy will be in use in 2014/2015 Financial Year.

**Labour Relations:** The number of dispute cases referred to SALBC has been reduced by 5% as compared to the previous years.

Employee Wellness Services: The Employee Assistance Programme and Occupational Health & Safety unit have been restructured into one unit now called Employee Health, Safety & Wellness Unit and they have launched the Employee Health, Safety and Wellness Strategy

which has been adapted and aligned with the Municipality's policies on Health, Safety and Wellness.

## **1.6 AUDITOR GENERAL REPORT 2013/14**

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To be updated when the AG report has been received

## 1.7 STATUTORY ANNUAL REPORT PROCESS

1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 2013/14 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January

### ANNUAL REPORT PROCESS 2013/14

In February 2014, the Accounting Officer officially designated an Annual Report Co-ordinator and 5 champions. Each champion represented a Department and had the responsibility of collecting and collating the data from their respective Departments for incorporation into the Annual report.

The key focus area was to ensure the alignment between the 2013/14 Integrated Development Program (IDP), the 2013/14 Budget and the Performance Management System.

The Annual Report Champions Task Team prepared a flowchart to ensure that all processes, timelines and procedures were in strict accordance with Circular 63, the MFMA and the Municipal Systems Act. The following is a summary of the process for preparation and completion during the Annual Report 2013/14 compilation.



Description	Date
Establishment of annual report champions & co –ordinator	28 February 2014
Annual Report Champions Monthly Meetings	25 March 2014 23 April 2014 20 May 2014 24 June 2014
DRAFT ANNUAL REPORT AFTER; Submission of annual financial statements as per section 126(1) of the MFMA. Annual Performance report needs to be included as per section 46 of the MSA. Municipal entities submit draft Annual Reports to MM.	July 2014
Annual Report Champions Task Tam Editing meeting	29 July 2014
Submit Annual Report including annual financial statements and Annual Performance Report to the Combined Audit/Performance Committee.	11 August 2014
Combined Audit/Performance committee considers unaudited Annual Report of municipality and entities	25 August 2014
Mayor tables the unaudited Annual Report in Council.	28 August 2014
Annual Report Champions Task Tam Editing meeting	28 August 2014
Municipality submits Annual Report including final annual financial statements and annual performance report to Auditor-General for auditing purposes – due 31 August. Council to submit unaudited tabled annual report to MPAC for vetting and verification of councils’ directive on service delivery & the committee to evaluate senior managers’ performance against agreement entered into.	31 August 2014
Oversight committee finalises assessment on Annual Report. This must be concluded within 7 days of receipt of AGs report. Council is expected to conclude on this matter before going on recess in December.	28 November 2014
Auditor-General audits the unaudited Annual Report and submits an audit report to the accounting officer for the municipality / municipal entity.	15 December 2014
Council adoption of annual report (mfma s127).	4 December 2014
Audited Annual Report is made public, e.g. posted on municipality’s website	January 2015
Oversight report is submitted to Legislators, Treasuries and DCOG	

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

The Council is a Legislative Political Structure which is entrusted with an oversight responsibility on matters pertaining to the developmental progress and implementation of service delivery projects. There are various Portfolio Committee that are Chaired by the members of the Executive Committee who are playing a political oversight role on various activities that are implemented by the Municipal Administration Departments. All these Committee's report to the Executive Committee, Chaired by the Mayor, which take decisions and also resolve to recommend to Council for the implementation of service delivery decisions.



Ugu mayor Cllr Ntombifikile Gumede doing an interview by eHowzit editor Johan Pretorius

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### 2.1 POLITICAL GOVERNANCE

#### INTRODUCTION TO POLITICAL GOVERNANCE

The Constitution of South Africa, in Section 151(3), states that a Municipality has the right to govern on its own initiative, the local government affairs of its community, subject to national and provincial legislation as provided for in the Constitution.

The Ugu Municipal Council has a total number of 35 Councillors, and 15 of whom are directly elected to represent the Local Municipalities. The Council is a legislative Political Structure which is entrusted with an oversight responsibility on matters pertaining to the developmental progress and implementations of service delivery projects. There are various Portfolio Committee's that are Chaired by the members of the Executive Committee who are playing a political oversight on various activities that are implemented by Municipal Administration Departments, those Portfolio Committees are as follows:

- Finance Portfolio Committee
- Water and Sanitation Portfolio Committee
- Local Economic Development Portfolio Committee
- Good Governance and Human Resources Portfolio Committee
- Special Programmes Portfolio Committee

Financial management and administration performance is further monitored and evaluated by the Committees below,

- Municipal Audit Committee
- Municipal Public Accounts Committee (MPAC)



The function of the Municipal Audit Committee is to assist Council and the Accounting Officer by providing oversight responsibilities with regard to internal controls to the accounting function, auditing and reporting including Performance Management audit functions.

In terms of providing technical capacity, it is a legislative requirement that an Audit Committee be established which considers the Auditor General's report and its implications for internal risk management and performance audit matters. The purpose and objective of the audit committee is to advise the municipal manager on:

- Financial reporting process;
- Systems of internal control;
- Audit process; and
- Advise the executive committee and council on matters relating to internal control and performance as set out in section 166 of the Municipal Finance Management Act and the process for monitoring compliance with approved procedures and systems.

The members of the Audit Committee are Defined in the MFMA 166(4), 166 (5) and at Ugu District Municipality, the unit of Internal Audit which is based within the Office of the Municipal Manager provides support to this committee.

The committee has the following responsibilities;

➤ **Financial Statements**

Ensure that all financial reports are complete and consistent with the information required. Review financial reports with management and the external



auditors, before filing with regulators.

➤ **Internal Control**

Ensure the effectiveness of the council's internal control over annual and interim financial reporting, including information technology security and control. Understand the scope of internal and external auditor's review of internal control, and obtain reports on significant findings with specific reference to the safeguarding of

assets, accounting records and the maintenance of effective internal control systems.

➤ **Internal Audit**

Review with management the charter, plans, activities, staffing organisational structure of the internal audit activity. Ensure there are no unjustified restrictions or limitations. Review the effectiveness of the internal audit activity, including compliance with the Institute of Internal Auditor's Standards for the Professional Practice of Internal Auditing. On a regular basis, meet separately to discuss any matters that the committee or auditors believe should be discussed privately.

➤ **External Audit**

On a regular basis, meet with the external auditors to discuss any matters that the committee or external audit believes should be discussed privately.

➤ **Compliance**

Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of investigations, follow-ups and (including disciplinary action) of any instances of non-compliance. Review the findings of any examinations by regulatory agencies, and any auditor observations. Review the process for communicating the code of conduct to council personnel and for monitoring compliance therewith. Obtain regular updates from management and legal counsel regarding compliance matters. Assess the reliability of performance information reported and commission in-depth performance investigations where there is continued poor performance. Evaluate the committee's performance on a regular basis. Submit a performance audit report to council at least twice a year. Institute and oversee special investigations as needed.

Review and assess the adequacy of the committee charter annually, requesting executive committee approval for proposed changes. Confirm annually that all responsibilities outlined in this charter have been carried out. Section 14(4) (a) (iii) of the Local Government Municipal Planning and Performance Management Regulations requires that the audit committee submit a report to the Municipal Council at least twice a year, regarding the Performance Management System. In fulfilling its role and in carrying out its duties and responsibilities, the audit committee may conduct such investigations and seek from any employee or councillor such information as it considers necessary to enable it to

fulfill its functions, and all employees and councillors are required to co-operate with any request made by the audit committee. The committee must consider and recommend improvements in financial control and accounting systems as well as assess extraordinary items or abnormal disclosures with specific reference to:-

- The annual financial statements;
- Accounting policies and practices;
- Specific strategic reports;
- External audit procedure;
- The annual external audit report before submission to the relevant committee;
- All Internal audit activity;
- Compliance with law, audit and accounting standards; and
- Reports of the Head: Investigations.

Audit committee members do not have any authority to make any decisions on behalf of the council.

In terms of the Municipal Audit Committee's functionality and oversight process at Ugu District Municipality, the following is applicable;

- All reports requiring Audit Committee consideration shall first go to the Management Committee
- The reports shall then go to the Audit Committee which shall meet at least once every two months;
- After consideration by the Audit Committee, the reports shall be tabled to the Executive Committee, by the Chairperson of the Audit Committee or his/her nominee;

The municipal public accounts committee (MPAC) must report directly to council through the Speaker: Any other form of reporting line will compromise its independence, authority and integrity. As MPAC performs an oversight function on behalf of council it is not a duplication of, and must not be confused with either the internal audit committee or the finance portfolio committee. The internal audit committee is an independent advisory body that advises council and the executive on financial and risk matters and can act as an advisory body to a MPAC. The finance portfolio committee deals with financial management issues such as budgetary, revenue and expenditure management and supply chain management. The primary function of a MPAC is to help council to hold the executive and the municipal administration to account and to ensure the efficient and effective use of municipal resources. It will do this by

reviewing public accounts and exercising oversight on behalf of the council.

The committee must examine:

- financial statements of all executive organs of council;
- any audit reports issued on those statements;
- any reports issued by the AG on the affairs of any municipal entity;
- any other financial statements or reports referred to the committee by council; and
- the annual report on behalf of council and make recommendations to council thereafter; and
- may report on any of those financial statements or reports to council;
- may initiate and develop the annual oversight report based on the annual report;
- may initiate any investigation in its area of competence; and
- must perform any other function assigned by resolution of council.

When the committee examines the financial statements and audit reports of a municipality or municipal entity, it must take into account the previous statements of and reports of the entity and report on the degree to which shortcomings have been rectified; The committee must monitor the extent to which its recommendations and that of the AG are carried out; The outcomes and the resolutions of the deliberations of this committee must be reported to council and made public; and It must enhance the accountability process by ensuring that there is objective political oversight, which allows for public involvement and comments in addition to other established governance committees, such as the finance portfolio committee and the independent audit committee. A MPAC, similar to other council committees, should solely be comprised of councillors appointed by a full council meeting. The actual size should be determined by the size of a council (i.e. number of councillors), but care should be taken to ensure that members represent a wide range of experience and expertise available in council as well as political representation. The size should range between a minimum of 5 to a maximum of 12, mainly dependent on the size of the council. In keeping with the tradition of oversight function, the council may consider whether a member of an opposition party must chair a MPAC. The Mayor and members of the executive committee are not allowed to be members of a MPAC.

Reports requiring the Municipal Public Accounts Committee's Consideration follow the process as below;

- All reports requiring Municipal Public Accounts Committee's consideration shall first go to the Management Committee;
- In order for the Municipal Public Accounts Committee to be able to deal with the report, the Chairperson of the Portfolio Committee and the Head Of Department responsible should be present at the tabling of the report;
- Reports from MPAC shall go directly to the full council with a report from the MPAC Chair;

This committee meets at least once quarterly as per the annual council roster of meetings.

There is a person deployed by the KZN Department of Cooperative Governance and Traditional Affairs, who advises, provides support and gives strategic direction on matters of public participation.

The Speakers Forum which is chaired by the District Speaker meets on a monthly basis to facilitate and perform a Political oversight role on matters of public participation.

The Intergovernmental Relations (IGR), District Mayors and Municipal Managers Forums further synthesis decisions of the Speakers Forum and ensures that resolutions taken are put into practice.

The **Operation Sukuma Sakhe Programme**, formerly known as the Flagship, Social Cluster Programme (War on Poverty), was introduced to the Ugu District in 2009. In introducing the programme, the Kwa-Zulu Natal, Office of the Premier gave a mandate to all districts, to ensure that the following is in place, to ensure successful implementation of the OSSP:



Community members attending an Operation Sukuma Sakhe Indaba at the Ugu Sports and Leisure Centre

#### **Structural composition:**

Structure constitutes the District Task-Team (DTT), Local Task-Teams (LTTs), Ward Task-Teams (WTTs), Political Champion (MEC), Administrative Champion (HOD) District Convener

#### **Focus Programmes:**

Focus programme include: Poverty Alleviation, HIV & AIDS, TB & STIs as well as all health matters, Employment Creation, Youth Development, Drug & Substance Abuse and other social ills, Orphaned & Vulnerable Children and other vulnerable groups (E.g. Senior Citizens, Women, Farm Workers & People Living with disabilities), Illiteracy & other educational programmes, Food Security & social relief, Economic Development and Provision of critical registration documents (E.g. birth certificates, IDs)

#### **Infrastructure:**

Areas of focus include: Community halls, Schools, Clinics, Crèches, MPCCs, Churches or any other suitable infrastructure, depending on the area

#### **Implementation Process:**

The implementing process involves: Household Profiling (HHP), reporting of findings to WTT, Referral of cases to relevant department/entity, Provision of interventions, Capturing of HHPs in NISIS at the Office of the Premier (OTP), Operation Mbo (To cover the general community and fast track service delivery)

#### **Councillors**

The executive and legislative authority of a municipality is vested in its Municipal Council. The pre-eminent roles of the Council, amongst others, are the approval of by-laws, budgets, policies, IDP, tariffs for rates and service charges. The Council consists of 35 members, seven of whom are full-time.

Refer to **Appendix A** where a full list of Councillors can be found (including committee allocations and attendance at council meetings).

Appendix B sets out Committees and Committee purposes.

#### **POLITICAL DECISION-TAKING**

All resolutions taken at EXCO and Council for the 2013/14 financial year were implemented.

Below are the Councillors of Ugu District Municipality who, together with the Executive Leadership above make up 35 members of the Municipal Council.



**ABOVE: UGU DISTRICT MUNICIPALITY'S EXECUTIVE LEADERSHIP**

**Ward Committees**

The District includes six local municipalities with 81 wards and all ward committees have been established. However, the key challenges that hinder effectiveness of ward committees include administration / logistics support and the vastness and inaccessibility of rural wards. Some of the areas are serviced by the Community Development Workers who have a dual responsibility to report to Department of Local Government and Traditional Affairs and Local Municipalities.

A resolution was taken at the IGR meeting in February 2009 that ward committee members shall be paid a stipend per meeting.

**Traditional Leaders**



Ward committee members with certificates they received after attending a workshop

In terms of the Local Government Municipal Systems Act, the Municipal Council is required to include the Traditional Leaders / Amakhosi as non voting members of the Council. On the 21 October 2013, the Ugu District

Municipality's Speaker hosted a Traditional Leaders Workshop with the Ugu Executive Committee, 32 Traditional Leaders, Local Municipalities and the Mayors, Deputy Mayors and Speakers of the various Local Municipalities within the District. The workshop was an induction workshop with guest speakers from SALGA, COGTA and the Ugu Mayor supporting the incorporation of the traditional leaders in Municipal Councils.



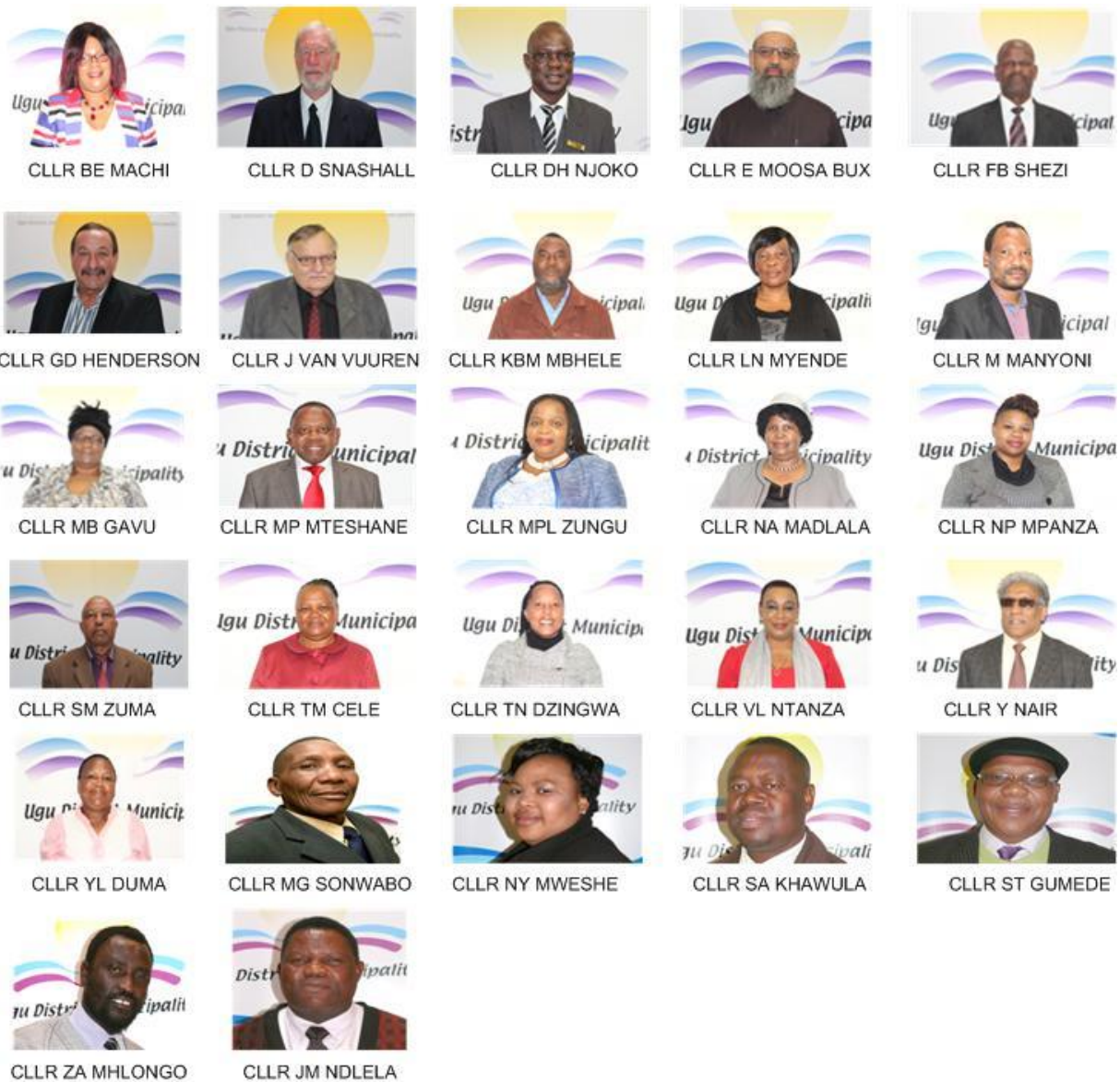
Traditional leaders attending council meeting

Thereafter, on the 31 October 2013, the Ugu District Municipal Council welcomed the Traditional Leaders, who would be participating in Council. The Speaker and Council welcomed all the Amakhosi to Council and expressed the belief that Council and Amakhosi would work co-operatively going forward. The following Amakhosi were sworn in by the Speaker:



Traditional leaders being sworn in at a Council meeting

- Inkosi RS Shinga
- Inkosi BS Nzimakwe
- Inkosi NC Jali
- Inkosi TC Cele
- Inkosi MBW Xolo
- Inkosi ZGB Msomi
- Inkosi NV Mbotho - 28 November 2013



**ABOVE: UGU DISTRICT MUNICIPALITY’S COUNCILLORS**

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Ugu District Municipality is committed to transparent and accountable governance. The broad range of public participation programmes and processes, especially related to its IDP and Budget, bears testimony to the institution’s commitment to involve its communities in its planning and decision-making processes.

The Council of the Ugu District Municipality is the highest decision making authority in the institution. It guides and instructs the administrative component, which implements the decisions taken by the political component. The head of the administrative component is the Municipal Manager, DD Naidoo and there are 4 General Managers for the various Departments within the Municipality.





MR DD NAIDOO  
MUNICIPAL MANAGER



MS L CELE  
GENERAL MANAGER WATER SERVICES



MS S MBILI  
GENERAL MANAGER TREASURY



MS V TSAKO  
GENERAL MANAGER CORPORATE SERVICES



MS Z MBONANE  
GENERAL MANAGER INFRASTRUCTURE & ECONOMIC DEVELOPMENT

**ABOVE: UGU DISTRICT MUNICIPALITY’S ADMINISTRATIVE LEADERSHIP**

**COMPONENT B: INTERGOVERNMENTAL RELATIONS**

**2.3 INTERGOVERNMENTAL RELATIONS**

**INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS**

The Intergovernmental Relations Act sets out the principles and objectives of the IGR.

The main objectives of the IGR are:

- Coherent Government,
- Effective Service Delivery,
- Monitoring implementation of policies and legislation; and
- Realization of National Priorities.

These objectives will be achieved through the intergovernmental system. Intergovernmental Relations is an instrument for mobilizing the distinctive efforts, capacities, leadership and resources of each sphere of Government towards service delivery and government defined development objectives

The strategic role of IGR is facilitating integrated service delivery and development and therefore the capacity of Municipalities to manage IGR is of vital importance. For this reason, Ugu IGR District Framework, has been developed as a specific strategy to strengthen the functioning of the IGR system in respect of local government within Ugu district family of Municipalities.

This framework has advocated for the creation of IGR Clusters to handle specific matters of service delivery.

The objectives of the forming four Clusters are to promote and facilitate intergovernmental relations and cooperative government between the District Municipality, Sector Departments and the Local Municipalities, including;

- To seek unity of purpose and coordination of effort around the District’s development priorities; and
- To ensure effective and efficient service delivery unhampered by jurisdictional boundaries.
- Draft national and provincial policy and legislation relating to matters affecting infrastructure and basic service delivery in the District;
- The implementation of national and provincial policy and legislation with respect to such matters in the District;

There are four clusters that were created which are chaired by the different Municipal Managers from across the family of Municipalities, and clusters are as follows;

- Infrastructure, Basic Facility and Service Delivery

- Local Economic Development
- Administration and Governance
- Social Transformation

These clusters report to the IGR Technical Forum and service delivery matters emanating from clusters are further escalated to the IGR District Mayors Forum.

#### **NATIONAL INTERGOVERNMENTAL STRUCTURES**

President's coordinating Council, the Council looks at the national interests. It comprises of the President, Deputy President, Minister in Presidency, Cabinet members, Premiers of the Provinces and SALGA representation. The structure is functional.

#### **DISTRICT INTERGOVERNMENTAL STRUCTURES**

There are 4 IGR Clusters established within the District namely;

- Social Transformation
- Local Economic Development
- Governance and Administrative
- Basic Infrastructure and Public Facilities

These clusters meet once quarterly. In terms of the Intergovernmental Relations (IGR) Framework Act there are various structures and mechanisms established to ensure internal and external stakeholder engagement, and all these structures have Terms of References that are adopted by the Council.

The special groups such as people living with Disability, Youth, Farmers and Women have established their respective forums and the Special Programmes Portfolio Committee facilitates and ensures rapid responses to the needs of the vulnerable groups.

The District Forum is chaired by the Mayor of the District and is composed of the Mayor of the District and Local Municipalities' Mayors. The role of the Forum is to discuss the matters of interest within the District,

#### **PROVINCIAL INTERGOVERNMENTAL STRUCTURES**

The Premier's Intergovernmental Forum is chaired by the Premier. It comprises of the following members; the Premier, Members of Executive Council, Mayors of the Districts and Metropolitan and SALGA representation. The Forum looks at the matters of interest in the Province, the structure is functional. The Municipal Manager and the Mayor of Ugu District Municipality are the participants in the Premiers Coordinating Forum and MuniMEC. All the decisions taken by the District IGR Forums are escalated to the Province and vice versa.

coherent planning and development, alignment of strategic plans and priorities and/or objectives. The success has been made in the establishment of the following Forums; Mayors' (IGR) Forum and Municipal Managers' Forum which are operational.

#### **The sub structures of the Municipal Managers Forum are as follows:**

- Communications and Administration
- Community Development and Social Services
- Finance Forum
- Development Planning
- Infrastructure and Public Facilities
- Economic Planning and Development



HCM Speaker at the IGR Meeting held at Margate Hotel

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

### **OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

The District Municipality engages communities through the IDP and Budget road shows. During this process communities are requested to voice their concerns and

to have input on the budget. Government departments are also encouraged to be involved in these processes so that they will be able to address issues that concern them.

Capacity building workshops are conducted, a performance management system is in place, and functionality of ward committees is monitored to

empower ward committees for effective community participation.

T 2.4.0

## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

The Municipality has a broad spectrum of consultative and participatory public programmes in place to ensure community participation in municipal planning and decision-making processes.

In addition, awareness campaigns are held throughout the year to provide vital information to local communities, for example, on how they may access municipal services and support programmes. Invitations to the public to public meetings are communicated via councillors, media (print and electronic), loud hailing and other methods. These meetings provide communities with the opportunity to interact and share their concerns and complaints with the leadership and administration of the Municipality. Key in the Municipality's Public Participation Programme are the IDP/Budget and Annual Performance meetings. Public meetings are conducted by ward councillors and the District Municipality through Mayoral Izimbizo. The Municipal Political leadership are often deployed to communities if petitions are received through the Speakers Office from the public.

The municipality has an established IDP Forum which meets monthly, an IGR forum, Speakers Forum, Municipal Managers Forum, CFO,s Forum which ensure public and stakeholder participation in key decision making processes.

Important public documents (i.e. IDP, SDBIP, Annual Report, Municipal Policies and By-laws) are published on the municipal website.



A community meeting convened by Ugu DM

### WARD COMMITTEES

Ward committees are assisted by the District Municipality through workshops to empower them to perform their functions effectively. COGTA is involved in providing guidance on how ward committees should function. The Local municipalities are intensively active with the work of the ward committees.



A resident at an IDP roadshow

#### Public Meetings;

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
<b>Umdoni Local Municipality</b>						
Water Issues	March/April 2014	1	2	100	Yes	The community members were alerted that the situation would be rectified and they would have water asap

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Roads	March/ April 2014	1	2	100	Yes	The Municipality is in progress of purchasing machinery to repair and re-grade roads within the specified wards
Housing	May 2014	3	2	150	Yes	The matter is being discussed at a higher level as the community wants houses yet they feel that the house being built should be built by them as it is their land.
<b>Umuziwabantu Municipality</b>						
RDP Ward 1	12 March 2014	1	-	29	Yes	All issues resolved and report backs through the ward committee
Reports from Councillor Ward 2	13 March 2014	1	-	77	Yes	All issues resolved and report backs through the ward committee
Job Creation Ward 3	06 February 2014	1	-	31	Yes	All issues resolved and report backs through the ward committee
Water Issues Ward 4	08 June 2014	1	-	237	Yes	All issues resolved and report backs through the ward committee
Placement of Tanks Ward 5	08 June 2014	1	-	11	Yes	All issues resolved and report backs through the ward committee
Police Forum elections Ward 6	21 June 2014	1	-	56	Yes	All issues resolved and report backs through the ward committee
Roadshows Issues	11 March 2014	1	-	11	Yes	All issues resolved and report backs through the ward committee
Grader Issues	05 March 2014	1	-	18	Yes	All issues resolved and report backs through the ward committee
Election of Forum Ward 9	21 March 2014	1	-	35	Yes	All issues resolved and report backs through the ward committee
Roadshow Issues Ward 10	20 March 2014	1	-	29	Yes	All issues resolved and report backs through the ward committee
<b>Ezinqoleni Municipality</b>						
Community meeting regarding houses	26 July 2013	10	3	100	Yes	07 October 2014
Community meeting	26 July 2013	10	2	10	Yes	08 October 2014
Community meeting regarding Ntonga to Thonjane	25 September 2013	10	4	70	Yes	17 October 2014

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Report Back to Community	07 October 2013	10	3	250	Yes	-
Report Back to Community	08 October 2013	06	2	270	Yes	-
Report Back to Community	11 October 2013	06	4	243	Yes	-
Report back to community	16 October 2014	07	8	130	Yes	-
Report back to community	17 October 2013	08	5	200	Yes	-
Report back to community	18 October 2013	08	6	250	Yes	-
Meeting with different Religious People	24 October 2013	03	8	50	Yes	-
Mayoral Izimbizo	13 May 2014	10	6	260	Yes	-
Mayoral Izimbizo	14 May 2014	11	7	270	Yes	-
Mayoral Izimbizo	15 May 2014	10	10	250	Yes	-
<b>Umzumbe Municipality</b>						
Community meeting regarding water challenges	July to September 2014	All	all	150	Yes	October to November 2014
Mayoral Izimbizo	October to November 2014	all	all	300	Yes	Report be done by ward councilors during quarterly public Meetings
Public Participation	April to June 2014	all	all	190	Yes	Report be done by ward councilors during quarterly public Meetings
Crime Prevention	January to march 2014	all	all	200	Yes	Report be done by ward councilors during quarterly public Meetings
<b>Hibiscus Coast Municipality</b>						
Cluster 1 – Public participation (prioritizing community needs)	November 2013 and April 2014	5	10	197	Yes	Requests were made in November during mayoral Izimbizo. Feedback given in April and incorporated into IDP 2014/15.
Cluster 2 - Public participation (prioritizing community needs)	November 2013 and April 2014	3	9	105	Yes	Requests were made in November during mayoral Izimbizo. Feedback given in April and incorporated into IDP 2014/15
Cluster 3 - Public participation (prioritizing community needs)	November 2013 and April 2014	7	8	186	Yes	Requests were made in November during mayoral Izimbizo. Feedback given in April and incorporated into IDP 2014/15.

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Cluster 4 - Public participation (prioritizing community needs)	November 2013 and April 2014	4	6	163	Yes	Requests were made in November during mayoral Izimbizo. Feedback given in April and incorporated into IDP 2014/15.
Cluster 5 - Public participation (prioritizing community needs)	November 2013 and April 2014	6	-	192	Yes	Requests were made in November during mayoral Izimbizo. Feedback given in April and incorporated into IDP 2014/15.
Cluster 6 - Public participation (prioritizing community needs)	November 2013 and April 2014	6	15	373	Yes	Requests were made in November during mayoral Izimbizo. Feedback given in April and incorporated into IDP 2014/15.
Cluster 7 - Public participation (prioritizing community needs)	November 2013 and April 2014	4	13	252	Yes	Requests were made in November during mayoral Izimbizo. Feedback given in April and incorporated into IDP 2014/15.
<b>Vulamehlo Municipality</b>						
IDP/Budget Roadshow – Ward 07	04 April 2014	20	-	156	Yes	Community VD meetings
IDP/Budget Roadshow – Ward 05	09 April 2014	20	-	231	Yes	Community VD meetings
IDP/Budget Roadshow – Ward 01	02 April 2014	20	-	89	Yes	Community VD meetings
IDP/Budget Roadshow – Ward 10	07 April 2014	18	-	145	Yes	Community VD meetings
IDP/Budget Roadshow – Ward 08	08 April 2014	15	-	221	Yes	Community VD meetings

#### EFFECTIVENESS OF THE PUBLIC MEETINGS

process of addressing issues that were raised by communities during this consultative process.

The 2013/14 Ugu District Municipality Mayoral Izimbizo was successful and the District Municipality is in the

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	No
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes

IDP Participation and Alignment Criteria*	Yes/No
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

The Municipality has prioritised good and ethical corporate governance. In this regard, it has a functional

Risk Management Unit and a Risk Management Policy; an Internal Audit and an Anti-Fraud and Anti-Corruption Strategy in place.

### 2.6 RISK MANAGEMENT

#### RISK MANAGEMENT

Risk Management is one of Management's core responsibilities in terms of section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of a Municipality.

It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of a municipality. When properly executed risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

The Municipality conducts Risk Assessments (Enterprise wide, IT and Fraud risk assessments) annually and develops an organisational Risk Register. The Risk Register is compiled to determine the magnitude of risk exposure by assessing the likelihood of the risk

materialising and the impact that it would have on the achievement of objectives.

The identified risks are prioritised which enables Management to focus more time, effort and resources on higher risk areas.

The Municipality has a Risk Management Committee in place. There is a framework in place such as the Risk Management Policy, Risk Management Committee Charter, Risk Management Implementation plan, Risk management Strategy and Mitigation plan. Outlined below are key 5 risks that the Municipality is facing as per the risk register:-

### 2.7 ANTI-CORRUPTION AND FRAUD

The District Municipality together with its Local Municipalities have committed themselves to fight against fraud and corruption. They have strengthened their fraud prevention and detection techniques by jointly procuring the services an Anti Fraud and Corruption Hotline from an independent service provider where members of the public can anonymously blow the whistle on fraud and corruption.

Below is the flowchart outlining the procedure for receiving and investigating the fraud and corruption allegations;

NO	RISK TITLE	RESIDUAL RISK RATING (SEVERITY)	ACTIONS TAKEN/ TO BE TAKEN	BUDGET	TIME FRAMES	RISK MANAGER
1	Excessive expenditure on overtime	25	Pre authorisation of overtime by supervisor and Manager  Approval by MM of overtime work exceeding 40 hours  Payment of overtime a month later in order to allow enough time for checking  Implementation of standard operating procedures;  Control Centre to manage work to prevent fraudulent overtime claims by officials.  Continuous monitoring	0  0  0  0	Ongoing	GM CS
2	Ineffective maintenance of water infrastructure	25	Develop and implement the asset management plan.  Develop and implement the operations and maintenance plans  Revision of a Water and Sanitation Services master plan  Capacity Building	0  0  Funded by COGTA	01 July 2014	GM WS  Snr Manager Operations
3	Inability to collect and maximise revenue	20	Finalising the process of outsourcing meter reading  Collection of long outstanding debt through the Debt recovery task team  Data Cleansing	0	31 December 2013  ongoing	CFO
4	Inadequate Asset management system	25	Review and implement asset management policy  Develop and implement asset management plan  Review and update of the organogram of the asset management unit.  Uploading of existing assets data to AX Financial System.	2.4m	31 May 2014  30 June 2014  30 June 2014  31 October 2013	CFO  GM: CS  GM WS
5	Ineffective implementation and sustainability of LED Projects	20	Exploring an option of obtaining an investors to run the project	0	31 December 2013	GM: IED





At the anti-fraud and corruption hotline launch

The contact details for the Anti Fraud and Corruption Hotline are as follows:-

**0801 111 660**

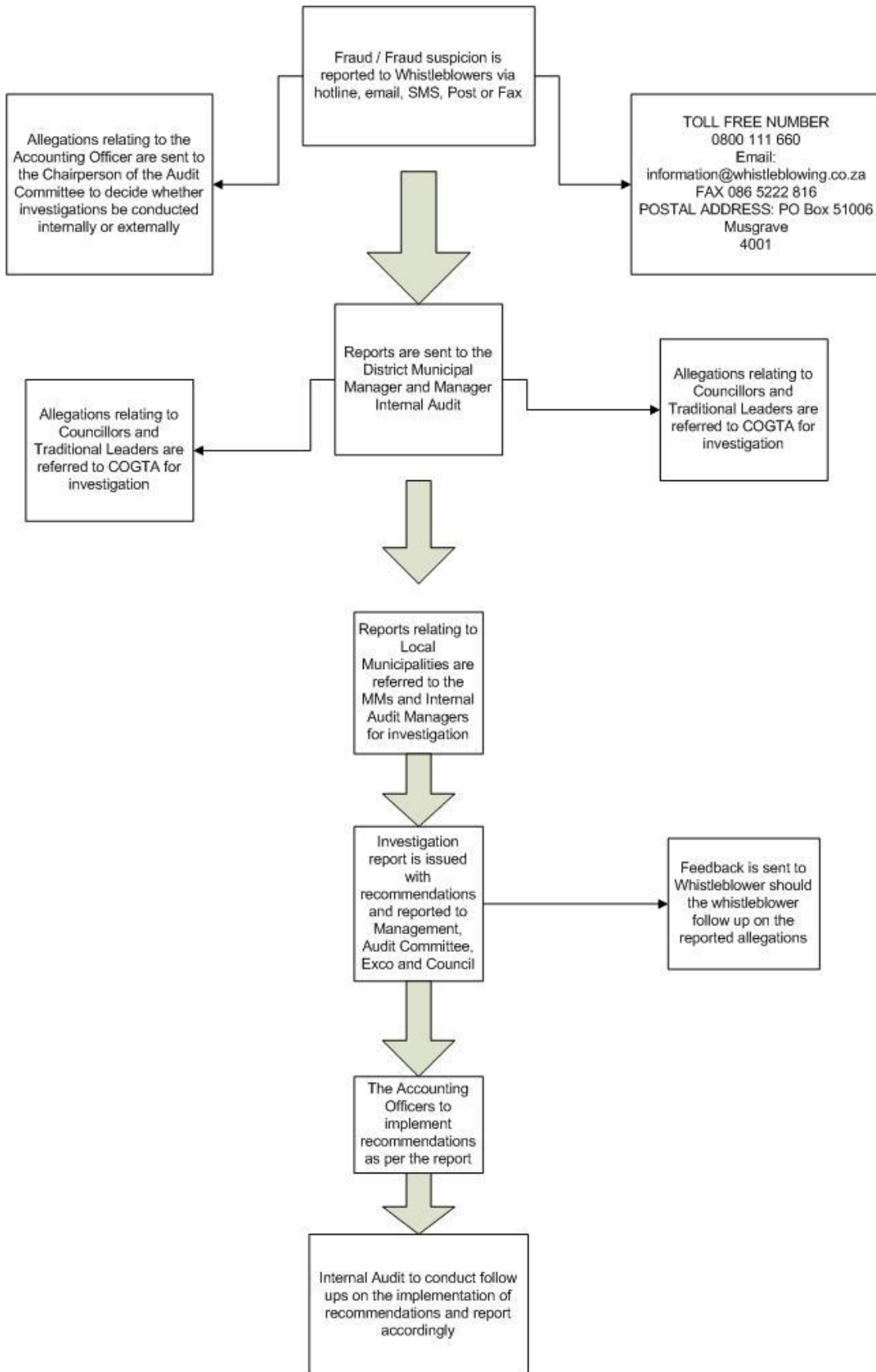
**information@whistleblowing.co.za**

**Fax 086 5222 816**

**P. O. Box 51006**

**Musgrave**

**4001**



## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

Text To be updated after AFS finalised.

## 2.9 BY-LAWS

The Water and sanitation bylaws were reviewed and promulgated in 2009 and are due for review in 2014.

Enforcement of these bylaws are limited to the shortage of Law Enforcement staff, however urgent issues are

addressed. Illegal connections are a major problem and require intensive focus in the 2014/15 financial year.

During the 2013/14 financial year, the Air quality by-laws were adopted and implemented.

By-laws Introduced during Year 2013/14					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Air quality management by-laws	n/a	Yes	March, April, June, September, November 2014	Yes	1 October 2013

### COMMENT ON BY-LAWS:

The Ugu District Municipality introduced 1 set of new by-laws during the 2013/14 financial year, which were the Air quality by-laws. These included aggressive public participation, wherein workshops with Local Municipalities within the District were held, an English and isiZulu advert was published in the local newspapers

and 28 days allowed for comments. The by-laws were adopted by Council in October 2013 and gazetted in November 2013. The new by-laws are currently effective and are being implemented.

## 2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	Updated monthly
All current budget-related policies	Yes	06 May 2014
The previous annual report (2012/13)	No	n/a
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2013/14 and resulting scorecards	Yes	09 September 2013
All service delivery agreements 2013/14	Yes	20 September 2013
All long-term borrowing contracts 2013/14	Yes	26 June 2013
All supply chain management contracts above a prescribed value (give value) for 2013/14	Yes	08 May 2014

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's Website	Yes / No	Publishing Date
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2014/15	No Ugu has not disposed any assets in 2013/14	n/a
Contracts agreed in 2013/14 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes	31 May 2014
Public-private partnership agreements referred to in section 120 made in 2013/14	No Ugu did not enter into any public-private partnership agreements in 2013/14	n/a
All quarterly reports tabled in the council in terms of section 52 (d) during 2013/14	Yes	20 September 2013

**COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS:**

**Content Shortfall:** Regular meetings with Departmental Website Content Champions are being, and will continue to be convened to address the shortfall in content as per the ICT Steering Committee resolution. The Web Administrator has been given more responsibility and power to actively request the various departments to provide information and documentation whose publication on the website is regulated by the legislation.

**Providing Access to Public:** The municipality has no immediate plans to place personal computers in locations accessible to the public to facilitate their accessing the municipality's website. However,

resolutions have been taken at Extended Manco meetings where ICT has been instructed to research ways to improve public access to information published by the municipality with special emphasis to rural communities as they're are the most affected by digital divide. Financial constraints and lack of capacity with regards to staffing in the ICT section are the biggest obstacles in achieving this mandate.

**Access Monitoring:** The website has a counter to track the number of visitors and hits online.

**2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES**

**PUBLIC SATISFACTION LEVELS**

The Municipality has prioritised public engagement, consultation and interaction in respect of service delivery and key municipal programmes and projects. It is acknowledged, however, that there is room for improvement.

The centralised public hotline through which all service delivery concerns, complaints and questions are channeled for a speedy response and action (0800 092 837) is active and functional. This system is monitored by the Customer Care Manager with active input into its continued improvement.

Satisfaction Surveys Undertaken during: 2013/14				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				

Satisfaction Surveys Undertaken during: 2013/14				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
(a) Municipality	Structured Questionnaire	May – July 2013	8975	80%
(b) Municipal Service Delivery	Structured Questionnaire	May – July 2013	8975	50%
(c) Mayor	Structured Questionnaire	May – July 2013	8975	80%
<b>Satisfaction with:</b>				
(a) Refuse Collection	Structured Questionnaire	May – July 2013	8975	Local municipality competency
(b) Road Maintenance	Structured Questionnaire	May – July 2013	8975	30%
(c) Electricity Supply	Structured Questionnaire	May – July 2013	8975	45%
(d) Water Supply	Structured Questionnaire	May – July 2013	8975	45%
(e) Information supplied by municipality to the public	Structured Questionnaire	May – July 2013	8975	60%
(f) Opportunities for consultation on municipal affairs		May – July 2013	8975	60%



A resident from Umzumbe comments at the IDP budget roadshow

Ugu District Municipality procured the services of a service provider and successfully completed a perception survey during the 2013/14 financial year. The survey presented those aspects of life that Ugu residents were satisfied and dissatisfied with, thus providing the Municipality with direction in formulating programmes and projects on how to improve and fulfill the needs of its people in terms of its Integrated Development Plan.

It should be noted that the survey was a snapshot and it focused mostly on the disadvantaged communities of the local municipalities rather than on the more advantaged communities within the District.

#### COMMENT ON SATISFACTION LEVELS:

The results of the survey were as follows;

##### Main Satisfaction Levels;

- 61% of the respondents in the District pointed out that access to the municipal offices are without any particular challenges or harassment.
- The municipal buildings are accessible to People with Disabilities without any challenges as indicated by 67% of residents in Ugu.
- 69% of senior citizens interviewed and consulted through the focus groups pointed out that the municipal buildings are easily accessible.

##### Main Dissatisfaction Levels;

- 58% of the residents said that storm water does not exist where they live.
- 59% of people in Ugu pointed out that methods used to notify them about service interruptions were poor.
- 53% of the residents were not happy for not participating in the budget tariffs and planning processes within their areas.
- 62% of the respondents were not participating in the consultative processes such as Integrated Development Plan, road shows; budget processes
- 47% of the residents were not happy about the existence of corruption and corrupted behaviour within the district
- 87% of the people in the district pointed out that unemployment is a major challenge in their areas.
- 60% of the residents said that nepotism is another challenge of the district.

##### Major priorities highlighted;

- 45% of the respondents pointed out that water and sanitation services are in high demand and must be on the priority list of the district.
- 46% of the citizens surveyed highlighted that the support and care for HIV & AIDS, elderly people, people with disability, gender parity; vulnerable children needs to be prioritized by the district.
- 39% of the citizens said that the tertiary education needs to be prioritised by the district.
- 43% of the citizens want constructed clinics prioritised and 40% would like home based care prioritised.
- 56% want the old age grant to be prioritised, 54% would like children grant to be prioritised and another 54% pointed out that the Disability Grant needs to be prioritised in the district.

From the preseding statistics it depicts that the majority of people interviewed in the district are not satisfied with a range of services provided by the district. The discontent or unhappiness of residents in Ugu District concerns almost all departments, services and amenities of the district and its local municipalities.

This is a grave challenge that requires serious and urgent interventions if Ugu District and its six local municipalities is indeed going to adhere to its constitutional obligation of promoting socio-economic development in its area of jurisdiction.

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

### (PERFORMANCE REPORT PART I)

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#### INTRODUCTION

The biggest achievement during 2013/14 was the completion of the Mhlabatshane dam at a cost of R 200 million. The dam will provide water to approximately 50,000 people.

The installation of all the bulk services and reticulation is almost complete.

The VIP program was also very successful. The Umdoni and Ezinqoleni Municipal areas are fully covered. The remaining Municipalities within the District will be done within the next 3 years.

Water and sanitation to the Isonti, Masinenge and Masikele housing projects have commenced. The three projects will serve more than 5000 people, once completed.

Construction for the extensions to both the Bhobhoyi and Umtamvuna Water Treatment Works has commenced. This will produce an additional 37 Ml/day to the coastal and surrounding areas, from Hibberdene to Port Edward and inland to Izingolweni and Mdlala.

Studies and designs for the construction of the WEZA dam and Ncwabeni dam are at completion stage. The two dams will provide water to Harding and Mabaleni to Port Shepstone, Margate and Ramsgate areas.

### COMPONENT A: BASIC SERVICES

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#### INTRODUCTION TO BASIC SERVICES

The District often experiences major problems with its bulk infrastructure. Most of the dams and treatment plants have reached their maximum capacities. Extension to the Bhobhoyi and Umtamvuna Water Treatment Works is underway and two additional dams are in the final planning/design stage.

Development of water infrastructure in the inland areas is restricted due to the limited capacity of rivers in these areas.

It includes all the areas and major bulk projects will have to be implemented over the next few years to address these shortages. The capacity of the rivers in some areas will be a limiting factor.

The introduction of the Sihambasonke program by the Deputy Mayor will go a long way in providing short term relief. Adequate funding for this program remains a challenge.

Backlogs have been reduced significantly, especially sanitation. Based on the 2011 census figures, 85% of the previously excluded areas now have access to water and sanitation. This in itself is a major achievement.

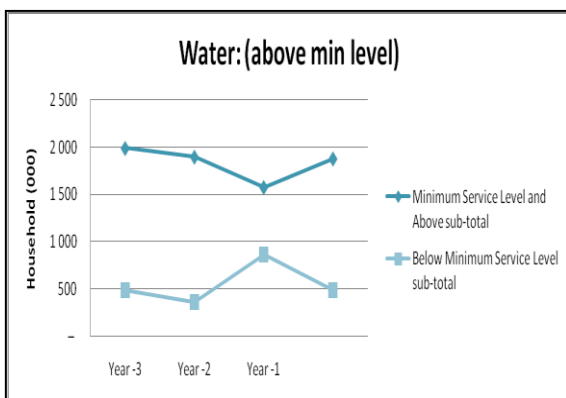


Ugu District Municipality prides itself for the provision of water in rural areas

Some 20 000 households are located very far from all services and these are the HH targeted for the Sihambasonke program. Boreholes and springs as well as rainwater harvesting will provide water to most of these households.

Our capital budget was mainly directed to upgrade and construction of new bulk water infrastructure as well as replacement of ageing infrastructure.

To that effect no water backlogs were eradicated; however the Municipality provided means of access to



water services by innovative programmes of Spring



Protection and Accelerated Water Tankering through the Sihambasonke program.

### 3.1 WATER PROVISION

#### INTRODUCTION TO WATER PROVISION

As a Water Services Authority and Water Services Provider, Ugu District Municipality continues to provide quality drinking water and acceptable effluent discharges according to the national norms and standards. Surpassing the national norms and standards by some margin, the Municipality, in cooperation with its Service Provider, on two of its 19 water treatment works, has managed to maintain and achieve the Blue Drop Awards for the Umthwalume, Umzinto and Umthamvuna systems.

The existing infrastructure and future master planning identified a number of bulk supply sources (water treatment works or external bulk supply sources) that form the basis of the current and future water supply systems in the district. Each one of the bulk supply sources supplies a specific zone. These supply zones were not always clearly definable, especially in the urban areas where a number of interconnections exist to allow certain areas to be supplied from more than one bulk supply source.

The formal urban strip (Hibberdene to Port Edward) is supplied mainly by Umtamvuna and Bhobhoyi Supply Zones. The inland rural areas are supplied by various stand alone water schemes.



Site visit in a pumpstation by Ugu Deputy Mayor and Water Services personnel

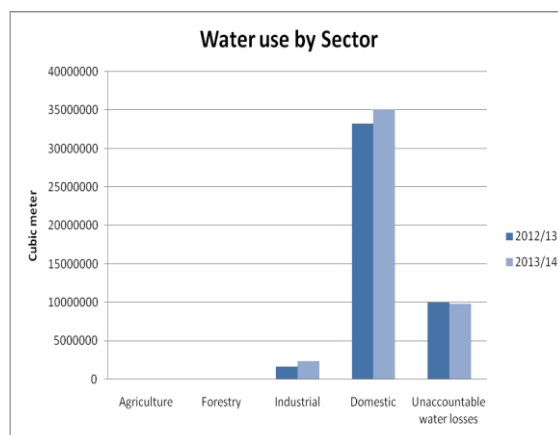
The demographics of the Ugu District vary from dense formal urban settlements to scattered rural settlements and must be dealt with differently when planning for the provision of Water Services.

Different levels of service are appropriate for each settlement category and the CSIR Guidelines for Human Settlement Planning and Design was used as a guideline to determine the water delivery standards per settlement category.

Umgeni Water is supplying the district with bulk water in the Northern areas through their South Coast Pipeline and they also operate and maintain our Umzinto and Umthwalume Water Works.



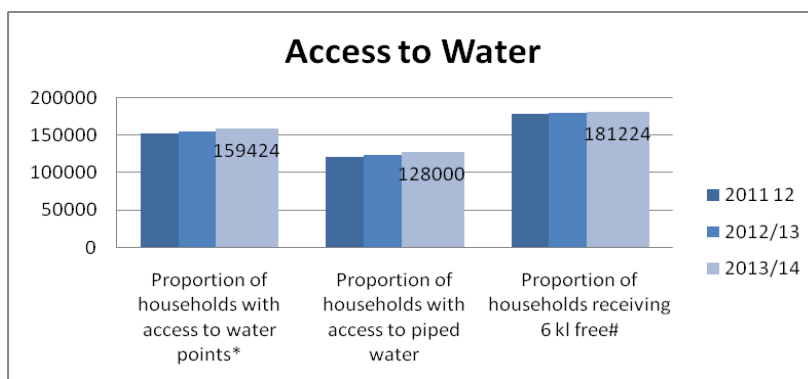
Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2012/13	0	0	1680876	33295000	9988500
2013/14	0	0	2389452	35134492	9837657



Households				
Description	2010/11	2011/12	2012/13	2013/14
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Water: (above min level)</u>				
Piped water inside dwelling	44	45	45	46
Piped water inside yard (but not in dwelling)	17	18	19	22
Using public tap (within 200m from dwelling )	57	58	60	60
Other water supply (within 200m)	–			
Minimum Service Level and Above sub-total	118	121	124	128
Minimum Service Level and Above Percentage	66%	67%	69%	71%
<u>Water: (below min level)</u>				
Using public tap (more than 200m from dwelling)	5	5	5	5
Other water supply (more than 200m from dwelling)	26	26	26	27
No water supply	30	28	25	22
Below Minimum Service Level sub-total	61	59	57	53
Below Minimum Service Level Percentage	34%	33%	31%	29%
Total number of households*	179	180	180	181

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
2011 12	152265	121000	179000
2012/13	155345	124000	180000
2013/14	159424	128000	181224

Households - Water Service Delivery Levels below the minimum						
Households						
Description	2010 11	2011 12	2012/13	2013/14		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	176	179	180	181	181	181
Households below minimum service level	61	58	55	51	51	51
Proportion of households below minimum service level	35%	33%	31%	28%	28%	28%
Informal Settlements						
Total households	3	3	3	3	3	3
Households below minimum service level	3	3	3	3	3	3
Proportion of households below minimum service level	100%	100%	100%	100%	100%	100%



- Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute
- # 6,000 liters of potable water supplied per formal connection per month

Capital Projects 2013/14	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	226914077	177755710	177755710	0
Stick Farm Water Supply (AFA) MIS 177240	3466710	3466710	3466710	0
Dududu Water Reticulation Infills	1333350	300000	300000	-1033350
KwaXolo Bulk Water Supply	1777800	300000	300000	-1477800
KwaXolo Water Supply: Reticulation	4888950	800000	800000	-4088950

Capital Projects 2013/14	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Kwanyuswa Water Scheme - Phase 3 (AFA) MIS 194753	13333500	8000000	8000000	-5333500
Mathulini Water Supply Phases 4-7	4444500	4444500	4444500	0
Mhlabatshane Regional Water Supply Scheme	44099270	25000000	25000000	-19099270
Greater Vulamehlo Water Scheme	2222250	1500000	1500000	-722250
Mzimkhulu Off-Channel Storage Dam	266670	0	0	-266670
Ezinqoleni Bulk Water Extensions Phase 3	6666750	0	0	-6666750
Umtamvuna Water Works Raw Water Upgrade	11855500	200000	200000	-11655500
Mabheleni East Water Project	1066680	0	0	-1066680
Harding Weza Regional Bulk Water Supply Planning (AFA) MIS 207998	1333350	1500000	1500000	166650
Thoyane Water Project Phases 4 & 7	8889000	25000000	25000000	16111000
Umzimkhulu Bulk Water Augmentation Scheme Stage	15278000	10000000	10000000	-5278000
Maphumulo Water Supply	13333500	0	0	-13333500
Masinenge Bulk Water and Sanitation Project	2666700	1200000	1200000	-1466700
Msikaba and Surrounds Water Supply Scheme	33924517	20000000	20000000	-13924517
Umzinto Slum Clearance: Farm Isonti Low cost Housing Water and Sanitation Scheme	21667000	15000000	15000000	-6667000
Meter Replacement Programme	622230	1500000	1500000	877770
Water Pipeline Replacements	20000000	25000000	25000000	5000000
Harding Waterworks Refurbishment	3000000	1000000	1000000	-2000000
Ezinqoleni Bulk Water Extensions Phase 2 (AFA) MIS 210670	4444500	4444500	4444500	0
Gamalakhe Bulk Water Supply	1333350	1000000	1000000	-333350
Harding/ Weza Dam	5000000	1300000	1300000	-3700000
KwaLembe Water Supply Scheme Extension		2500000	2500000	2500000
Vulamehlo Cross Border Water Supply Scheme		5000000	5000000	5000000
Mazakhele Bulk Water Scheme		10000000	10000000	10000000
Springs & Boreholes		0	0	0
Smart Metering - Pilot		2400000	2400000	2400000
Special Maintenance Vehicle		2500000	2500000	2500000
Purchase 2 Water Tankers		2400000	2400000	2400000
Malangeni Housing		0	0	0
Mistake Farm		1000000	1000000	1000000
Kwahlongwa Water Supply (AFA)		1000000	1000000	1000000
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>				

### 3.2 WASTE WATER (SANITATION) PROVISION

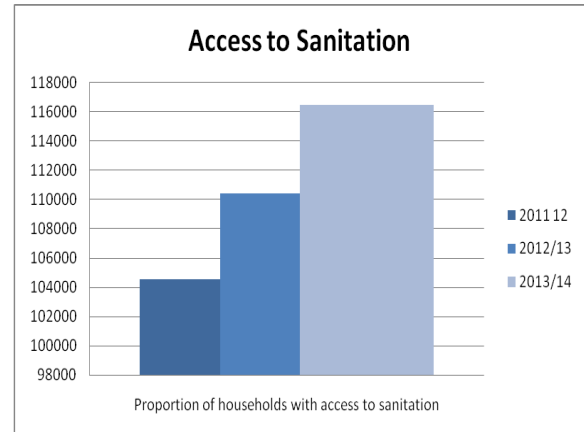
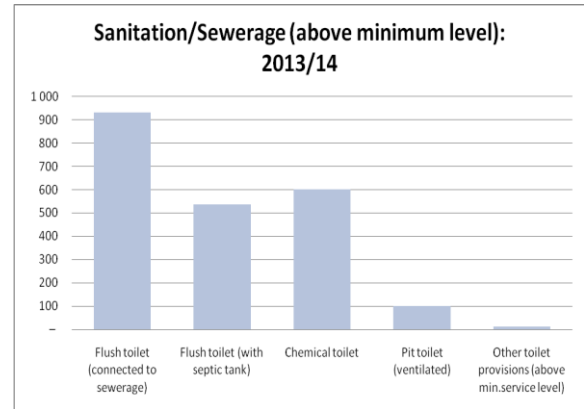
#### INTRODUCTION TO SANITATION PROVISION

The District is not only responsible for the provision of drinking water but also for the collection and treatment of wastewater produced by the region. An infrastructure of network of sewers, waste water pump stations and wastewater treatment works is employed to achieve this. Treatment of wastewater is crucial to the sustainability of any region and without it densely populated towns would simply not be possible.

The 2013/2014 financial year was a “gap” year in terms of both the Blue Drop and the Green Drop Programmes. This being a gap year did not necessarily imply that the wastewater sector programmes stopped but however risk assessments were done while the waste water quality continued to be monitored. The Municipal Critical risk rating currently stands at 70% which is regarded as a medium risk giving the Municipality some room for improvement. The risk rating stamps over a 70% Green Drop Score against a target of 90%. To this effect the Municipality embarked on infrastructure refurbishment projects on 3 WWTW.

The urban sanitation comprises a combination of waterborne sewerage linked to waste water treatment work (WWTW) as well as a system of septic tanks and conservancy in the less populated areas. Most of the treatment facilities are owned and managed by Ugu although there are also a number of privately owned and managed, small sewage treatment plants – mostly ‘package’ plants.

Rural households are serviced Ventilated Improvement Pit (VIP) Latrines Sanitation backlog has been reduced to below 20% with Umdoni and Izingolweni being 0%.



Sanitation Service Delivery Levels						
Description	*Households					
	2010 11	2011 12	2012/13	2013/14		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<i>Sanitation/sewerage:</i> (above minimum level)						
Flush toilet (connected to sewerage)	33	33	34	33	33	34
Flush toilet (with septic tank)	13	13	14	13	13	14
Conservancy tank	15	15	15	15	15	15
Pit toilet (ventilated)	33	43	48			53
Other toilet provisions (above minimum service level)	–	–	–			–

Sanitation Service Delivery Levels						
*Households						
Description	2010/11	2011/12	2012/13	2013/14		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<i>Minimum Service Level and Above sub-total</i>	94	105	110	61	61	117
<i>Minimum Service Level and Above Percentage</i>	52.4%	58.2%	61.3%	84.1%	84.1%	64.3%
<i>Sanitation/sewerage: (below minimum level)</i>						
Chemical toilets	3	3	3	3	3	3
Other toilet provisions (below minimum service level)	74	64	59			54
No toilet provisions	8	8	8	8	8	8
<i>Below Minimum Service Level sub-total</i>	85	75	70	12	12	65
<i>Below Minimum Service Level Percentage</i>	47.6%	41.8%	38.7%	15.9%	15.9%	35.7%
<b>Total households</b>	<b>179</b>	<b>180</b>	<b>180</b>	<b>73</b>	<b>73</b>	<b>181</b>

#### COMMENT ON SANITATION SERVICES PERFORMANCE



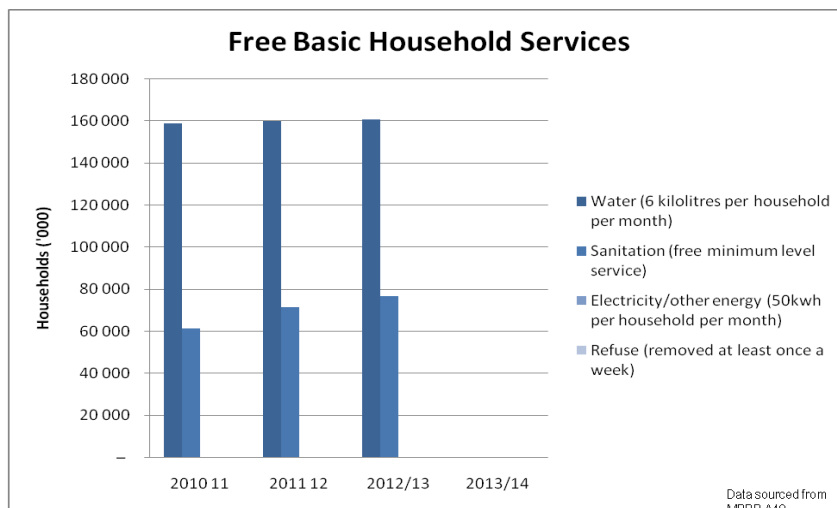
The implementation of Rural Sanitation Projects in Hibiscus Coast, uMuziwabantu, Umzumbe, & Eziqoleni Municipalities resulted in the construction of 10,000 new VIP toilets at the cost of R 45 million.

The other noticeable projects include the Replacement of Ageing Sewer Infrastructure and the Waterborne Sewer connections at Harding. The Municipality received an approval from DWA and MIG for the Refurbishment of Sanitation Infrastructure in the urban areas at the cost of R59 million.

Households - Sanitation Service Delivery Levels below the minimum						
Households						
Description	2010/11	2011/12	2012/13	2013/14		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	179	180	181	181	181	181
Below minimum level	85	75	70	65	65	65
Proportion of households below minimum service level	48%	42%	39%	36%	36%	36%
<b>Informal Settlements</b>						
Total households	3	3	3	3	3	3
Households below minimum service level	3	3	3	3	3	3
Proportion of households below minimum service level	100%	100%	100%	100%	100%	100%

Capital Expenditure 2013/14 Sanitation Services					
R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	71170172	66497078	0	0	
Bhobhoyi / Mkhholombe Sanitation	4 984 766	4 984 766			
Harding Sanitation Scheme: Phase 3	9 136 472	9 136 472			
Vulamehlo Wards 8 & 9 Sanitation Project		-			
Margate Sewer Pipeline Replacement	500 000	500 000			
Masinenge/Uvongo Sanitation Project	2 509 903	600 000			
Sanitation Refurbishment Phase 1	20 000 000	20 000 000			
Ugu Sewer Pipeline Replacements	3 820	3 820			
Umzinto WWTW & Sewer Outfall	1 000 000	1 000 000			
WWTW Refurbishment	1 500 000	1 500 000			
Pennington Waterborne Sanitation Project	18 772 019	18 772 019			
Umdoni Universal Access	10 000 000	10 000 000			
Umzinto WWTW & Sewer Outfall	1 500 000				
Uvongo WWTW					
WWTW Refurbishment	1 263 192				

### 3.3 FREE BASIC SERVICES AND INDIGENT SUPPORT



Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Free Basic Water			Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2011/12	179000	147 000	122 000	83%	104556	71%	131 977	90%	0	0%
2012/13	180000	148 000	125 000	84%	110446	75%	131 977	89%	0	0%
2013/14	181224	149 224	128 224	86%	116503	78%	131 977	88%	0	0%



St Helens Rock pump station

Financial Performance 2013/14 Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2012/13	2013/14			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	200	244	250	248	2%
Waste Water (Sanitation)	220	240	250	245	2%
Electricity	100	120	130	135	11%
Waste Management (Solid Waste)	105	110	120	125	12%
Total	625	714	750	753	5%

Financial Performance 2013/14 Sanitation Services 2013/14					
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	98856	110909	111916	95	-116646%
Expenditure:					
Employees	29538	25476	30395	248	-10173%
Repairs and Maintenance	1216	7843	13840	248	-3063%
Other	25520	59156	49288	248	-23753%
Total Operational Expenditure	56274	92475	93523	744	-12329%
Net Operational Expenditure	-42582	-18434	-18393	649	2940%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					



## COMPONENT C: PLANNING AND DEVELOPMENT

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### INTRODUCTION TO PLANNING AND DEVELOPMENT

The Development Planning unit deals mainly with two main functions which are:

- **Strategic Planning** – this involves the development of an Integrated Development Plan (IDP) and Organisational Performance Management System.
- **Spatial Planning** – this involves the development Spatial Development Framework and regional spatial plans. Furthermore it includes the development of the Land Use Management Framework for the entire district.



### Highlights Development Planning

The highlights of the units have been the implementation of the champions' concept for improved coordination of the development of both the IDP and OPMS.

Furthermore the revival of the District Planners Forum has been one of the highlights which has played a major role in ensuring effective implementation of Development Shared Services.

### Challenges Development Planning

The main challenges have been the lack of capacity to review the SDF and LUMS.

## 3.5 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

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### INTRODUCTION TO ECONOMIC DEVELOPMENT

LED remains a critical area for Local Government in creating economies that are robust and inclusive. In an effort to carry out this mandate the Ugu district continues to implement programmes that seek to create a conducive environment for businesses to operate. This is facilitated through PPPs. The Ugu district is characterised by a dual economy where the coastal strip dominates economic activity; the rural hinterland on the other hand continues to experience minimal economic activity, is faced with high levels of unemployment and poverty. This then means that LED strategies and plans are required to cater to both these economic spaces in ways that ensures spatial integration and bridging the gap between the first and second economies.

The Growth and Development Plan of the Ugu district has been adopted by all major players and stakeholders

in Ugu as a shared vision towards attaining growth and development in the next 17 years.



The Rural Economic Development Programme funded by the DB SA has seen research projects such as the Ugu Clothing and Textile study and the Ugu Furniture Incubator business plan emanate from it. These projects

were conducted in an effort to lead evidence-based action in developing and supporting local industry.

The KwaNyuswa tea tree project continues to be a shining example of exploring and promoting new industries such as that of essential oils. Also, the institutional arrangements that this project is based on reveals the importance of cooperation, partnerships and mentorship in project implementation, especially in rural spaces.

The Ugu Jazz economic impact study shows the economic gains and employment opportunities that are created from hosting the event.

The development and support of cooperatives and SMMEs remain the focus of LED as these sectors really address the triple threat of unemployment, poverty and inequality by affording people opportunities to be fully integrated into the economy.

#### **COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL**

LED, as an important and critical mandate of the Municipality, continues to receive the required support. However, internal funding for the function has been limited over the past years due to the Municipality's financial constraints. Efforts to leverage alternative sources of funding to perform set tasks are in place.

Socio-economic development can only be achieved through collaborative action and a shared vision. It is then against this background that our LED efforts extend to programmes such as Operation Sukuma Sakhe and EPWP. This will ensure that the development efforts, in terms of implementation of programmes is synergised.

The furniture industry in Ugu has been identified as one of the potential growth industries of the Ugu district. The recently adopted Ugu Furniture Incubator business plan highlights the benefits of establishing an furniture incubator in the district as a tool to assist emerging manufactures and also facilitate the transfer of skills within the industry. This project is earmarked as one of the flagship projects for Ugu.

The KZN Department of Economic Development and Environmental Affairs (KZNDETEA) has completed a business plan towards the establishment of a perishable goods hub in the district. This projects also promises to be a major contributor to Ugu's economic landscape.

The district is also investigating the potential of the establishment of a bio-ethanol fuel plant in Ugu. This talks to the environmental sustainability and alternative energy agenda of the Municipality.

<b>Gross Value Add per sector</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Agriculture, forestry and fishing	996	1006	1011
Mining and quarrying	50	53	55
Manufacturing	2502	2748	2838
Electricity, gas and water	269	267	270
Construction	392	398	402
Wholesale and retail trade, catering and accommodation	1805	1851	1929
Transport, storage and communication	1413	1453	1524

Gross Value Add per sector	2009	2010	2011
Finance, insurance, real estate and business services	2131	2140	2204
Community, social and personal services	689	687	701
General government	1347	1388	1442
Total	11594	11992	12375



Agriculture, Forestry and fishing has seen a slight increase in terms of its contribution to the growth

of the economy. Manufacturing is considered as one of the strongest sectors in the district – and the data reflects it as such. The manufacturing factor has in fact over the years been the most significant contributor to the Ugu economy. Wholesale and retail trade, catering and accommodation which represents industries that relate to the tourism sector – which is also a main industry in the district – shows a steady increase over the three year period.

Employment by Sector	2009	2010	2011
Agriculture, forestry and fishing	11143	10857	9855
Mining and quarrying	281	332	351
Manufacturing	14356	13928	13548
Electricity, gas and water	296	280	295
Construction	8150	7776	8072
Wholesale and retail trade, catering and accommodation	25567	25296	25068
Transport, storage and communication	5095	5179	5265
Finance, insurance, real estate and business services	14107	13590	13650

Employment by Sector	2009	2010	2011
Community, social and personal services	20750	20086	19520
General government	13801	14312	15127



Employment in the Agricultural sector continues to dip. Some of the reasons impacting on employment in this industry include the changing

regulatory environment and uncertainty surrounding land claims. Both these reasons contribute towards a decreased appetite for investment in agriculture. Even though the manufacturing industry is growing in terms of its GVA contributions, however employment in the sector continues to decline. Wholesale and retail trade, catering and accommodation display the same trend. This shows the Ugu economy to be one that is not growing enough to absorb its labour force.

#### EMPLOYMENT OPPORTUNITIES CREATED THROUGH LED INITIATIVES

The creation of job opportunities through LED initiatives remains a very challenging area. However, the recently adopted Growth and Development and Investment Promotion and Facilitation strategies map out plans on what needs to be done in the region for our economy to create the much needed jobs.

3				
2013/14	14	Dataunavailable		PoE
Initiative A (Year 0)	Ugu Jazz Economic Impact Study	Data unavailable	14	PoE

JOBS CREATED THROUGH LED INITIATIVES				
Total Jobs Created Through Top 3 Initiatives	Job Created	Jobs lost/displaced as a result of other initiatives	Net total jobs created in the year	Method of Validating Jobs
Total all Initiatives	150	Data Unavailable	Indeterminable	PoE
2011/12	10	Data unavailable	Indeterminable	PoE
2012/1	126	Data unavailable	Indeterminable	PoE

#### COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

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The district is also investigating the potential of the establishment of a bio-ethenol fuel plant in Ugu. This talks to the environmental sustainability agenda of the Municipality.

<b>Job creation through EPWP* projects</b>		
<b>Details</b>	<b>EPWP Projects</b>	<b>Jobs created through EPWP projects</b>
	<b>No.</b>	<b>No.</b>
<b>2011/12</b>	40	2 000
<b>2012/13</b>	50	2 900
<b>2013/14</b>	66	4 500
<b>* - Extended Public Works Programme</b>		

## UGU SOUTH COAST TOURISM SUMMARY REPORT

### 2013/2014 FINANCIAL YEAR



### OPERATIONAL MANDATE

Ugu South Coast Tourism is since July 2009 a registered Pty Limited company that is wholly owned as a municipal entity by the Ugu District Municipality who along with the 6 constituent municipalities within the district, fund via Service Level Agreements the operations of the entity.

Our mandate is to market, promote and develop tourism for the Greater South Coast (as primary brand) within our 2013-2017 Tourism Strategy and associated Annual Plans. Our reporting is within the regulatory frameworks as set out in our articles of association, policy documentation, the MFMA and Auditor General related legislation.

We report to our constituted Board, Audit Committee, Internal Audit of the Ugu DM and ultimately the Auditor General. Furthermore, as an entity with private sector memberships we also have information dissemination via membership newsletters and the CEO/Area Committee Forum within the context of public-private collaboration.

### Highlights

Highlights of our 2013/2014 financial year are numerous (over 100 action items) and summarised as best possible as follows:

#### Financial and Operational

- This year we are proud to report that for the first time we have received a (Clean Audit- tbc) from the Auditor General.
- Based on carry over surpluses from 2012/2013 and certain under spend in

terms of salaries and developmental budgets has given us a reasonable element of financial stability which going forward will allow us to make more impactful strides in terms of capital outlays and implementation of our hinterland tourism programmes.

- All full time and contract related appointments have been concluded and our Visitor Information Centres (VICs) have been staffed as per our adopted organogram.
- Our MFMA, Treasury and internal Ugu DM reporting and compliance requirements have met in full.



### MARKETING EVENTS AND COMMUNICATIONS

I am pleased to indicate (and in a sampled summation) that we have **exceeded** (some substantially) annual targets in no less than 27 of the 59 (100% or better achievement) action spheres:

- Ad hoc media releases
- Television exposure
- Radio exposure
- Community radio campaigns
- Print/electronic advertising
- Overseas advertising
- Billboard advertising
- Advertorial (international) Promotions
- Familiarisation trips
- Familiarisation trips
- Member communications
- Membership recruitment
- Ad hoc event support
- International events

- Developmental events

Highlights within our promotional and events support programmes include:

- The very successful Africa Bike Week which claims a 30% increase in retail success from the 2013 event.
- The impressive Explore Africa 500 endurance event at Port Edward which has allowed us the possibility of hosting a world championship in 2016.
- The Inter Provincial Schools Netball competition.
- The Eastern Cape promotional tour in support of the Ugu Jazz Festival.
- African Marine and Leisure Expo, the Portuguese Mariners Festival and our sustained beach activations during each school holiday period.

Our destination has the most comprehensive events calendar of any district (Excl Durban metro) in the province.



### Development

- Completion of our Tourism Awareness Plan.
- Fast tracking the Hinterland Trails Network Assignment.
- Mentorship of emergent tourism enterprise targets met.
- Our Area Committees have the largest number of emergent practitioner than before and it is our intention to continually encourage this trend within the transformation paradigm.

- Our Empowerment Protocol (a first for an organisation of our type in KZN) for Ugu SCT completed
- The Emaweni assignment was completed and is being reviewed to ascertain possible investment sourcing towards actual implementation.

We have **exceeded** targets in terms of:

- Schools education tours.
- Empowerment of emergent practitioners at events.
- Placement listing facilitation for students.
- Free advertising in the Southern Explorer
- Developmental event support

We have also had substantial input in regional/district tourism by virtue of our:

- Sitting on the Provincial Tourism Committee and attending the Provincial Tourism Forum and Community Tourism Association meetings.
- Attending Tourism Growth Forum (TKZN) and MEC (Economic Development, Tourism and Environmental Affairs-EDTEA) local cluster sessions.
- Being on Project Steering Committees (PSCs) for spatial development initiatives and LED consolidation programmes.
- Direct engagement with other provincial bodies such as the KZN Film Commission and the CTA (SA).
- Being directly supportive of the Sports and Events Tourism Exchange held in Durban each year.
- Involvement in the future planning of the KZN Tourism Careers Expo in 2014.

In conclusion and summary, Ugu SCT can claim to have a successful financial year during which regulatory frameworks have been met, we are in a sound financial position and above all our key and targeted Strategic Objectives have been met.

**Justin Mackrory**  
Chief Executive Officer

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

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### INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The District Municipality provides support and a co-ordination role to the Local Municipalities within the District and does not directly provide these services

## 3.8 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

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### INTRODUCTION TO CHILD CARE; AGED CARE; SPECIAL PROGRAMMES

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#### HIV and AIDS Programme

The impact of HIV and AIDS related illness has contributed a lot in Orphans and Vulnerable Children and Child Headed Households in the district. Hence the district established the Ugu District AIDS Councils and forums for vulnerable groups which are Senior Citizens, Rights of the Child, Gender, Disability, Farm Workers and Youth.

#### Ugu District AIDS Council (UDAC)

The council was established in 2006 and it has been fully functional since. The council holds meetings quarterly and is accountable not only to Council but also to the Provincial Council on AIDS (PCA), which is chaired by the Premier. The District Mayor serves as the Chairperson of the UDAC.

- The Ugu District HIV, AIDS, STIs and TB Strategic Plan 2012-2016 has been developed based on the review findings for 2007-2011 HIV, AIDS, STIs and TB Strategy
- The development of both strategies for HIV, AIDS, STIs and TB was a product of a collaborative effort by individuals, leadership, role players, civil society organisation in Ugu District Municipality
- UDAC noted the increase in HIV prevalence, learner teenage pregnancy and food security hence the development of task teams by Department of Health, Education and Agriculture, to deal with the identified challenges. Task teams are reporting quarterly to UDAC and good progress is noted.

#### Challenges

- Consistently recorded increase in HIV prevalence
- Low uptake of prevention strategies including Male Medical Circumcision
- TB Defaulter rate increasing from 4%-4.5%
- Increasing number of sex workers in the district

#### Senior Citizens

The challenges faced by senior citizens as a vulnerable group has always been a major concern. Hence, the establishment of the Ugu District Senior Citizens Forum and 6 local municipality senior citizens forums.



National Children's Day at Ugu Sports and Leisure Centre

#### Progress and Response in the district

- Visible political commitment



- Coordinating forum in place, with clear noticeable implementation role of the Provincial Government Department
- District municipality playing a coordinating role, and creating an enabling environment for key implementing sectors

**Activities for senior citizens include the following**

- Meetings convened twice a year-however activities are conducted throughout the year
- Awareness workshops on Elder Abuse convened
- District Golden Games conducted annually since 2010. Senior citizens are also participating in Provincial and National Golden Games
- Intergenerational dialogues between senior citizens and youth conducted on issues affecting both groups
- Senior citizens writing and submitting fables through their local municipality forums in order to develop a fables book

**Challenges**

- Increasing number of senior citizens abuse cases
- Limited number of Old Age Homes in the district

**Farm workers**

- The district established the farm worker forum
- The forum meet quarterly
- Summit was conducted for women working in farms

**Operation Sukuma Sakhe**

The Operation Sukuma Sakhe Programme (OSSP), formerly known as the Flagship, Social Cluster Programme (War on Poverty), was introduced to the Ugu District in 2009. In introducing the programme, the Kwa-

Zulu Natal, Office of the Premier gave a mandate to all districts, to ensure that the following is in place, to ensure successful implementation of the OSSP

- There is a fully functional DTT structure for Operation Sukuma Sakhe, 6 Local Task Team structures within the municipalities and Ward Task Teams (war rooms)
- The DTT structure meet twice a month
- OSS is meant to address 5 critical areas which are the following
  - Community Partnerships
  - Behaviour change
  - Integration of government services
  - Economic activities
  - Environmental care
- OSS has implemented various projects which benefit the community
- Isibindi model has appointed 125 people (CCGs and Children from Child Headed Households) through Operation Sukuma sakhe who will later be appointed by Social Development to work as Social Auxiliary Workers
- Remarkable results for Matric 2013 through interventions done through Operation Sukuma Sakhe
- Operation Sukuma Sakhe is included as agenda item in most of the municipal meetings



Elders from around Ugu District at the Golden Games

**COMPONENT E: ENVIRONMENTAL PROTECTION**

### 3.9 POLLUTION CONTROL

#### INTRODUCTION TO POLLUTION CONTROL

Ugu District Municipality is a water and sanitation service authority as well as atmospheric emissions licencing authority and has invested in the development and maintenance of infrastructure. The unintended consequence of this is occasional pollution of the receiving environment. It is therefore crucial for environmental protection to prioritise (1) environmental impact management and compliance; (2) environmental planning, (3) atmospheric emissions licencing and (4) education and awareness. Ensuring compliance and alignment to other applicable measures has been essential both for water and sanitation delivery, coastal protection and air quality management.

#### COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

Due to the need to reduce spending there has been no capital expenditure in this area. Environmental management plan could not be delivered to financial challenges; hence 100% variance from both budgeted and adjusted expenditures. In terms of air pollution control, a lot has been achieved with minimal budget. Air quality management plan and air quality management by-laws (the latter having been developed in-house) are being implemented on a multi-year basis.



Examples of pollution in Masinenge and clean up campaigns facilitated through the Environmental Services unit.

### 3.10 BIO-DIVERSITY; LANDSCAPE AND OTHER

#### INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

Biodiversity management seeks to ensure conservation and sustainability of natural capital thereby enhancing its value while maximising benefits of communities therefrom. Alignment to poverty alleviation initiatives while maintaining natural resources has been a priority

in this area. In order to achieve this, stakeholder engagement has been very critical, especially for the upliftment of poor and rural communities.

During the 2013/14 financial year various environmental initiatives were done within the District, as per table below;

<b>1. Water Quality monitoring</b>	<b>sample, test/analyse water</b>	<b>381 water samples</b>
<b>2. Food safety and control</b>	inspect and take steps on food (non)compliance	203 inspections
<b>3. Health and hygiene education</b>	empower society and improve compliance	4 workshops
<b>4. Certificates of Acceptability issued</b>	Certificates issued after inspection	49 certificates issued
<b>5. National Food sampling runs</b>	as per schedule	2 runs done
<b>6. Burial of Paupers</b>	100% of pauper requests	27 paupers buried



**COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY;  
LANDSCAPE AND OTHER OVERALL:**

There were 2 grant funded capital projects to a total value of R1, 641,250 for biodiversity poverty alleviation initiatives. The one year target set for the greening projects was achievable within the given capital budget,

however, budget for follow-up and maintenance is required. The biodiversity (bush pig) management project is being piloted at Umzumbe municipality in an agricultural nodal area and same, if successful, will be replicated in other local municipalities.

## COMPONENT F: HEALTH

### 3.11 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

#### INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABBATOIR LICENSING AND INSPECTIONS, ETC

Municipal (Environmental) Health Services seek to establish and improve health and hygiene compliance in all areas of the community. Much as every area of environmental health is important, the following had to take priority: (1) water quality monitoring in support of Ugu's core-business; (2) Food safety and control and health and hygiene education. As Ugu District Municipality is a water and sanitation authority, it is essential to ensure sustainability of this service in terms of compliance of WWTWs and WTWs. Food safety and control has continuously improved the provision of hygienically safe foods and food products from the point of preparation, transportation to serving/provision to the public. Public confidence in this area continues to increase. Health and Hygiene education is and has always been the highlight of this service for the poor communities through outreach programmes. However, service delivery is still a critical factor for the poor communities so that health and hygiene education remains relevant.

**COMMENT ON THE PERFORMANCE OF HEALTH  
INSPECTIONS, Etc OVERALL:**

The only expenditure that is incurred in health inspections can be accounted to personnel costs only. Owing to the need to reduce expenses, this area has

been turned into one of the least capital extensive while still being delivered at the same time. In future, consideration needs to be given to financing all the equipment that is required to deliver efficient inspections.

## COMPONENT G: SECURITY AND SAFETY

### INTRODUCTION TO SECURITY & SAFETY

The Local Municipalities within the District are responsible for Police and Fire Services. The District

Municipality is responsible for Disaster Management Services.

### 3.11 DISASTER MANAGEMENT

#### INTRODUCTION TO DISASTER MANAGEMENT

The Ugu District Municipality is one of ten District Municipality's within KwaZulu-Natal. The Disaster Management function within the District is coordinated in partnership with the six local municipalities, namely: Umdoni, Eziqoleni, Umzumbe, Vulamehlo, Hibiscus Coast and Umuziwabantu.

The area covered by the District Municipality is 5046 km<sup>2</sup> and includes a coastline of some 112 kilometers with 42 estuaries. The topography of the district is severe, characterized by extensive river gorges and hilly areas. These characteristics make the development of infrastructure difficult and costly as well as making rescue operations difficult in the event of an emergency.

#### STATUS OF THE DISASTER MANAGEMENT CENTRE

The District established a disaster management centre in its administration in 2005, which specialises in issues concerning disasters and disaster management. The centre is promoting an integrated and coordinated approach to disaster management, with special emphasis on prevention and mitigation, by the department and other internal units within the administration of the District and Local Municipalities.

With the support from the Provincial Disaster Management Centre, the District has managed to accumulate R9.5m which will be used for Phase 1 of the new building. The SOD turning event took place on the 08 November 2013 and the appointed service provider has commenced construction which is expected to be completed by July 2014.



Picture depicts SOD turning event at the new Disaster Centre site, which was attended by Mayors from Hibiscus Coast and Umzumbe Municipalities.

#### Details of the Current DM-Centre:-

- The centre is located at 163 Reynolds Street in Port Shepstone
- The centre can accommodate 30 people and currently four (4) lockable stalls are located at the Ugu Fresh Produce Market for stock keeping.



Construction in progress at the new Disaster Centre site

#### Emergency Relief Provided

Quarter	Tents	Blankets	Plastic Sheeting	Sponges
Jul– Sept 2013	2	119	2	17

Oct – Dec 2013	22	166	33	108
Jan – Mar 2014	5	108	12	47
April – Jun 2014	2	118	2	46
<b>TOTAL</b>	<b>32</b>	<b>511</b>	<b>49</b>	<b>218</b>

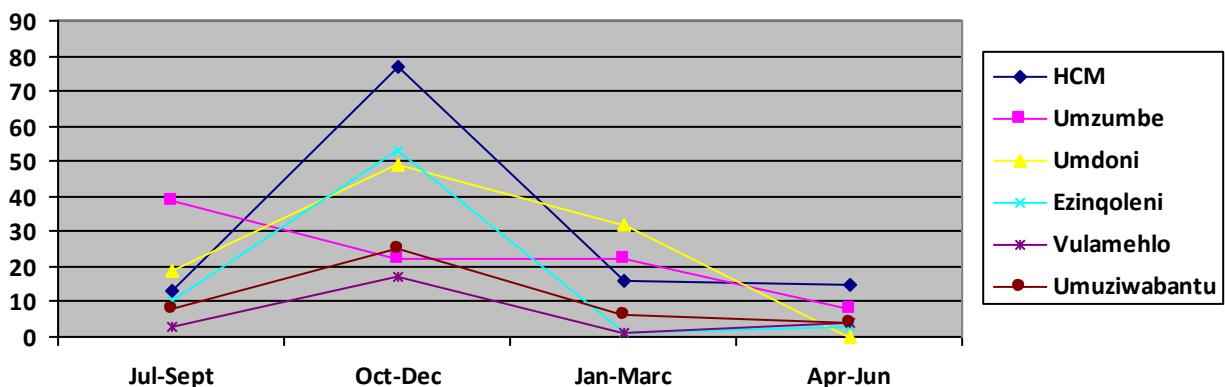
During the 2013/14 financial year, the District experienced a high level of fire related incidents followed by strong winds, heavy rain and lightning. The District management team and support team responded to major incidents that were reported in Vulamehlo and Ezingoleni Local Municipalities to assist Local Practitioners in conducting assessments to the affected families. The incidents that were reported occurred in all six local municipalities namely: - Ezingoleni, Hibiscus Coast, Umdoni, Umuziwabantu, Umzumbe and Vulamehlo.

## SERVICE STATISTICS FOR DISASTER MANAGEMENT

### INCIDENTS REPORTED

#### Incident Stats per Local Municipality

No.	Local Municipality	Number of Incidents Reported				Type of Incidents
		Jul – Sept 2013	Oct – Dec 2013	Jan – Mar 2014	April – Jun 2014	
<b>F – Fire; SW – Strong Wind; L- Lightning; HS – Hailstorm; VF- Veld Fire; HR – Heavy Rain</b>						
1.	Ezingoleni	10	53	1	4	F,HR, SW, VF
2.	Hibiscus Coast	13	77	16	27	L, F, HR
3.	Umdoni	19	49	32	2	F, SW
4.	Umuziwabantu	8	25	6	6	F, HS, SW
5.	Umzumbe	39	22	22	20	L, F, HR
6.	Vulamehlo	3	17	1	6	F, SW, HR
<b>TOTAL</b>		<b>92</b>	<b>243</b>	<b>78</b>	<b>65</b>	



#### Summary of Incidents

Description	Jul – Sept 2013	Oct – Dec 2013	Jan – Mar 2014	April – Jun 2014	Total
Households Affected	92	282	82	75	531
Partially Damaged	40	154	49	29	272
Totally Destroyed	52	129	51	46	260
People Affected	450	2874	585	417	4326
Injuries	5	4	34	1	44
Fatalities	6	11	6	1	24

Missing	0	0	0	0	0
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### JOC MEETINGS

A Joint Operations Centre (JOC) meeting was held on the 17th of June 2014 at Ezingoleni Local Municipality. The meeting was attended by various stakeholders to give an update on the damages that were caused by the veld fire and also clarify roles and responsibilities. The Department of Human Settlement and the Department of Social Development made an obligation that assessments will be conducted to the affected families and intervene where possible.

### COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT

#### STATUS OF IGR STRUCTURES

The district disaster management advisory forum is fully operational and was formed in terms of the Disaster Management Act No. 57 of 2002, Section 51 coupled to Section 42, which requires the Municipality to establish a multi-disciplined structure consisting of representatives

from the District Municipality, all Category B municipalities within the District, Provincial departments who have a role to play in disaster management and have district offices within the area, senior representatives of National departments within the area and all role-players i.e. NGO's in the District.

The Forum is being utilised as "a body in which a municipality and relevant disaster management role players in the municipality consult one another and coordinate their actions on matters relating to disaster management." The Forum meets at least four times per annum and the special meetings are called as the need arises.

All six Local Municipalities have established their own Local Disaster Management Advisory Forums which assists in terms of disaster management coordination and planning. The Forum is currently having a challenge in terms of getting full stakeholder representation, not all relevant stakeholders are being represented at the forum.

The Advisory Forum meetings were convened at Ugu District Municipality:

No.	Municipality	Dates
1.	District	16 August 2013 18 October 2013 20 February 2014
2.	Umzumbe	11 September 2013 07 January 2014 17 June 2014
3.	Hibiscus Coast Municipality	16 October 2013 13 February 2014 26 May 2014
4.	Ezingoleni	27 May 2014
5.	Umdoni	14 August 2013

### DISTRICT PRACTITIONERS FORUM MEETINGS

The District together with Cogta Support Team and Local Municipalities conducted the District Disaster Management Practitioners Meetings. The aim of these meetings is to deliberate, strategise and plan disaster management in order to have a well co-ordinated and standardised approach on disaster management.

Dates of Practitioners meetings convened are as following-:

Date	Name of Meeting	Venue
28 June 2013	DM: Practitioners Meeting	Umzinto Fire and Disaster Management Centre
2 October 2013	DM: Practitioners Meeting	Vulamehlo Local Municipality
6	DM: Practitioners Meeting	Ugu DMC

<b>November 2013</b>		
<b>31 January 2014</b>	DM: Practitioners Meeting	Ugu DMC
<b>05 March 2014</b>	DM: Practitioners Meeting	Ugu DMC
<b>10 March 2014</b>	DM: Special Practitioners Meeting	Oslo Beach Phase 1 Boardroom
<b>4 April 2014</b>	DM – Practitioners Meeting and PSC Meeting	Oslo Beach Phase 1 Boardroom
<b>2 May 2014</b>	DM – Practitioners Meeting	Main Boardroom Corner Street
<b>20 June 2014</b>	DM – Practitioners Meeting	Ugu DMC Boardroom

#### STATUS OF THE DISASTER MANAGEMENT CAPACITY

The approved Personnel Structure for the Ugu District Disaster Management Centre is as follows:

- Manager Disaster Management
- 3 x Disaster Management Practitioners (1 vacant)
- 1 x Administrative Assistant (vacant)
- 1 x General Assistant
- 4 x Fireman (vacant)
- 3 x Interns
- 2 x support staff from PDMC

#### STATUS OF THE DISASTER MANAGEMENT PLANS

The District Disaster Management Sector Plan was reviewed for the 2013-2014 financial years and adopted by the Council. The Programs identified as per reviewed Disaster Management Sector Plan were aligned with the IDP and were further adopted by the District Forum.

#### STATUS OF READINESS TO DEAL WITH A DISASTER, INCLUDING FINANCIAL CAPABILITIES.

The District Municipality in partnership with the family of Local Municipalities is ready to deal with disasters. Hibiscus Coast and Umdoni Municipality have 24hr emergency Call Centers which deals with reporting of emergency incidents. The call centers also support the other local municipalities by recording incidents reported

**Table of the District Risk Profile**

RISK	LM	STRATEGIC OBJECTIVE	STRATEGY	PROGRAM	RESPONSIBLE DEPARTMENT
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and allow for the necessary response. The Control Centers are operating on a shift system, with two controllers on each shift. Each local municipality has one or two staff members dedicated to disaster management duties and are available 24 hours a day.

In terms of financial capabilities the District has budgeted for disaster management and for 2013/14, the budgeted amount was **R3,874,916** which was for operations, response and recovery. Each LM has provided a budget for disaster management although it is not sufficient to deal with all programs for disaster management.

#### ➤ Volunteer Core Unit

Volunteers were trained on issues of disaster management with the intention of improving the capacity to deal with disaster incidents. Throughout Local Municipalities, the District has a total of 500 volunteers which have been trained on basic training on community based Disaster Management, Fire Fighting and First Aid level 1.

- Hibiscus Coast -144,
- Ezingoleni-160,
- Umuziwabantu-15,
- Vulamehlo-133,
- Umdoni-19,
- Umzombe-29

The District is in the process of identifying 10 District Volunteers within the existing staff members of the Municipality.

#### STATUS AND RESULTS OF DISASTER RISK ASSESSMENTS UNDERTAKEN

Risk Assessments were conducted during the sector reviewed process and the risks reduction strategies were developed. The risks mapping exercise was also done. The District has a ward based risk profile which was conducted per ward within the 84 wards throughout the District. Each Local Municipality has its own Ward Based Risk Profile which is incorporated in their Local Disaster Management Plans. The following table portrays the risk prioritised as per sector programme.

RISK	LM	STRATEGIC OBJECTIVE	STRATEGY	PROGRAM	RESPONSIBLE DEPARTMENT
<b>Air Pollution</b>	All LM's	To reduce pollution	Identification of Pollution source Establish Monitoring system	Secure Air Quality Plan Awareness campaign	Environmental Services (Ugu)
<b>Water Supply Security</b>	All LM's	To reduce the risk of exposure to drought  To investigate appropriate crops under change weather pattern to ensure food security  To improve holistic environmental management practices  Integrate to current research Program to effect Environmental water Practice	Have monitoring measures in place to ensure the prevention of excessive water usage  Identify alternative water sources  Increase local water storage capacity	Removal of invisible alien trees and plans  Springs and borehole programs  Rotational drought resistance crop growing  Removal of Alien Species and Planting of indigenous trees and plans  Awareness Program Water Harvesting 1home 1 garden	DWA, Ugu Water Services, KZNDAE HCM Strategic Planning, KZN Wild Life SA Red Cross DAFF
<b>Fire</b>	All LM	To reduce fire related incidences	Installation and maintenance of fire hydrants in high risk areas  To prevent illegal connections  Maintain electricity distribution servitude and regular inspection of electricity lines  Purchase of fire fighting vehicles and equipment  Improve emergency communication systems  To explore saver alternatives to energy in traditional households and slums e.g. gel stoves	Fire breaks in high risk areas  Education, Training and awareness campaigns  Conduct Inspections (business premises)  Install Signage in high risk areas  Fire services protection in each LM  Fully equipped and staffed Call centre  Fire Safety inspections  Awareness Campaigns and signage	LM and Share Services, COGTA, ESKOM, DAFF, DOH, SA Red Cross, FPA( Fire Protection Association
<b>Deforestation</b>	Umzumbe	To minimise cutting of trees	Education and Training  Enforcement of Legislation	Awareness campaigns	KZNDAE House of Traditional Leaders DWA DAFF ENVIROMENTAL SERVICES
<b>Epidemics Rabies* Cholera TB</b>	All LM's	To conduct vaccinations and early warning  To prevent spread of	Sufficient Primary Health Care Clinics	Health and Hygiene promotions  Vaccination program	KZNDAE DOH LM's District Environmental Services



RISK	LM	STRATEGIC OBJECTIVE	STRATEGY	PROGRAM	RESPONSIBLE DEPARTMENT
		Diseases			DOE
<b>Severe storms</b>	All LM's	To reduce the impact of severe storm damages	Early warning systems and dissemination of information		SAWS Ugu Disaster
<b>Shigella Dysentery</b>	Umdoni	To Improve water quality	Water Quality management, education and string protection projects		DOH Ugu Water Services KZNDAE
<b>Tidal Waves</b>	Umdoni HCM Umzumbe	To reduce the risk of exposure to tidal waves  Monitor sewer outlets and water quality	Education and Training	Law enforcement  Town Planning Regulation	KZNDAE DM and LM DWA KZ Wild Life Ezemvelo
<b>Water pollution</b>	All LM	To ensure access to clean water  Monitor sewer outlets and water quality	Solid waste disposal  Development of Sewerage Spill Plans	Water quality monitoring program  Proper Sewer disposal	Ugu DM Water Services All LM's Ugu DM Provincial DM DWA DOH KZNDAE
<b>Oil pollution*</b>	Umdoni HCM Umzumbe	To improve on response on direct and indirect impact of pollution related emergencies and disasters	Development of Oil Spill Plan	Law Enforcement	KZNDAE National DAEA KZN Wild Life
<b>Hail Storms</b>	HCM Vulamehlo Ezinqoleni Umuziwabantu	To reduce hail storm incidences	Wind breakers and settlement planning		LM, UGU DM DWA DOH KZNDAE COGTA DAFF COGTA
<b>Dam failure</b>	All LM's	To prevent over flooding and create early warning signals		Monitoring	Ugu (Water Services) LM DWA Umgeni Water
<b>Hazmat by road</b>	All LM's	To reduce the number of Hazmat incidents	Inspection of Vehicles  Proper Identification of Vehicles	Law enforcement	DOT LM's SANRAL Fire Brigade Services
<b>Hazmat by rail</b>	HCM	To reduce the number of Hazmat incidents	Inspection of rails and trains  Proper identification	Law enforcement	SANRAL SPOORNET LM
<b>Industrial waste*/storm water*</b>	All LM's	To control industrial waste and improve storm water management  Self Regulation through IDO Program	To conduct regular industrial practice  Regulation enforcement  To implement best practice model	Law enforcement  License advisory forum  Education and Training	LM's Ugu (Water Services) KZNDAE Department of Health
<b>Waste</b>	All LM's	To control water and	To control water and		Ugu DM (Water Services)

RISK	LM	STRATEGIC OBJECTIVE	STRATEGY	PROGRAM	RESPONSIBLE DEPARTMENT
disposal		waste disposal	waste disposal		LM's
Thunder Storm and Lightning	All LM's	Mitigation measures	Installation of lighting conductors Education and awareness campaign	Awareness Campaigns	COGTA LM's SA Weather Services
Power outages *	All LM's	To reduce power outages	To reduce the number of illegal connections Provide early warning system	Solar Systems Education and Awareness	ESKOM LM's
Wild pigs	Umzumbe	To prevent wild pigs from entering in community settlements	Minimise impact	Awareness Campaign	KZN Wildlife KZNDAE LM's Local Hunters Traditional Leaders Ugu LED Agriculture

#### DISASTER MANAGEMENT TRAINING AND AWARENESS CAMPAIGNS

As part of community based risk reduction measures the District embarked of the following awareness campaigns:

EVENT	DATE	VENUE	NUMBER OF PEOPLE REACHED	MUNICIPALITY
Umdoni Volunteer Training	19 August 2013	Umdoni Disaster Centre	16	Umdoni Municipality
Traditional Council Workshop	21 August 2013	KwaCele Traditional Council Office-Umzumbe	22	Umzumbe Municipality
War Room Meeting	10 September 2013	Mshweshwe Resource Centre - Eziqoleni	17	Eziqoleni Municipality
HCM Summer Seasonal Awareness Campaign	12 September 2013	Civic Centre	52	Hibiscus Coast Municipality
ICROP SASSA Event	13 September 2013	Jabavu Sportsfield (Eziqoleni)	108	Eziqoleni Municipality
Heritage Day Event	24 September 2013	Marburg Sportsfield	117	Hibiscus Coast Municipality
Summer Season Awareness- TB Molefe	06 October 2013	TB Molefe - Gamalakhe	100	Hibiscus Coast Municipality
Mayoral Imbizo / Community Summer Season Awareness	09 October 2013	Mistake Farm	101	Vulamehlo Municipality
Community Summer Awareness Campaign	11 October 2013	Sandalowazi	65	Vulamehlo Municipality

EVENT	DATE	VENUE	NUMBER OF PEOPLE REACHED	MUNICIPALITY
Mayoral Imbizo / Community Summer Awareness Campaign	17 October 2013	Hlokozi Sport Centre	212	Umzumbe Municipality
Mayoral Imbizo / Community Summer Awareness Campaign	18 October 2013	Nhlalwane Sports Ground	208	Umzumbe Municipality
Summer Awareness Campaign	06 November 2013	Kwanokugoduka Hall	206	Umzumbe Municipality
Community Awareness Campaign	13 November 2013	TB Molefe Sports Ground	84	Hibiscus Coast
Community Awareness Campaign	19 November 2013	Maveshe Community Hall	274	Hibiscus Coast
Community Awareness Campaign	20 November 2013	Manzanhlophe Hall	236	Umzumbe
Community Awareness Campaign	3 January 2014	Harding Taxi Rank	114	Umuziwabantu
Community Awareness Campaign	23 January 2014	Izingolweni Taxi Rank	133	Ezinqoleni
Community Awareness Campaign	30 January 2014	Nelson Mandela Children's Expo (Sports & Leisure)	151	HCM
Community Awareness Campaign	19 February 2014	Margate Taxi Rank	100	Hibiscus Coast
Community Awareness Campaign	20 March 2014	KwaCekeza Sports Ground	200	Umuziwabantu
Community Awareness Campaign	26 March	Sports & Leisure	19	HCM
Community Awareness Campaign	28 March 2014	Kenterton Taxi Rank	99	Vulamehlo
Community Awareness Campaign	12 April 2014	Malangeni	150	Umdoni
Community Awareness Campaign	13 April 2014	Dumisa	200	Vulamehlo
Community Awareness Campaign	14 April 2014	Mehlomnyama	200	Umzumbe
Community Awareness Campaign	22-23 April 2014	Turton Clinic	110	Umdoni
Community Awareness Campaign	06 May 2014	Mvutshini	150	HCM
Community Awareness Campaign	15 May 2014	Mbeni	186	Ezinqoleni
Community Awareness Campaign	27 May 2014	Gobhela MPCC	40	Umzumbe
Community Awareness Campaign	30 May 2014	Phungashe Resource Centre	50	Umzumbe
Community Awareness Campaign	06 June 2014	Boboyi	100	HCM
Community Awareness Campaign	11 June 2014	DRM - Community Training	44	Ezinqoleni
Community Awareness Campaign	15 June 2014	Marburg Sports ground	150	HCM
Community Awareness Campaign	22 June 2014	Vulamehlo	105	Vulamehlo

EVENT	DATE	VENUE	NUMBER OF PEOPLE REACHED	MUNICIPALITY
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HCM awareness campaign



Ezinqoleni War Room



Ezinqoleni Taxi Rank- 23 January 2014  
Vulamehlo Taxi Rank 28 March 2014



Margate Taxi Rank – 19 February 2014



Vulamehlo Taxi Rank 28 March 2014



Children's Day – DM Awareness and Exhibition

#### NUMBER OF SCHOOLS AWARENESS CAMPAIGN CONDUCTED

EVENT	DATE	VENUE	MUNICIPALITY
Winter awareness campaign	24 July 2013	Finqindlela High School	Umzumbe
Winter awareness campaign	25 July 2013	Dubandlela High School	Umzumbe
Winter awareness campaign	6 August 2013	Dunywa Primary School	Hibiscus Coast
Winter awareness campaign	8 August 2013	Macebo Primary School	Umdoni
Winter awareness campaign	12 August 2013	Sister Joans's High School	Hibiscus Coast

<b>Summer Awareness Campaign</b>	27February 2014	Vusisizwe Primary School	Umdoni
<b>Winter awareness campaign</b>	17 May 2014	St. Annes Primary School	Umdoni
<b>Winter awareness campaign</b>	27 May 2014	Insingizi Primary School	HCM
<b>Winter awareness campaign</b>	28 May 2014	Zwelihle CP School	HCM
<b>Winter awareness campaign</b>	09 June 2014	Ezinqoleni Secondary School	Ezinqoleni
<b>Winter awareness campaign</b>	09 June 2014	Mansfield Primary School	Ezinqoleni

### BEST PRACTICE / ACHIEVEMENTS / SUCCESSES

The review of the sector plan was done internally. We have also engaged Local Municipalities to do the same with the assistance of the District centre and their IDP Planners. The District has been able to review the framework policy internally which is nearing completion with the public participation roll out imminent. The District successfully coordinated the implementation of the Fire and Disaster Shared Service Model for the North

and the Southern clusters. Municipalities are in the process of finalizing the shared services agreements.

### Events & Contingency Plans

The District in conjunction with the LMs and the Security cluster were able to convene planning meetings and Section 4 meetings in preparation for these events;-

EVENTS	DATE	VENUE	MUNICIPALITY
<b>Ugu Growth &amp; Development Strategy</b>	13 June 2013		Ugu District Municipality
<b>Ugu Jazz Festival</b>	22 June 2013	Ugu Sports and Leisure	Ugu District Municipality
<b>Instillation of Inkosi Mavundla</b>	5 July 2013	Gamalakhe	Hibiscus Coast Municipality
<b>Umzumbe Maiden Mass Funeral</b>	7 September 2013	Sangweni Sportsfield (KwaHlongwa)	Umzumbe Municipality
<b>ICROP SASSA Event</b>	13 September 2013	Jabavu Sportsfield (Ezinqoleni)	Ezinqoleni Municipality
<b>Heritage Day</b>	24 September 2013	Marburg Sportfield	Hibiscus Coast Municipality
<b>Big Walk Family Fun Day</b>	06 October 2013	TB Molefe - Gamalakhe	Hibiscus Coast Municipality
<b>National Children's Day Celebration</b>	02 November 2013	Ugu Sports and Leisure	Ugu District Municipality
<b>Opening of P68 Road – Event</b>	18 March 2014	Kwa Nzimakwe	Hibiscus Coast Municipality
<b>Umuziwabantu</b>	20 March 2014	Harding- Fodo	Umuziwabantu Municipality
<b>Community DRM Awareness</b>	26 March 2014	Ugu Sports and Leisure – Gamalakhe	Ugu District Municipality

EVENTS	DATE	VENUE	MUNICIPALITY
Ugu Jazz Pre-Party	27 June 2014	Marburg Sports Ground	Ugu District Municipality
Ugu Jazz Festival	28 June 2014	Ugu Sports and Leisure Centre	Ugu District Municipality
Ugu Jazz Picnic	29 June 2014	St Michael- Shelly Beach	Ugu District Municipality

### Disaster Relief, Rehabilitation and Reconstruction Strategy

The District has been able to complete a Draft Disaster Relief, Rehabilitation and Reconstruction Strategy (DRRR) which has been developed in response to the assessment of the 2008 flood damage report which had a recommendation that a Relief, Rehabilitation and Reconstruction Strategy is required for Ugu District.

The development of the strategy is informed by policies and legislation. Its primary objectives are to identify and address both opportunities and constraints within the

- Response and coordination of the relief and rescue
- Damage assessment to facilitate the rehabilitation and reconstruction, and
- Activation of resources to deal with the disaster and access to funding

The purpose of the strategy is to ensure that effective response and recovery by implementing clear early warnings systems, implementing immediate and appropriate response as well as implement reconstruction and rehabilitation strategies.

### Disaster Management Engagement Workshop 14-15 November 2013

The District hosted a workshop on disaster management engagement that was organised jointly by the Provincial Disaster Management Centre and The District on the 14 – 15 November 2013 at Margate Hotel which was well attended 150 role-players and stakeholders participated in the workshop. The workshop was fully supported by Amakhosi aseNdlunkulu (Traditional Leaders) which

showed an interest on disaster management issues. The Local Municipalities also participated in the discussions by doing presentations highlighting their state of readiness.



Margate Workshop 14-15 November 2013

### Fire Fighting Shared Services – Fire Trucks Hand Over

Through the assistance of the Provincial Disaster Management (Cogta) the Ugu District Municipality was able to procure 4 Fire Fighting Trucks. Service Level Agreements were drawn up and were signed by the concerned Local Municipalities. The 3 Fire Trucks were handed over to Ezingoleni, Umzumbe and Vulamehlo Local Municipalities in the presence of Political Leaders and HOD's. 1 fire truck will remain with the District and will serve as a back-up. This initiative will assist and strengthen the Fire Fighting Units within these under privileged municipalities.

The District Municipality is currently facilitating the process of providing an additional financial support which will assist with the appointment of Fire Fighters within the Local Municipalities.



At the handover of the fire trucks to the LM's

### CHALLENGES EXPERIENCED AND RECOMMENDATIONS

Challenges	Recommendations
Slow response to incident in local municipalities with no dedicated disaster personnel	Require dedicated disaster personnel to respond immediately to incidents
Incidents are reported to the DDMC with insufficient information and details not specified	Incidents to be reported using the correct administration tool i.e. assessment form
Local Municipalities not budgeting for disaster relief stock	Municipalities to budget for relief stock
Disaster programs lack coordination at local level due to not being recognised as a critical service	Disaster management issues to be listed for discussion at senior management meetings i.e. MANCO, MM's Forum, IDP Forums
Poor stakeholder participation at district and local advisory forums	The district and locals to identify relevant stakeholders and review terms of reference for advisory forums

### OTHER DISASTER MANAGEMENT INITIATIVES

The Ugu District Disaster Management Centre participated on the Presidential Initiative for the Dr Rolihlahla Nelson Mandela Funeral Joint Operation Command and we were able to deploy 15 staff members and 4 fire engines including 2 skid units. These resources

were distributed in various strategic areas around OR Tambo in Qunu area of the event. The resources were at OR Tambo district for a period of 10 days started from the 7th of December 2013 to the 17th December 2013. There was an additional 2 days for the debriefing and wrapping up.

### COMPONENT H: SPORT AND RECREATION

Ugu District Municipality owns and operates the Ugu Sports and Leisure Centre, based on the D202 in Izotsha / Gamalakhe. This facility is used for many National, Provincial and Local events that include major sporting

events as well as various conferences and school exhibitions.

Ugu District Municipality is not directly involved in sports and recreation.



## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

### INTRODUCTION TO CORPORATE POLICY OFFICES

The Ugu District Municipality has a broad range of policies in place, grounded in sound research, critical analysis and solid proposals, which seek to clearly express the ideals of the institution in respect of basic service delivery to its communities. The drafting of new policies and the revision of dated policies the focus of

the newly formed policy task team, which is headed by the Manager Legal Services. This policy task team vets all policies prior to approval and adoption and the membership includes officials from various departments and units within the Municipality. The task team was formed in order to promote policy coordination, alignment and rationalization and has effectively achieved this goal.

### 3.13 EXECUTIVE AND COUNCIL



Cllr NH Gumede  
Mayor / Chairperson of the Executive Committee

Every municipal council has the right to determine its internal procedures; this right is protected by S160 of the Constitution, which allows the municipal council to decide how to structure the internal operations of the municipality and what mandate or area of responsibility

it assigns to political structures, office-bearers and the Municipal Manager.

This right is coupled with an obligation in the Municipal Systems Act 32 of 2000, which instructs each municipality to define the roles and areas of responsibility of political office-bearers and political structures and this definition process is one which is done through the terms of reference. The terms of reference will seek to precisely outline the roles and responsibilities identified in legislation of the councillors, political structures and officials in a municipality.

The Purpose of the Executive Committee is that the council is responsible for all the decisions of a municipality but it may delegate specific functions to committees as provided for in Part 5: Section 79 of the Municipal Structures Act, 1998. The Executive Committee exercises oversight responsibilities in respect of the day to day activities of Council.



It is important to note that all resolutions taken by the Executive Committee as per delegations from the Ugu District Municipal Council for the financial year 2013 /2014 have been implemented.

The council is responsible for all the decisions of a municipality but it may delegate specific functions to committees as provided for in Part 5: Section 79 of the Municipal Structures Act, 1998. The object of the Council Committee is to perform the following functions:

- Formulating and developing legislation and policies pertaining to the functions of the administration;
- Provision of oversight in the implementation and monitoring of the approved legislations, by-laws, policies, municipal budget as well as the council strategic plans;
- Consider any report on legislation, policies (budget and integrated development planning included), and by- laws in regard to the administration;

- Ensure that the inputs from the communities and sector forums are given due consideration and are taken into account where applicable; and
- Obtain expert advice where deemed necessary.



Cllr SB Cele  
Speaker of Municipal Council (right) with Cllr Madlala from Hibiscus Coast Municipality

It is important to note that all Council resolutions for the financial year 2013 /2014 have been implemented.

### 3.14 FINANCIAL SERVICES

#### INTRODUCTION FINANCIAL SERVICES

Text To be updated after AFS finalised.

#### COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

Text To be updated after AFS finalised.

### 3.15 HUMAN RESOURCE SERVICES

#### COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

The Human Resources Management Services rendered by the Municipality aims to achieve the following:

- Attend to the human resources requirements of the various municipal departments
- Establish and maintain a working environment that encourages personal growth, development, enrichment and job satisfaction.

- Ensure that human resources policies and procedures are administered in such a way as to protect the interests of both the Municipality and its employees. To accomplish this purpose, professional support services are rendered in respect of the following functional areas:
  - Recruitment and selection
  - Induction of newly appointed staff
  - Personnel administration – administration of staff benefits and maintaining employee records

- Maintaining and monitoring Conditions of Service in terms of the applicable legislation, Bargaining Council agreements and Council policies
- Placement at the behest of the institution
- Staff movement
- EHSW Unit ensures compliance with the Occupational Health and Safety Act 85 of 1993, and ensures employee wellness.
- General administration

Ugu District Municipality values all its employees and commits itself to promoting their wellbeing. It is therefore the aim of the Employee Health, Safety and wellness Programme to improve the quality of life of all employees by providing support and helping to alleviate the impact of everyday work and personal and family problems. It is therefore intended, that, with this Employee Health, safety and Wellness Strategy that the Municipality will be effective in providing employees with a programme that provides innovative methods of managing performance related problems.

The explicit aim of the EHSW Strategy is to improve the quality of life of all employees by providing support and helping to alleviate the impact of everyday work and personal and family problems. EHSW Strategy offers new

and exciting prospects to assist in the well being of employees while at the same time increasing the effectiveness of the Organisation. Participation in the programme is voluntary and will not jeopardise job security. The programme does not intend to interfere with workers' private lives; however when a member does not perform according to the standard expected, management has a right to intervene.

The programme is a cost free worksite based programme providing confidential and professional assistance to employees of UGU District Municipality employees. EHSW Strategy does not replace any existing procedures, but provides innovative methods of managing performance related problems.



Ugu employees at the Ugu Health and Wellness Strategy launch

### 3.16 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

#### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Municipality is committed to providing a reliable and sustainable ICT environment that supports its goals and objectives, as defined in the Integrated Development Plan.

#### SERVICE STATISTICS FOR ICT SERVICES

ICT services can be classified into three categories: Application Development; Technical Services; and Enterprise Programmes.

- In terms of Application Development, application programmes are provided that not only match the user departments exact needs,

but allow all such departments to utilise these application programmes in achieving their specific objectives as set out in the IDP, harmoniously, efficiently and timeously.

- In terms of Technical Services, the hardware and network infrastructure that enables all departments to electronically communicate both internally and externally, are provided and maintained.
- In terms of Enterprise Programmes, all new requirements identified by the various departments within the Municipality are researched and developed, in conjunction with Application Development and Technical Services functions.

## COMMENT ON THE PERFORMANCE OF ICT SERVICES

### OVERALL:

Two major ICT investment projects that municipality embarked on in the 2013/2014 financial year are as follows:

- Microsoft Enterprise Agreement - The municipality signed a Microsoft Enterprise Licensing Agreement through SITA for a period of three years ending in 2015/2016. This agreement has ensured that the municipality is covered for the three years with regards Microsoft Licensing. It also came with many technological benefits that the ICT section can and has taken advantage of to improve its infrastructure and services to the municipality. One of those benefits was the free consulting hours with experts in the ICT industry as well as free training using the agreement's voucher system.

- Central Data Centre Infrastructure Upgrade - ICT embarked on a project to replace its ageing data centre infrastructure for its central data centre at the main office. The project involved a redesign of the data centre and that it took longer than expected as it required extensive planning and consulting experts. This delayed the project a lot and the capital budget ended up being cut for fear that it wouldn't be spent in full by the end of the financial year. So, with what was left, ICT used the SITA tender 153 to procure the required equipment and rescheduled the implementation part to the following financial year.

There were no capital budget variations in the financial year concerned. There was some additional funding that was requested and granted on the operating budget during the mid-term budget adjustment. That was used primarily to top up budgets for contracted services that had been under-budgeted for at the beginning of the financial year. The ICT targets on the IDP for 2013/14 were all achieved within the budget.

## 3.17 LEGAL SERVICES

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### INTRODUCTION TO LEGAL SERVICES

Local government operates in a highly legislated environment, which highlights the importance of compliance with the large volume of legislation applicable in the sphere. In this regard, the Municipality has a functional Legal Services Section in place, which provides:

- Legal Advisory services to the Council and the Administration
- Efficient management of legal risk inclusive of litigation
- Contract management
- Serving as an Appeal Authority to appeals or objections against SCM processes
- Implementation of administrative justice practices

The Legal Services Section reports directly to the Municipal Manager and the Manager: Legal Services

serves on the Senior Management Committee of the Municipality.

The recommendations of a Forensic Investigation done during the 2013/14 financial year was that the Municipality terminated contracts with two Service Providers and accordingly instituted criminal and civil recovery proceedings against them as a result of them being awarded contracts by the Municipality, which contracts were awarded to them as a result of them having tendered fraudulent Tax Clearance certificates to the Municipality during the bidding process for the contracts which they were subsequently awarded.

An amount of R5 585 043.39 in total is being recovered and Ugu District Municipality has adopted practices to mitigate such reoccurrences.

## COMPONENT J: MISCELLANEOUS

This component is not applicable to the financial year of 2013/14 and therefore there is no data to report

## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This is the DRAFT version, amendments indicated were in the process of being corrected at time of going to print (indicated in red text)

UGU DISTRICT MUNICIPALITY 2013/2014 ANNUAL PERFORMANCE REPORT															
IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVE (AS PER IDP)	STRATEGIES (AS PER IDP)	NO	INDICATORS	COMPARISON WITH PREVIOUS YEAR		CURRENT YEAR				Status (Achieved / Not Achieved)	Measures taken to improve performance	Portfolio of Evidence
							2012/13 TARGET	2012/13 ACTUAL	DEMAND	BACKLOG	2013/14 TARGET	2013/14 ACTUAL			
OMM-4	DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT	MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	To build and strengthen the administrative and institutional capacity of the municipality	Municipal Transformation and Institutional Development Strategy	1	Date 2014/2015 PMS & SDBIP approved	2013/2014 PMS and SDBIP approved by 2013/06/30	28-Jun-13	Approval of 2015/2016 SDBIP by 30 June 2015	Approval of 2015/2016 SDBIP by 30 June 2015	30-Jun-14	26-Jun-14	ACHIEVED	N/A	Mayors approval of 2014/2015 SDBIP
2					Number of quarterly reviews conducted	4	4	4 quarterly reviews for 2014/2015	4 quarterly reviews for 2014/2015	4	4	ACHIEVED	N/A	Minutes & Attendance registers	
3					Date Section 72 report approved	31-Jan-13	27-Feb-13	2014/2015 mid-year review	2014/2015 mid-year review	31-Jan-14	25-Jan-14	ACHIEVED	N/A	Council resolution noting the mid-year review report	
4					Date 2012/2013 Annual report Approved	11/12 Annual report approved by 31 Mar	31-Mar-13	Approval of 2013/2014 Annual report by 31 Mar 2015	Approval of 2013/2014 Annual report by 31 Mar 2015	30 Mar 2014	27-Mar-14	ACHIEVED	N/A	Council resolutions <b>and annual report</b>	

						2013										
CS-5						5	Turnaround time taken to produce draft minutes after the sitting of a meeting	N/A	N/A			10 working days	10 working days	ACHIEVED	N/A	Schedule outlining dates of meetings and dates when draft minutes were available
CS-10						6	Date HR Policy and procedure manual is updated	N/A	N/A			31-Dec-13	31-Dec-13	ACHIEVED	none	Approval by Manco and Final procedure manual document
CS-11						7	Number of Performance agreements for level 2 and 3 managers signed by 30 Sept 2013	N/A	N/A			10	10	ACHIEVED	none	Copies of signed performance agreements
CS-12						8	Number of employees enrolled for computerised ABET	N/A	N/A			20	17	NOT ACHIEVED	Need a corrective measure	Attendance register
CS-13						9	Number of employees enrolled for computer training programme	N/A	N/A			50	20	NOT ACHIEVED	Need a corrective measure	attendance register
CS-14						10	Number of process controllers trained on	N/A	N/A			40	20	NOT ACHIEVED	Need a corrective measure	Attendance register

					water and waste water treatment										
CS-15					11	Number of artisans trained/ trade tested	7 training initiatives conducted	5 training initiatives conducted NOT ACHIEVED			15 artisans trained/ trade tested	7	NOT ACHIEVED	Need a corrective measure	Attendance register
CS-16					12	Percentage implementation of WSP training programmes	100%of the workplace skills plan budget spent	56 %of the workplace skills plan budget spent NOT ACHIEVED			100% implementation of WSP training programmes	87%	NOT ACHIEVED	Need a corrective measure	attendance register and LGSETA quarterly training reports
CS-17					13	Date consolidated and simplified ICT and approved plan is implemented by centralising operations and personnel	N/A	N/A			31-Dec-13	Staff and IT operations centralised by 31 Dec 2013 (please provide specific date)	ACHIEVED	N/A	Extract of minutes of the ICT Steering Committee & copies of transfer letters of staff. Council resolution on post of ICT Manager
CS-18					14	Date Cobit Framework is adopted	N/A	N/A			31-Mar-14	Please provide specific date	ACHIEVED	N/A	Minutes of the ICT Steering Committee. Close out report from Ernst & Young to KZN Provincial Treasury

CS-19					15	Date network performance is improved	Implementation of sound IT governance by 30 June 2013	NOT ACHIEVED			31-Mar-14	Microsoft SCOM network monitoring software implemented. Network monitoring tool also included in the Wireless WAN Management tender. (when)	ACHIEVED	N/A	Reports of network performance tabled at ICT Steering Committee & Minutes
CS-20					16	Date BCP and DRP are concluded	N/A	N/A			30-Jun-14	Backup & Restore Policy and Procedures as well Business Continuity Plan adopted by Council on 26 June 2014.	ACHIEVED	N/A	Council minutes
CS-21					17	Date Backup and Restore Solution is implemented	N/A	N/A			30-Jun-14	Implementation of Temporary backup solution is in progress (please provide specific date)	ACHIEVED	N/A	Invoices Minutes of ICT Steering Committee Backup registers

CS-22					18	Date Integrated Employee health and wellness strategy is available	N/A	N/A			31-Dec-13	Strategy was drafted and approved. Wellness day was held in March 2014 (please provide specific date)	ACHIEVED	N/A	draft strategy, attendance register, Council resolution
CS-23					19	Date employees and councillors trained in basic financial management	N/A	N/A			31-Mar-14	Groups where trained at the following venues: • North • Harding • South (please provide specific date)	ACHIEVED	N/A	attendance register
CS-24					20	Percentage of compliance areas ACHIEVED in line with the Act	N/A	N/A			% of compliance areas ACHIEVED in line with the Act (the unit of measure is percentage, please provide percentage as target)	4 Committee meetings were held. First Aid Training was conducted in house. (please provide percentage)	ACHIEVED	N/A	attendance register
CS-25					21	Number of leases on all Ingonyama Trust owned land signed	N/A	N/A			140 leases	240	ACHIEVED	N/A	Signed Leases and Invoices



CS-26					22	Number of properties utilised by Ugu transferred to the name of Ugu District Municipality	N/A	N/A			25	0	NOT ACHIEVED	Attorney appointments done in Q3, work ongoing. Monthly reports to be produced	Minutes and Artoney's Appointment letters S7
CS-27					23	Frequency of availability of a facility to accommodate offices	N/A	N/A			Monthly	monthly	ACHIEVED	N/A	Leases and invoices
WS-1	IMPROVED ACCESS TO BASIC SERVICES	BASIC SERVICE DELIVERY	To provide access to sustainable quality drinking water and sanitation services	Basic Service Delivery and Infrastructure Development Strategy	24	Number of VIP Sanitation facilities constructed	10400	20560 ACHIEVED	35000	27000	8000 hh	8000hh	Achieved	Nil	Beneficiary register and copies of happy letters
WS-2					25	Date Slums clearance: Farm Isonti Low-cost Housing bulk Sanitation tender awarded	N/A	N/A	5km of pipeline	5km of pipeline	30-Mar-14	Tender awarded on 11 March 2014	ACHIEVED	N/A	Tender advert; appointment letter
WS-3					26	Date Masinenge sanitation tender awarded	N/A	N/A	4km bulk pipeline	4km bulk pipeline	30-Jun-14	Tender awarded on 09 Apr-2014	ACHIEVED	N/A	Appointment letter
WS-4					27	Date Malangeni Housing project's Pre-designs approved	N/A	N/A	Designs approved by 2014/06/30	Designs approved by 2014/07/30	30-Jun-14	Pre-design not approved	NOT ACHIEVED. Detailed Design not	Procurement process has been finalised and the consultant has been	Appointment letter and approval of design

											approved.	appointed			
WS-5					28	Date Bhobhoyi Mkholombe Pre-designs approved	N/A	N/A	Designs approved by 2014/06/30	Designs approved by 2014/07/30	30-Mar-14	Pre-design not approved	NOT ACHIEVED	To fastrack the planning process and designs	Exco and DWA resolutions approving the business plan; approval of design by Water Services
WS-6					29	Number of km of Harding Sanitation phase 3 pipeline laid	100%	40% NOT ACHIEVED	17km	2km	17km	15km	NOT ACHIEVED	The contractor is now fully back on site	Appointment letter and Practical Completion certificates and closeout report
WS-7					30	Date Uvongo WWTW ROD approved	100%	80% NOT ACHIEVED	ROD approved by 30 Mar 2014. Design Approved by 30 June 2014	Designs Approval	ROD approved by 30 Mar 2014. Design Approved by 30 June 2014	Rod Approved and granted on 05 June 2014.	ACHIEVED	N/A	Approval of ROD by DEAT
WS-8					31	Number of km of sanitation refurbishment and water pipeline replacement laid	N/A	N/A	1 km	0	1 km	1 km	ACHIEVED	N/A	Contractor award letter and Progress payment certificate
WS-9					32	Number of km of Stick Farm Water supply project (MIS 177240) pipeline laid	N/A	N/A	6km	0	6km	6km	ACHIEVED	N/A	Contractor Award letter; payment certificate

WS-10					33	Date Dudu Water reticulation infills business Plan Approved	100%	0% NOT ACHIEVED	Approval of Business plan by 2014/06/30	Approval of business of business plan by 30 June 2015	30-Jun-14	Business Plan not approved	NOT ACHIEVED	The municipality is engaged in identifying an alternative water source and the kpi is envisaged to be achieved by 30 June 2015	Dwa approval of the business plan (Dwa correspondance not approving business plan)
WS-11					34	Date Kwaxolo bulk water supply power connection and project commissioned	100%	95% NOT ACHIEVED	Approval of Business plan by 2014/06/30	Approval of business plan	30-Jun-14	Not achieved	NOT ACHIEVED	Constant follow-ups with Eskom and political intervention has been sought and KPI is to be achieved by 31 Dec 2014	Power connection certificate and completion certificate and (correspondance with Eskom)
WS-12					35	Date Business plan for KwaXolo Water Supply reticulation is approved	N/A	N/A	Approval of Business plan by 2014/06/30	Approval of business of plan	30-Jun-14	Business Plan not yet approved	NOT ACHIEVED	The municipality will follow-up on DWA to fastrack the approval process and the KPI is aimed at being achieved by 31 Dec 2014	Dwa approval of the business plan and (correspondance with DWA)

WS-13					36	Number of km of the KwaNyuswa water scheme phase 3 Pipeline laid (AFA) (MIS 194753)	100%	55% NOT ACHIEVED	65 km	0	55 km	65km	ACHIEVED.	N/A	Appointment letter and progress payment certificate
WS-14					37	Number of km of Mathulini Water Supply phase 4-7 pipeline laid	N/A	N/A	4km	0	4km	4km	ACHIEVED	N/A	Appointment letter and progress payment certificate
WS-15					38	Number of km of Mhlabashane regional water supply scheme-reticulation pipeline laid and Reservoir constructed	100%	65% NOT ACHIEVED	25 km and 1 X 1 ML Reservoir built	1 ML Reservoir built by	25 km and 1 X 1 ML Reservoir built	25km	ACHIEVED	N/A	Appointment letter and progress payment certificate
WS-16					39	Number of km of Mahlabashane water supply regional bulk infrastructure pipeline laid	100%	65% NOT ACHIEVED	18km	0	15 km	18km	ACHIEVED	N/A	Appointment letter andProgress payment certificate
WS-17					40	Percentage of Dududu reservoir completed	100%	100% ACHIEVED	100%	0	100%	100%	ACHIEVED	N/A	Appointment letter and certificate of Completion of works

WS-18					41	Number of km of Ezingoleni bulk water extensions phase 3 pipeline laid	100%	25% NOT ACHIEVED	1.5km	0	800 m	1.500 km	ACHIEVED.	N/A	Appointment letter and progress payment certificate
WS-19					42	Percentage completion of Umtavuna water works raw water upgrade	100%	50% NOT ACHIEVED	100%	100%	25%	0%	NOT ACHIEVED	The KPI will be achieved by 30 June 2015	Payment certificate and project manager progress reports (legal services copy of appeals letters)
WS-20					43	Date Mabheleni East Water project feasibility Study is approved	100%	15% NOT ACHIEVED	Approved feasibility study	Approved feasibility study	30 June 2014	Feasibility study not complete	NOT ACHIEVED	Please provide corrective measure	Feasibility Study report and approval
WS-21					44	Date Harding Weza regional bulk water supply pre-designs approved	100%	15% NOT ACHIEVED	Pre-designs approved by 30 June 2014	Pre Designs will be approved	30 June 2014	Not achieved	NOT ACHIEVED	The Umuziwabantu LM has approved PDA and the designs will be approved by 31 Dec 2014	Water Services management resolution (exco resolution)
WS-22					45	Number of km of Thoyane Water Project phases 4 & 7 pipeline laid and 200ML reservoir completed	100%	80% NOT ACHIEVED	18km and 200ML reservoir completed	N/A	18km and 200ML reservoir completed	18km and 200ML reservoir completed	ACHIEVED	N/A	Appointment letter and certificate of Completion of works

WS-23					46	Percentage of Umzimkhulu Bulk Water Augmentation scheme completed	100%	30% NOT ACHIEVED	100%	100%	35%	Not achieved	NOT ACHIEVED	The contractor was appointed on 12 February 2013 and objections to their appointment were only resolved in June 2014	Appointment letter and Payment certificate and project manager progress reports (letter of objection and upliftment of objection)
WS-24					47	Number of km of Maphumulo Water supply pipeline laid and 500 kl concrete reservoir completed	100%	80% NOT ACHIEVED	Reservoir	Reservoir	a) 15 km b) 500kl reservoir built	a) 32km completed b) reservoir not built	NOT ACHIEVED	Subsequent to the resolution of the terminated contract and objections, the KPI is planned to be achieved by 30 June 2015	Appointment letter and progress payment certificate and (contract termination letter and appeals letter)
WS-25					48	Number of km of Msikaba and surrounding water supply scheme pipeline laid, 1ml reservoir completed and new pump station constructed	100%	60% NOT ACHIEVED	Pump station	Pump station	a) 800 m pipeline laid b) 1 ML Concrete Reservoir built c) New pump station constructed	a) 9.902m pipeline laid b) reservoir complete c) 93% of pump station is complete	NOT ACHIEVED	The pump station will be completed by 31 Dec 2014	Progress payment certificate

WS-26					49	Number of km of Umzinto slums clearance-farm isonti low cost housing water scheme pipeline laid	100%	45% NOT ACHIEVED	3km	0.8km	3km	2.2km	NOT ACHIEVED	The project is in progress after being delayed by labour dispute and the completion date is now 31 Dec 2014	Progress payment certificate and (site meetings minutes)
WS-27					50	Number of km of ageing infrastructure pipeline replaced	100%	55% NOT ACHIEVED	10km	0	10km	10km	ACHIEVED	N/A	Progress payment certificate
WS-28					51	Number of meters replaced	100%	100% ACHIEVED	Please provide information	Please provide information	30-Jun-14	3051 units replaced by 30 June 2014	ACHIEVED	N/A	Payment certificate and project manager progress reports
WS-29					52	Percentage of leak detected and repaired	2000	NOT ACHIEVED	Please provide information	Please provide information	100%	0.0%	NOT ACHIEVED	Business plan prepared and submitted to DWA (please provide timeframe of reviewed timeframe)	Evidence
WS-30					53	Percentage of water supply interruptions resolved	95%	96% ACHIEVED	Please provide information	Please provide information	75%	74%	NOT ACHIEVED	Identification of existing infrastructure where construction is taking place prior to construction taking	Monthly reports and Job cards

													place and construction of PRV in Harding town		
WS-31					54	Percentage of sanitation interruptions resolved	95%	96% ACHIEVED	Please provide information	Please provide information	50%	100%	ACHIEVED	N/A	Monthly reports and Job cards
WS-32					55	Percentage of quality of water provided to communities	99.50%	99% ACHIEVED	Please provide information	Please provide information	99.5%	96.1%	NOT ACHIEVED	Refurbishment underway; plant optimization (timeframe)	Dwa compliance report
WS-33					56	125 949HH	N/A	N/A	Please provide information	Please provide information	125 949HH	R 0.00	Not achieved	R 0.00	Dwa compliance report
WS-34					57	Percentage compliance with Green drop requirements	70%	90% ACHIEVED	Please provide information	Please provide information	99%	78%	NOT ACHIEVED	Refurbishment underway; plant optimization	Dwa compliance report
WS-35					58	Date fleet management plan developed	N/A	NA	Please provide information	Please provide information	30-Jun-14	Please provide specific date	Achieved	N/A	fleet management plan
IED-24	COMMUNITY WORK PROGRAMME IMPLEMENTED AND LOCAL ECONOMIC DEVELOPMENT	To create a conducive environment for economic growth	Local Economic Development Strategy	59	Number of sport events hosted in sports and leisure centre	36	151 ACHIEVED	N/A	N/A	40	40	ACHIEVED	N/A	Events records	



IED - 25			and job opportunities		60	Number of social events hosted in sports and leisure centre	120	234 ACHIEVED	N/A	N/A	160	297	ACHIEVED	N/A	Events records
IED - 26					61	Budget spent on Maintenance of Ugu sports and Leisure	R 2 660 000.00	R2264166.84 ACHIEVED	N/A	N/A	R 1 729 400	R1 693 400	ACHIEVED	N/A	S71 Financial Reports
IED - 27					62	Income received from lease of sports and leisure centre	R 400 000.00	R611 539.93 ACHIEVED	N/A	N/A	R 480 000	R736 987.44	ACHIEVED	N/A	S70 Financial Reports
IED - 28					63	Date for the Unlocking of Agricultural Land in Traditional Authority areas study completed	N/A	N/A	Study implementation	Study implementation	30-Sep-13	11-Jun-14	ACHIEVED	N/A	LED portfolio committee resolution
IED - 29					64	Number of Horseshoe Farm hectares of fenced land planted	30ha	30ha ACHIEVED	10	9	10	1	NOT ACHIEVED	The KPI is planned to be achieved by 30 Sept 2014	Project Manager's Report and payment certificates
IED - 30					65	Number of Agricultural Input Support implemented as poverty alleviation initiatives	N/A	N/A	6	6	6	No agricultural input support implemented	NOT ACHIEVED	The concerned department will request for funding during the 2014/2015 adjustment budget in	Closeout report and acknowledgement of receipt of support signed by beneficiaries

														January 2015	
IED - 31					66	Income raised from Ugu Fresh Produced Markert 4 zones leased and maintained	N/A	N/A	N/A	N/A	R 500 000	R1 531 2831.11	ACHIEVED	N/A	S71 Financial Report
IED - 32					67	Percentage Socio-economic indicators booklet compiled and completed	N/A	N/A	Socio-economic indicator booklet	Socio-economic indicator booklet	100% by 30 Mar 2014	40%	NOT ACHIEVED	The socio-economic indicator booklet will be completed by 31 Dec 2014	Final printed booklet and portfolio committee resolution
IED - 33					68	Date business database compiled	N/A	N/A	Business database	Business database	30-Jun-14	Not achieved	NOT ACHIEVED	Working together with HCM and Umzumbe to ensure that info received through their processes is standardised. Then will replicate for the remaining LMs. The KPI will therefore be achieved	Portfolio committee resolution

														by 30 June 2015	
IED - 34					69	Frequency LED Webpage updated	2013/06/30	Website development to be completed on 11-Jul-13 NOT ACHIEVED	N/A	N/A	Once per quarter	Once per quarter	ACHIEVED	N/A	Website upload record
IED - 35					70	Date Investment promotion strategy completed	100%	40% NOT ACHIEVED	N/A	N/A	30-Mar-14	11-Jun-14	ACHIEVED	N/A	Portfolio committee resolution
IED - 36					71	Date reviewed LED Strategy adopted	N/A	N/A	Review of LED Strategy	LED Strategy	30/06/2014	Not adopted	NOT ACHIEVED	The LED strategy review will be completed by 31 March 2015	Council resolution
IED - 37					72	Date Ugu Jazz Festival Economic Impact Study adopted	100%	100% ACHIEVED	N/A	N/A	30-Jun-14	11-Jun-14	ACHIEVED	N/A	Portfolio committee resolution
IED - 38					73	Number of Crafters Trained	N/A	N/A	50	50	50	0	NOT ACHIEVED	The crafters training would commence by 31 Dec	Attendance Register, Certificates and Training Progress Report

														2014 and be completed by 31 March 2015	
IED - 39					74	Date Furniture Manufacturing Business Plan and Incubator adopted	100%	95 % NOT ACHIEVED	N/A	N/A	30-Sep-13	11-Jun-14	ACHIEVED	N/A	LED portfolio committee resolution
IED - 40					75	Date Clothing & Textile Study and Business Plan developed	100%	60% NOT ACHIEVED	N/A	N/A	30-Sep-13	11-Jun-14	ACHIEVED	N/A	LED portfolio committee resolution
IED - 41					76	Number of Co-operatives Trained	20	65 ACHIEVED	100	30	60	70	ACHIEVED	N/A	Attendance Register, Training Progress Reports and Certificates
IED - 42					77	Number of SMMEs Trained	4	3 NOT ACHIEVED	1000	970	25	27	ACHIEVED	N/A	Attendance Register, Training Progress Reports and Certificates
IED - 43					78	Number of Emerging Contractors Trained	N/A	N/A	25	25	25	0	NOT ACHIEVED	The Municipality will sign an MOU with IDT and training commence by 31 Dec 2014 and finish by 31 March 2015	Attendance Register, Training Progress Reports and Certificates

OM M - 1	DEEPEN DEMOCRACY THROUGH A REFINED WARD COMMITTEE SYSTEM	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	To create a conducive environment for participatory development	Good Governance and public participation strategy	79	Date 14/15 IDP approved	Approved 12/14 IDP by 31 August 2012	Approved 12/14 IDP by 31 August 2012 - ACHIEVED	2015/2016 IDP	2015/2016 IDP	30 June 14	26-Jun-14	ACHIEVED	N/A	Council resolution adopting process plan; Strategic Planning Attendance registers; Council Resolution adopting IDP
OM M - 2					80	Number of IDP Forum meetings held	8 IDPRF Forum meetings HELD	3 IDPRF Forum meetings HELD - NOT ACHIEVED	6	1	6	5	NOT ACHIEVED (1 meeting did not sit)	Will ensure alignment of IDPRF dates with the municipal roster of meetings to avoid clash of meetings	Attendance registers and meeting agendas
OM M - 3					81	Number of 13/14 IDP copies printed	N/A	N/A	100	100	200	100	NOT ACHIEVED	None, due to the fact that it has been realised that the required copies is 100	Copy of printed IDP
OM M - 9					82	Date Risk register approved	Approved Risk register by 31/12/12	NOT ACHIEVED	2014/2015 risk register	2014/2015 risk register	2013/09/30	23 Sept 2013	ACHIEVED	N/A	Manco resolution
OM M - 10					83	Number of RMC reports produced	1 RMC report	1 RMC report ACHIEVED	3 2014/2015 RMC reports	3 2014/2015 RMC reports	3	3	ACHIEVED	N/A	Minutes of meetings and reports
OM M - 11					84	Date 13/14 SDIP approved	12/13 SDIP approved by 19/11/13	12/13 SDIP approved by 19/11/13 ACHIEVED	Approved 2014/2015 SDIP	Approved 2014/2015 SDIP	2014/06/30	05-May-14	ACHIEVED	N/A	Manco resolution and SDIP

OM M - 12					85	Number of Service Delivery Standards monitoring reports produced	N/A	N/A	2014/2015 service delivery standards monitoring reports	2014/2015 service delivery standards monitoring reports	2	2	ACHIEVED	N/N	Manco resolution and reports
OM M - 13					86	Number of Audit committee meetings held	4	6 ACHIEVED	4 meetings for 2014/2015	4 meetings for 2014/2015	4	7	ACHIEVED	N/A	Minutes of Audit Committee meetings and attendance registers
OM M - 14					87	Number of Internal audit Projects completed	13	13 ACHIEVED	18 projects for 2014/2015	18 projects for 2014/2015	18	18	ACHIEVED	N/A	Minutes of Audit Committee meetings
OM M - 15					88	Number of Fraud Risk Register developed	N/A	N/A	1 risk register for 2014/2015	1 risk register for 2014/2015	1	1	ACHIEVED	N/A	MANCO Resolution and fraud risk register
OM M - 16					89	Number of fraud risks Reports produced and submitted to relevant committees	N/A	N/A	2 fraud risk register for 2014/2015	2 fraud risk register for 2014/2015	2	2	ACHIEVED	N/A	MANCO Resolution
OM M - 17					90	Number of anti-fraud and corruption campaigns conducted	N/A	N/A	2 campaigns for 2014/2015	2 campaigns for 2014/2015	2	3	ACHIEVED	N/A	Attendance Register
OM M - 18					91	Number of sukuma sakhe consultative sessions held	N/A	N/A	16 consultative sessions for 2014/2015	16 consultative sessions for 2014/2015	16	16	ACHIEVED	N/A	Attendance registers
OM M - 19					92	Number of sukuma sakhe	N/A	N/A	4 reports for 2014/2015	4 reports for 2014/2015	4	4	ACHIEVED	N/A	Attendance registers & minutes

						district reports produced									
OM M - 20						93 Date Strategy for HIV and AIDS adopted	N/A	N/A	HIV/AIDS Strategy implementation	HIV/AIDS Strategy implementation	31/12/13	Need specific date	ACHIEVED	N/A	Council resolution
OM M - 21						94 Number of UDAC meetings held	4	4	4 meetings for 2014/2015	4 meetings for 2014/2015	4	4	ACHIEVED	N/A	Minutes & attendance register, UDAC
OM M - 22						95 Number of UDAC reports compiled	N/A	N/A	4 reports for 2014/2015	4 reports for 2014/2015	4	4	ACHIEVED	N/A	Reports to PCA
OM M - 23						96 Number of Young Women exposed to job opportunities within the Justice system	N/A	N/A	60 young women for 2014/2015	60 young women for 2014/2015	60	60	ACHIEVED	N/A	Attendance Register
OM M - 24						97 Number of High School Learners exposed to Career Guidance and Development Programmes by 31/03/14	500	500	10 000 for 2014/2015	10 000 for 2014/2015	10 000	10 000	ACHIEVED	N/A	Attendance registers
OM M - 25						98 Number of High Schools work - shopped for my life my future	2 Career Exhibitions held in (12/13)	4 - 8 February 2013 NOT ACHIEVED	20 high schools for 2014/2015	20 high schools for 2014/2015	20	20	ACHIEVED	N/A	Attendance registers

OM M - 26					99	Number of schools visited and educated on Rights to Vote	N/A	N/A	12 schools for 2014/2015	12 schools for 2014/2015	12	12	ACHIEVED	N/A	Attendance registers
OM M - 27					100	Number of young People trained on Moral Conduct	N/A	N/A	1000 young people trained in 2014/2015	1000 young people trained in 2014/2015	1000 Young People trained on Moral Conduct by 30/09/13	1000 Young People trained on Moral Conduct by 30/09/13	ACHIEVED	N/A	Attendance register were were submitted in quarter 3
OM M - 28					101	Number of young People coached in Soccer and Workshopped in Sport as a Career	N/A	N/A	300 coached and workshoped	300 coached and workshoped	300	Not done	NOT ACHIEVED	The municipality will liaise with DSR to fund the project	Attendance registers
OM M - 29					102	Number of Correctional Services Visits for moral regeneration	1	1	1 in 2014/2015	1 in 2014/2015	1	1	ACHIEVED	N/A	Attendance register and confirmation from correctional service
OM M - 30					103	Number of Youth in School workshoped on the importance of banking and saving money	N/A	N/A	500	500	500	500	ACHIEVED	N/A	Attendance register
OM M - 31					104	Number of schools visited for the Sanitary Dignity Campaign	31-Oct-12	ACHIEVED (2012/10/09)	N/A	N/A	20	20	ACHIEVED	N/A	Attendance register



OM M - 32					10 5	Date Women Empowerment Workshop held	N/A	N/A	N/A	N/A	30-Sep-13	Need specific Date	ACHIEV ED	N/A	Attendance register
OM M - 33					10 6	Date Men's Summit held	N/A	N/A			30/09/13	Need specific Date	ACHIEV ED	N/A	Attendance register
OM M - 34					10 7	Number of Gender Empowerment Workshops conducted	N/A	N/A	2 workshops for 2014/2015	2 workshops for 2014/2015	2	2	ACHIEV ED	N/A	Attendance Register
OM M - 35					10 8	Date Father and Son Talk held	N/A	N/A	1 talk in 2014/2015	1 talk in 2014/2015	30/09/13	Need specific Date	ACHIEV ED	N/A	Attendance register
OM M - 36					10 9	Number of Womanhood Dialogue conducted by 31/12/2013	N/A	N/A	1dialogue 2014/2015	1dialogue 2014/2015	1	1	ACHIEV ED	N/A	Attendance register
OM M - 37					11 0	Number of Childhood Centres visited for early childhood awareness campaign	N/A	N/A	20 for 2014/2015	20 for 2014/2015	20	20	ACHIEV ED	N/A	Attendance register
OM M - 38					11 1	Number of hospitals visited for toy run Christmas Visits undertaken	4	4	4 hospitals for 2014/2015	4 hospitals for 2014/2015	4	4	ACHIEV ED	N/A	Attendance registers
OM M - 39					11 2	Date Child Protection Workshop conducted	Child Protection Workshop 12/13	Child Protectio n Worksho p 12/13	1 for 2014/2015	1 for 2014/2015	31/03/14	Need specific date	ACHIEV ED	N/A	Attendance Register

							ACHIEVE D								
OM M - 40					11 3	Number of awareness campaigns conducted (Primary Schools & ECD)	10	10	20 for 2014/2015	20 for 2014/2015	20	20	ACHIEV ED	N/A	Attendance Register
OM M - 41					11 4	Number of Child Protection Programme s conducted	2	2 ACHIEVE D	3 for 2014/2015	3 for 2014/2015	3	3	ACHIEV ED	N/A	Attendance Register
OM M - 42					11 5	Date Disability Career Guidance Programme held	N/A	N/A	1 in 2013/2014	1 in 2013/2014	2014/03/31	Need a specific date	ACHIEV ED	N/A	Attendance Register
OM M - 43					11 6	Number of Disability Support Group workshops conducted	7 Disability Support Group workshops conducted	7 Disability Support Group workshop s conduce d ACHIEVE D	8 for 2014/2015	8 for 2014/2015	8	8	ACHIEV ED	N/A	Attendance Register
OM M - 44					11 7	Number of christmas visits to disability Centres	N/A	N/A	4 for 2014/2015	4 for 2014/2015	4	4	ACHIEV ED	N/A	Attendance Register
OM M - 45					11 8	Number of Mayoral izimbizo held	10	10 ACHIEVE D	18 for 2014/2015	18 for 2014/2015	18	18	ACHIEV ED	N/A	Attendance registers

OM M - 46					11	Date Public participation Framework adopted	N/A	N/A	Implementati on of public participation framework	Implementati on of public participation framework	30-Sep-13	Need specific date	ACHIEVED	N/A	Council resolution
OM M - 47					12	Number of 20 years of freedom Events held	N/A	N/A	N/A	N/A	2	2 E	ACHIEVED	N/A	Attendance registers and photos
OM M - 48					12	Number of Sectoral Parliaments held	N/A	N/A	3	2	3	1	Not ACHIEVED	Need corrective measure	Attendance registers and photos
OM M - 49					12	Number of Sports Confederation meetings held	1	1 ACHIEVED	6 for 2014/2015	6 for 2014/2015	6	6	ACHIEVED	N/A	Minutes of meetings, attendance register
OM M - 50					12	Number of Speakers Forum meetings held	4	4 ACHIEVED	4	4	4	1	NOT ACHIEVED	Need corrective measure	Minutes and Attendance registers and minutes
OM M - 51					12	Number of IGR cluster meetings held	N/A	N/A	16 for 2014/2015	16 for 2014/2015	16	5	NOT ACHIEVED		Minutes and Attendance registers
OM M - 52					12	Number of Mayors forum meetings held	N/A	N/A	4 in 2014/2015	4 in 2014/2015	4	4	ACHIEVED	N/A	Minutes and Attendance Registers
OM M - 53					12	Number of Municipal managers meetings held	N/A	N/A	4 in 2014/2015	4 in 2014/2015	4	4	ACHIEVED	N/A	Minutes and Attendance registers
OM M - 54					12	Number of projects sod turnings and handovers	4 Sod turnings and handovers held	4 Sod turnings and handovers held ACHIEVE	N/A	N/A	4	4	ACHIEVED	N/A	Attendance registers and photos

					held		D								
OM M - 55					128	Number of 2014 calendars printed	5000 calendars for 2013	5000 ACHIEVED	5000 for 2015	5000 for 2015	5 000	5 000	ACHIEVED	N/A	Copy of the calendars
OM M - 56					129	Number of corporate folders printed	500	500	500 for 2014/2015	500 for 2014/2015	500	500	ACHIEVED	N/A	Copy of corporate folder
OM M - 57					130	Date Ugu Jazz Festival held	Ugu Jazz Festival held by 30/06/13	Ugu Jazz Festival held by 30/06/13 ACHIEVED	30-Jun-15	30-Jun-15	2014/06/30	27 /06/2014	ACHIEVED	N/A	Contract and SLA entered into with a service provider
OM M - 58					131	Number of Municipal adverts published	N/A	N/A	N/A	N/A	20	20	ACHIEVED	N/A	Copies of adverts
OM M - 59					132	Number of municipal newsletter issues published	N/A	N/A	4 for 2014/2015	4 for 2014/2015	4	1	NOT ACHIEVED	More budget will be allocated for the next financial year 2014/2015	A copy of a news letter
OM M - 60					133	Number of radio slots conducted	5	5 ACHIEVED	4 in 2014/2015	4 in 2014/2015	4	0 (nil)	NOT ACHIEVED	More budget will be allocated for the next financial year 2014/2015	Signed contract
OM M - 61					134	Number of press releases published	N/A	N/A	16 in 2014/2015	16 in 2014/2015	16	16	ACHIEVED	N/A	Published Press releases

OM M - 62					13 5	Number of media briefings conducted	4	4	4 in 2014/2015	4 in 2014/2015	4	4	ACHIEV ED	N/A	Extract from the print media
OM M - 63					13 6	Number of website updates done	12	12 ACHIEVE D	12 in 2014/2015	12 in 2014/2015	12	12	ACHIEV ED	N/A	Website screens with dates of update
OM M - 64					13 7	Number of students supported with tertiary tuition fees	3	3 ACHIEVE D	N/A	N/A	3	3	ACHIEV ED	N/A	University / Tertiary admission letters
OM M - 65					13 8	Date Risk mitigation Strategy adopted	N/A	N/A	Impplement ation of riak managment strategy	Impplement ation of riak managment strategy	31/03/14	Need specific date	ACHIEV ED	N/A	MANCO Resolution adopting strategy
OM M - 66					13 9	Percentage of municipal contracts drafted and vetted	90%	90% ACHIEVE D	100% in 2014/2015	100% in 2014/2015	100%	100%	ACHIEV ED	N/A	Updated contracts Register
OM M - 68					14 0	Number of litigation reduction awareness workshops conducted	4	4 ACHIEVE D	2	2	2	2	ACHIEV ED	N/A	Attendance register
OM M - 69					14 1	Date compliance checklist developed and completed	N/A	N/A	N/A	N/A	2013/09/30	Need specific date	ACHIEV ED	N/A	MANCO Resolution adopting checklist

TRE A-1	IMPROVED MUNICIPAL FINANCIAL AND ADMINISTRATIVE CAPABILITY	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	To develop and maintain a financially viable and sustainable organisation that achieves full compliance with legislation	Financial Viability and Management Strategy	14	Date legislative process plan approved	31/08 2013	30/08/2013	31-Aug-14	31-Aug-14	31/08 2013	29/08/2013	ACHIEVED	N/A	Council resolution
TRE A-2					14	Number of monthly (S71) reports produced within 10 days after the month ends	12	12 ACHIEVED	12 for 2014/2015	12 for 2014/2015	12	11	ACHIEVED	Finalise June Report by the due date	Council resolution
TRE A-3					14	Number of S52 quarterly reports produced	S52 reports	4 S52 reports ACHIEVED	4 for 2014/2015	4 for 2014/2015	4	4	ACHIEVED	N/A	Council resolution
TRE A-4					14	Date reviewed Budget Policy adopted	31-May-13	31-May-13	31-May-15	31-May-15	31/05/2014	29/05/2014	ACHIEVED	N/A	Council resolution
TRE A-5					14	Date reviewed Virement Policy adopted	31-May-13	31-May-13	31-May-15	31-May-15	31/05/2014	29/05/2014	ACHIEVED	N/A	Council resolution
TRE A-6					14	Date Annual Budget adopted by Council	31-May-13	31-May-13	31-May-15	31-May-15	31/05/2014	29/05/2014	ACHIEVED	N/A	Council resolution
TRE A-7					14	Date 2014/2015 Adjustments Budget adopted	31-Jan-13	27-Feb-13	31-Jan-15	31-Jan-15	30-Jan-14	30-Jan-14	ACHIEVED	N/A	Council resolution
TRE A-8					14	Liquidity Ratio 1:1	02:01	0.99:1 NOT ACHIEVED	1:1 for 2014/2015	1:1 for 2014/2015	1:1	2.02:1	ACHIEVED	Update after year end close out	Council resolution

TRE A - 9					150	Date Annual Financial Statements adopted	31-Jan-14	31-Jan-14	31-Jan-15	31-Jan-15	31/01/14	30/01/2014	ACHIEVED	N/A	Council resolution
TRE A - 10					151	Date 2012/2013 Annual Financial Statements submitted to the Auditor General	31-Aug-12	31/08/2012 ACHIEVED	30-Aug-14	30-Aug-14	30/08/2013	30/08/2013	ACHIEVED	N/A	Letter of confirmation from the AG
TRE A - 11					152	Date 2012/2013 consolidated Annual Financial Statements submitted to the Auditor General	30-Sep-12	30/09/2012 ACHIEVED	30-Sep-14	30-Sep-14	30/09/2013	30/09/2013	ACHIEVED	N/A	Letter of confirmation from the AG
TRE A - 12					153	Percentage of asset register compliant to GRAP	Fixed Asset verification	NOT ACHIEVED	100% in 2014/2015	100% in 2014/2015	100%	The AR is currently being updated.	NOT ACHIEVED	Provincial Treasury is providing assistance to correct prior year errors in the register and to ensure that it reconciles with the General Ledger on 30 June 2013	Updated Asset Register
TRE A - 13					154	Date reviewed Cash and	N/A	N/A	31-May-15	31-May-15	31/05/2014	29/05/2014	ACHIEVED	N/A	Council resolution

						Investment Policy adopted									
TRE A - 14					15	Date reviewed Assets management Policy adopted	N/A	N/A	31-May-15	31-May-15	31/05/2014	29/05/2014	ACHIEVED	N/A	Council resolution
TRE A - 15					15	Date reviewed Funding and Reserves Policy adopted	N/A	N/A	31-May-15	31-May-15	31/05/2014	29/05/2014	ACHIEVED	N/A	Council resolution
TRE A - 16					15	Turnaround time all invoices paid after being received	N/A	N/A	Within 30 days	Within 30 days	All invoices paid within 30 days	All invoices were paid within 30 days	ACHIEVED	N/A	Creditors Age Analysis
TRE A - 17					15	Number of monthly reports on short term insurance claims submitted to Manco	N/A	N/A	12 for 2014/2015	12 for 2014/2015	12	12	ACHIEVED	N/A	Manco resolution
TRE A - 18					15	Date Salaries paid every month	20th	20th	2014/2015 payment of salaries on 20th of every month	2014/2015 payment of salaries on 20th of every month	20 <sup>th</sup>	20 <sup>th</sup>	ACHIEVED	N/A	Proof of payment
TRE A - 19					16	Date employees debit deductions paid each month	7th	7th	2014/2015 deductions	2014/2015 deductions	7 <sup>th</sup>	7 <sup>th</sup>	ACHIEVED	N/A	Proof of payment



TRE A - 20					161	Percentage accuracy of billing	N/A	N/A	100%	100%	90%	31%	NOT ACHIEVED	The municipality will outsourcing meter reading services to ensure accurate billing of clients	Monthly Route Trend Report
TRE A - 21					162	Percentage of existing debts collected	20%	0,9% NOT ACHIEVED	100%	100%	90%	85%	NOT ACHIEVED	The municipality has embarked on a process of replacing old meters to ensure accurate billing	Dashboard Collection report
TRE A - 22					163	Date SLAs on Rates Clearance Certificates signed with Local Municipalities	N/A	N/A	N/A	N/A	31/07/2013	15/10/2013	ACHIEVED	N/A	Signed SLAs
TRE A - 23					164	Date debt reduction strategy adopted	N/A	N/A	Adoption of debt reduction strategy	Adoption of debt reduction strategy	31/03/2014	NOT ACHIEVED	NOT ACHIEVED	Need corrective measure with a date of achievement of the KPI	Manco resolution
TRE A - 24					165	Number of returned mail	N/A	N/A	Nil returned mail	Nil returned mail	1 250	3056	NOT ACHIEVED	Need corrective measure with a date of achievement of the	Returned mail Report

														KPI	
TRE A - 25					166	Date revenue enhancement strategy adopted	N/A	N/A	Adoption of revenue enhancement strategy	Adoption of revenue enhancement strategy	27/02/2014	NOT ACHIEVED	NOT ACHIEVED	Need corrective measure with a date of achievement of the KPI	Manco resolution
TRE A - 26					167	Percentage of accounts billed	N/A	N/A	100%	100%	100%	98%	NOT ACHIEVED	Need corrective measure with a date of achievement of the KPI	Bill Exception Report
TRE A - 27					168	Date reviewed Credit Control and Debt Collection Policy adopted	N/A	N/A	adoption of reviewed Credit Control and Debt collection Policy by 31 may 2015	adoption of reviewed Credit Control and Debt collection Policy by 31 may 2015	31/05/2014	29-May-14	ACHIEVED	N/A	Council resolution
TRE A - 28					169	Date reviewed Indigent Policy adopted	N/A	N/A	Adoption of reviewed Indigent policy by 31 May 2015	Adoption of reviewed Indigent policy by 31 May 2015	31-May-14	29-May-14	ACHIEVED	N/A	Council resolution
TRE A - 29					170	Date reviewed Basic Water Services Policy adopted	N/A	N/A	Adoption of reviewed basic water services policy	Adoption of reviewed basic water services policy	30-Jun-14	29-May-14	ACHIEVED	N/A	Council resolution
TRE A - 30					171	Percentage reduction of UIFW expenditure	100%	33% NOT ACHIEVED	100% reduction of UIFW expenditure	100% reduction of UIFW expenditure	100%	NOT ACHIEVED	NOT ACHIEVED	Track expenditure by updating the UIFW register;	Deviations Register 2013/2014.

														filling of critical positions on contract management by when	
TRE A - 31					17 2	Date contract management procedures adopted	N/A	N/A	Contract management procedures	Contract management procedures	27 February 2014	NOT ACHIEVED	NOT ACHIEVED	To be incorporated in Standard Operating Procedures (when)	Manco resolution
TRE A - 32					17 3	Date Procurement Plan approved	N/A	N/A	Approval of procurement plan	Approval of procurement plan	30 June 2014	Not approved	NOT ACHIEVED	Procurement plans will be submitted to Manco for adoption on the 21st July 2014.	Manco resolution
TRE A - 33					17 4	Date standard price list adopted	N/A	N/A	Adoption of standard price list	Adoption of standard price list	31/12/2013	Not adopted	NOT ACHIEVED	Please provide corrective measure with timeframe	Manco resolution
TRE A - 34					17 5	Date reviewed Supply Chain Management Policy adopted	N/A	N/A	Implementation of the Supply Chain management policy	Implementation of the Supply Chain management policy	29/05/2014	29-May-14	ACHIEVED	N/A	Council resolution
TRE A - 35					17 6	Number of stock take undertaken	N/A	N/A	4 for 2014/2015	4 for 2014/2015	4	4	ACHIEVED	N/A	Stock verification reports

TRE A - 36					177	Number of municipal dispossable assets auctions held	N/A	N/A	Municipal dispossable assets auction	Municipal dispossable assets auction	1	Municipal assets auction not undertaken	NOT ACHIEVED	The disposal list has been submitted to Manco and will go through Committees for adoption until it reaches Council and the KPI would be achieved by (please provide timeframe)	Letter of appointment of auctioneer
TRE A - 37					178	Date vendor database reviewed	N/A	N/A	Annual review of vendor database for 2014/2015	Annual review of vendor database for 2014/2015	30/08/2013	Please provide specific date of achievement of KPI	ACHIEVED	N/A	Proof of advert
TRE A - 38					179	Turnaround time taken to award tenders	N/A	N/A	Within 75 days	Within 75 days	Within 90 days	NOT ACHIEVED	NOT ACHIEVED	With the assistance of PT the bid and contract register is being populated which will allow us to determine timeframes of awarding tenders	Finance Portfolio Committee resolution
IED - 1	N/A	CROSS CUTTING INTER	To develop	Cross-cutting	180	Number of food	160	423 ACHIEVE	2000	1374	160	203	ACHIEVED	Nil	Inspection reports/ compliance notices

			and promote an integrated sustainable environment	intervention strategy		premises inspected		D							
IED - 2					181	Number of certified premises for food control	10	8 NOT ACHIEVED	1000	943	40	49	ACHIEVED	Nil	CoAs/ Permits/preparatory documents
IED - 3					182	Number of food samples analyzed	N/A	N/A	3	1	2	2	ACHIEVED	Nil	Sampling run program/Reports from the Department of Health
IED - 4					183	Number of food handlers workshops conducted	8	11 ACHIEVED	20	5	4	4	ACHIEVED	Nil	Attendance Register/ Pictures/training material
IED - 5					184	Number of water samples tested	400	484 ACHIEVED	1000	135	400	381	NOT ACHIEVED	The lab reopened after the technical error was rectified and new samples will be taken in the next financial year	Lab reports, record of (follow up) actions taken
IED - 6					185	Date public health draft by-law approved	30-Jun-13	First draft completed in-house NOT ACHIEVED	Public health by-laws	Public health by-laws	30 June 2014	Draft by-laws not approved	NOT ACHIEVED	The by-laws will be adopted by 31 Dec 2014	Public participation report and attendance register/draft public health by-law
IED - 7					186	Percentage of pauper burials attended to as per request by Medico-	N/A	N/A	100%	0%	100%	100%	ACHIEVED	Nil	SCM records/records from undertaker/correspondences

					Legal Mortuary										
IED - 8					187	Number of building plans/premises inspected	160	423 ACHIEVED	500	0	400	421	ACHIEVED	Nil	Plans register/ inspection sheets for premises
IED - 9					188	Number of water services and external projects attended for compliance	16	16 ACHIEVED	16	0	16	16	ACHIEVED	Nil	Compliance memos, email correspondences and comments
IED - 10					189	Number of final AELs issued	N/A	N/A	10	3	10	7	NOT ACHIEVED	The KPI will be achieved in the next financial year by 30 June 2015	AELs/Correspondence with applicants/site visits repots/etc
IED - 11					190	Number of air quality education initiatives undertaken	N/A	N/A	3	3	3	0	NOT ACHIEVED	The KPI will be achieved in the next financial year by 30 June 2015	Attendance register, photos (on-site & dated)
IED - 12					191	Number of Coastal Management stakeholder engagement forum meetings held	4	4 ACHIEVED	5	1	5	4	NOT ACHIEVED	To ensure alignment with 2014 Council roaster	Action based minutes/ attendance register

IED - 13					19 2	Number of projects (Working for the Coast; Subsistence Fisheries) coordinated	2	2	2	0	2	2	ACHIEVED	Nil	Minutes/ project implementation reports/attendance register
IED - 14					19 3	Number of waste management initiatives undertaken	2	2 ACHIEVED	6	0	2	6	ACHIEVED	Nil	Portfolio committee extract, PAC minutes
IED - 15					19 4	Number of bushpigs pilot projects implemented per LM	N/A	N/A	6	5	1 pilot project at Umzumbe	1	ACHIEVED	Nil	SCM records, TOR's and Sukuma Sakhe meetings records
IED - 16					19 5	Number of invasive alien species forum meetings held	1	1	4	2	2	2	ACHIEVED	Nil	District minutes,/attendance register and database of IAS project partners
IED - 17					19 6	Number of estuarine clearing projects implemented in Local Municipalities (HCM and Umdoni)	2	2 ACHIEVED	2	0	2	2	ACHIEVED	Nil	Closeout report
IED - 18					19 7	Date draft Environmental management plan adopted	N/A	N/A	Environmental Management Plan	Environmental Management Plan	30-Jun-14	Not adopted	NOT ACHIEVED	The Environmental Management Plan will be adopted by 31 Dec 2014	Environmental management Plan and resolution

IED - 19					198	Date draft Environmental Management Framework adopted	N/A	N/A	Environmental Management Framework	Environmental Management Framework	30-Jun-14	Not adopted	NOT ACHIEVED	The Environmental Management Framework will be adopted by 30 June 2015	Environmental Management Framework and resolution
IED - 20					199	Number of cleaning contractor workshop conducted and paper recycling projects maintained	2	2 ACHIEVED	3	1	2 (1 workshop and 1 project)	2 (1 workshop and 1 project)	ACHIEVED	N/A	Paper recycling statistical records and attendance registers
IED - 21					200	Number of environmental education public campaigns conducted externally	5	6 ACHIEVED	10	0	5	5	ACHIEVED	N/A	Attendance register, workshop programs and minutes
IED - 22					201	Number of international environmental calendar days celebrated	6	6 ACHIEVED	5	0	5	5	ACHIEVED	N/A	Attendance register, workshop programs and minutes
IED - 23					202	Number of SEEPRO (schools environmental education programmes) schools enrolled	25	25 ACHIEVED	350	303	15	22	ACHIEVED	N/A	Sample of assessed school portfolio file and List of participating school



OM M - 12					20 3	Turnaround time taken to process developme nt applications	28 days	28 days ACHIEVE D			90 days	Not achieved	NOT ACHIEV ED	Developme nt applicatio ns are Now done at the LMs	Development application register
CS-1					20 4	Number of Revised DRM plans in place	N/A	N/A			2	2	ACHIEV ED	N/A	Copy of sector plan and contingency plans x 2
CS-2					20 5	Date disaster risks survey /assessmen t report available	N/A	N/A			30-Sep-13	Please provide specific date	ACHIEV ED	N/A	Copy of reviewed risk profile
CS-3					20 6	Number of coordinated and facilitated awareness campaigns and road shows programme conducted	22 coordinated activities	25 coordinat ed activities ACHIEVE D			4	4 workshops 2 Road shows 3 trainings	ACHIEV ED	N/A	Attendance Registers
CS-4					20 7	Date Information and Communica tion System is fully functional at North and South areas	N/A	N/A			30-Sep-13	Signed SLA (please provide date)	ACHIEV ED	N/A	Copy of new licences
CS-6					20 8	Date SLA's for Southern Area and Northern Area on fire fighting services	N/A	N/A			31-Mar-14	Signed SLA (please provide date)	ACHIEV ED	N/A	Copy of SLA & MOU/ EXCO Resolution

					signed										
CS-7					20 9	Number of SLA's for EPWP for fire fighters with Working on Fire on establishment of Minimum fire station signed	N/A	N/A			2	4 Trucks purchased in Q3 (This does not speak to the signing of SLA's)	ACHIEVED	N/A	Purchasing receipt, letter from province, truck purchase receipts
CS-8					21 0	Number of Incidents Statistics Report compiled	N/A	N/A			4	4	ACHIEVED	N/A	Monthly/ quarterly Statistics Reports
CS-9					21 1	Date Disaster Relief Rehabilitation and Reconstruction Strategy approved	N/A	N/A			31-Dec-13	Approved DRRR Strategy (please provide specific date)	ACHIEVED	N/A	Copy of EXCO Resolution

## AMENDMENTS MADE TO THE SDBIP

Following the challenges that were noted on the first and second quarter performance reviews and budget adjustments, the SDBIP was amended. The main changes regarding targets and KPIs were around ensuring adherence to 'SMART' principles and adjusting the targets as per the adjusted budget.

### MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

In terms of the Municipal Transformation and Institutional Development KPA two KPIs were removed following the budget adjustment and mid-year review which are:

- Date Electronic records management system made available.
- Number and Date, Umdoni and Umzumbe assisted with FPA's formation.

One additional KPI was added which is:

- Date backup and restore solution implemented.

Further minor amendments were made in terms of the 'SMART' principles and ensuring POEs are sufficient means of verification.

### BASIC SERVICE DELIVERY

In terms of the Basic Service Delivery KPA five KPIs were removed following the budget adjustment and mid-year review which are:

- Percentage completion of the Umzinto WWTW and out outfall sewer upgrade and rehabilitation.
- Design approval, tender stage and contractor appointment of the Ndelu Water Ph 1c, 2, 3, 4, 5 and 6 – planning project.
- Date Umzimkhulu off-channel storage dam completed.
- Date special maintenance vehicle purchased.
- Date revised organogram and rezone operational areas completed.
- Date Quality Management System submitted to ISO for certification.

Further minor amendments were made in terms of the 'SMART' principles and ensuring POEs are sufficient means of verification.

### LOCAL ECONOMIC DEVELOPMENT

In terms of the Local Economic Development KPA fifteen KPIs were removed following the budget adjustment and mid-year review which are:

- Date fencing and Awnings at the sport and leisure centre completed
- Date leisure and recreational Park constructed
- Date Kitchen Facility at the sport and leisure centre built
- Date Business Plan for Ingonyama Land Development
- Percentage of Tee Tree Plantation of 10 ha maintained
- Date Tee Tree Project Launched
- Percentage of Nursery and Distillery Plants maintained
- Number of administration of leased zones income received
- Number of LED Forum meetings held
- Number of Agricultural Forum meetings held
- Date Broad Band Project Assessment and Roll-Out completed
- Date Preliminary Plans/Detailed Plans for the Hibberdene Marine Harbour Project A completed
- Date Community Trust for the Umkomaas renewable energy completed Registered
- Number of LED Lights Installed

- Number of LED Expos & General Support Initiatives conducted

One additional KPI was added which is:

- Number of SMMEs trained

Further minor amendments were made in terms of the 'SMART' principles and ensuring POEs are sufficient means of verification.

#### MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

In terms of the Municipal Financial Viability KPA there were no KPIs added or removed following the budget adjustment and mid-year review. The changes were limited to minor adjustments that talked to the 'SMART' principles and ensuring POEs are sufficient means of verification.

#### GOOD GOVERNANCE AND PUBLIC PARTICIPATION

In terms of the Good Governance and Public Participation KPA twelve KPIs were removed following the budget adjustment and mid-year review which are:

- Number of know your service rights and Masakane campaigns held.
- Number Municipal/Public service campaign held.
- Number Service Standards awareness workshop held.
- Date Customer satisfaction survey report approved.
- Date Ugu District Youth Summit held.
- Date Disability sports day held.
- Number of ward committee workshops held.
- Number of community meetings on council functions held.
- Number of community council meetings held.
- Number of public cluster meetings held.
- Number of media tours undertaken.
- Percentage of budget spent on Photography and archiving.

Four additional KPIs was added which are:

- Number of fraud risk registers developed.
- Number of reports on fraud risk registers implementation submitted.
- Number of anti-fraud and corruption awareness campaigns held.
- Number of 20 years of freedom celebrations held.

Further minor amendments were made in terms of the 'SMART' principles and ensuring POEs are sufficient means of verification.

#### CROSS CUTTING INTERVENTIONS

In terms of the Cross Cutting Interventions KPA three KPIs were removed following the budget adjustment and mid-year review which are:

- Number of SWABS taken per year.
- Date Health and Hygiene Education Strategy adopted.
- Number of clearing project undertaken.

FURTHER MINOR AMENDMENTS WERE MADE IN TERMS OF THE 'SMART' PRINCIPLES AND ENSURING POES ARE SUFFICIENT MEANS OF VERIFICATION.

**THE PERFORMANCE REPORT WILL BE ADDED TO THE ANNUAL REPORT, AT TIME OF GOING TO PRINT IT HAD NOT BEEN FINALISED BUT HAS BEEN PROVIDED AS AN ANNEXURE.**

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### (PERFORMANCE REPORT PART II)

#### INTRODUCTION

The Municipality initiated the process of an organisation review during the financial year 2013/14. This process was time consuming and ensured full consideration of each functional unit and department and was discussed in a number of meeting sessions prior to finalisation.

At this stage the reviewed organisational structure is pending Council's adoption.

The Organisational Development is a key transformation agent dealing with the structure of the Municipality to ensure that it remains aligned to its strategy, job evaluation process and change management philosophy.

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	2012/13	2013/14			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Corporate Services		85	61	25	2.1 %
IED		42	35	7	0.6 %
Municipal Manager's Office		68	45	23	1.9 %
Treasury		145	116	29	2.4 %
Water Services		860	605	254	21.2 %
<b>Totals</b>		<b>1200</b>	<b>862</b>	<b>338</b>	<b>28.2%</b>
<i>Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.</i>					

Vacancy Rate: Year 2013/14			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	
CFO	1	0	
Other S57 Managers (excluding Finance Posts)	6	2	
Other S57 Managers (Finance posts)	0	0	

Senior management: Levels 2-4 (excluding Finance Posts)	70	26	
Senior management: Levels 2-4 (Finance posts)	6	1	
Highly skilled supervision: levels 5-9 (excluding Finance posts)	276	70	
Highly skilled supervision: levels 5-9 (Finance posts)	59	15	
<b>Total</b>	<b>419</b>	<b>114</b>	

*Note: \*For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year 2013/14	34	61	7%

*\* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year*

#### COMMENT ON VACANCIES AND TURNOVER

The positions for Section 57 Managers are filled with the exception of the General Manager: Operations and Deputy Municipal Manager's positions which are still waiting for the resolution of the Council on the review of the organisational structure.

Our Recruitment and Selection Policy seeks to accommodate the need for staff provision in the most efficient, professional and cost effective way. Therefore no unfair discrimination practices exist in the

recruitment of personnel. The Municipality ensures that all critical posts are filled as soon as they become vacant to ensure non disturbance of service delivery.

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

#### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Workforce management is a core function of each Manager in the Municipality. In order to ensure reasonable standardisation and consistency in the handling of the workforce, staff policies, procedures and conditions of service are developed at central level and are then implemented by line management. Conditions of service of Senior Management are based up on the regulations promulgated by the Minister of Cooperative Governance and approved by Council. Conditions of staff

below senior management level are negotiated at central level by the National and Provincial divisions of the South African Local Bargaining Council (SALGBC) and, where relevant, at a local level between management and the representative unions SAMWU and IMATU. A wide range of policies, procedures and directives are approved by relevant approval authorities after due consultation with stakeholders such as Council, Local Labour Forum and Management. These policies, procedures and directives are then circulated to all staff for implementation and compliance. Policies, procedures and directives are revised as the need arises.



Congratulations to ugu truck drivers for a job well done in the kzn truck driver competition.

## 4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Recruitment and Selection Policy		100%	30 MAY 2013
2	Acting and Acting Allowance Policy		100%	30 MAY 2013
3	Leave Regulations Policy		100%	30 MAY 2013
4	Bonus Policy		100%	13 MAY 2013
5	Car Allowance Policy		100%	30 JANUARY 2014
6	Employment Equity Policy		100%	24 MARCH 2013
7	Bursary Policy		100%	27 FEBRUARY 2014
8	Internship Policy		100%	10 OCTOBER 2013
9	Disciplinary Procedure and Code		100%	1 APRIL 2003
10	Gifts, favours and rewards Policy		100%	22 JULY 2004
11	In service training policy		100%	12 OCTOBER 2013
12	S & T Policy		100%	29 MAY 2014

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by
13	<b>Human Resource Policy and Procedures Manual:</b> - Human Resources Framework - Organisational Design - Recruitment, Selection, Appointment, Promotion, Transfer, Secondment - Employment Remuneration - Allowances - Hours of work and attendance - Leave Management - Relocation Expenses for newly appointed staff - Occupational Health & Safety and Employment Wellness - Legal Aid to Employment - Conditions of permission to private work - Human Resource Development - Staff Retention, succession planning and Performance Management Labour Relations		100%	23 APRIL 2014

**COMMENT ON WORKFORCE POLICY DEVELOPMENT:**

The Municipality has developed a well – developed staff policy framework. The Human Resources Policies and

Procedures Manual which has been finalised will close a major gap which exists in the organisation, where there are no clear procedures to follow.

### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	60	5		2	WCL - Payment
Temporary total disablement	0	0			
Permanent disablement	0				
Fatal	0				
<b>Total</b>	60	5	8%	2	Fund Payment not known

There were no permanent disablements and fatalities during this 2013/2014 Financial Year.

**COMMENT ON INJURY**

In an effort to reduce and eliminate all accidents and incidents within the workplace, the Municipality has a number of Occupational Health and Safety policies and procedures which have been adopted, implemented and are thoroughly monitored to ensure that a no incidents occur within the workplace;

- Hard hats must be worn in demarcated areas.
- Hearing protection in the form of earmuffs / plugs must be worn in demarcated noise zones.
- Persons must be dressed properly, tattered and torn clothing will not be allowed on Municipal premises.



- Safety footwear suitable for work being carried out will be worn while on Municipal premises (e.g. safety boots; gumboots).
- Eye protection (full face shields, safety spectacles or goggles) must be worn by any person performing chipping; grass cutting or grinding work and by any person in the immediate vicinity of such work.
- Electrical equipment may not be used until examined and passed fit for use by the Municipal Electrical Section or his delegate. Portable electrical tools may only be used in conjunction with approved earth leakage protection.
- Portable lights must conform to Electrical Machinery Regulation 10 of the Occupational Health and Safety Act 85 – 1993.
- No electrical power points must be used other than those allocated by the Municipal Electrical Section or his/her delegate.
- A qualified Electrician may only carry out electrical repairs to equipment.
- Contractors or their employees are not allowed to interfere in any manner with Municipal electrical equipment.
- Where cabling, wiring or piping are to be installed, the routes and method of suspension / trenching / supporting etc. will be decided by the Municipal Site Manager. Connections to Municipal compressed air mains will not be permissible unless written permission to do so has been obtained from the Municipal Site Manager or his/her delegate.
- Danger areas must be clearly demarcated, e.g. “Men working overhead”. Danger tape, boards etc. Adequate lighting must be provided where necessary.
- All moving parts of machinery must be guarded in accordance with the Occupational Health & Safety Act 85 – 1993.
- Oxygen and acetylene cylinders must be equipped with approved flash back arrestors in accordance with schedule 1 General Safety Regulations of the Occupational Health & Safety Act 85 – 1993. Cylinders must be secured in the upright position.
- Arc welding must be shielded from persons working in the vicinity.
- Lifting machine tackle and builders hoists etc. must comply with Driven Machinery Regulation 18/19 of the Occupational Health & Safety Act 85 –1993.
- All persons must comply with instructive, restrictive prohibitive and any other notices strict adherence to “NO SMOKING” and “FIRE HAZARDS” notices.
- Where possible, walkways, aisles, stairs and passages must be kept clear. Emergency escape doors must not be obstructed in any way.
- Rubbish and unwanted materials must not be allowed to accumulate at the work site.
- Flammable liquids and / or toxic liquids / substances are not to be brought on to Municipal premises without the permission of the Municipal Site Manager or his/her delegate.
- Scaffolding, framework, platforms and trestles must conform to the requirements of the General Safety Regulations 13 (d) (e) (f) of the Occupational Health & Safety Act 85 – 1993 and construction regulations.
- Ladders fixed and portable, must comply with the General Safety Regulations 12 (a) of the Occupational Health and Safety Act 85 – 1993.
- Safety harnesses must be worn and correctly anchored (when working at a height of 3M and above). Personnel must have also undergone a full medical as per construction regulations.
- Before any “Hot Work” can be carried out, permission to do so must be obtained from the Municipal Safety Unit or Engineer who will issue a hot work permit that is only valid for the date of issuing. (This includes electric welding, flame cutting, flame welding, flame heating, grinding or any work which is likely to cause sparks, heat or flame).
- Builders and / or excavators must comply with section 11 and 13 of the General Safety Regulations of the Occupational Health and Safety Act 85 – 1993.
- Confined space work. When such work is being carried out, every precaution must be taken to avoid explosion, heat exhaustion etc.
- All lifting equipment must comply with Section 18 of the General Safety Regulation of the Occupational Health & Safety Act 85 – 1993.

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Cashier	Theft	23 May 2013	Yes	08/04/14
Manager: Supply Chain Management	Failure to obey lawful instruction	21 May 2013	Yes	21/07/2014
Customer Care Clerk	Assault	28 June 2013	Yes	04/02/2014
Inspector	Misrepresentation	21/08/2013	Yes	09 Dec 2013
Assistant Procurement Co-ordinator:	Dishonesty	04/10/2013	Case pending	pending
Driver	Drinking and driving	28/11/2013	Yes	23/02/2014
Fleet Officer	Failure to perform to the best of ability	28/05/14	Finalizing investigation	N/A
Driver	Assault	03/07/14	Finalising investigation	N/A

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Cashier	Theft – R120.000.00	Dismissal	08/04/14

#### COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

Municipality has set strict standards for disciplinary action to be taken in all cases of serious misconduct. Where such serious misconduct is identified, accused staff members are suspended on a precautionary basis. However the Municipality faces challenges in affecting speedy resolution of such cases. As a result, extended suspension periods – beyond three months which has

been set are experienced. In many cases continuous delays are caused by the affected parties' non – availability requests. There is also a general non-adherence by parties to the established time limits. There were two cases that employees were suspended for more than four (4) months during the 2013/2014 Financial Year and this was due to the hearings was postponed either because the employee was sick or the Presiding Officer was not available. The cases were eventually finalised.

#### 4.4 PERFORMANCE REWARDS

The Municipality did not have a performance reward system implemented during the 2013/14 financial year and is preparing policy documentation for its implementation into the Municipality during the 2014/15 financial year. The Municipality is cascading Individual Performance Management to all its Managers, Officers, Practitioners and Coordinators/Administrators i.e. Post Levels 3, 4, 5 and 6 of a Grade 12 Municipality.

The Individual Performance Management System is in place for Section 57/56 Managers of the Municipality and no performance rewards have been issued to any staff member for the past financial year.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

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### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Municipality develops and implements a Workplace Skills Plan on an Annual Basis. This is based on the capacity- building and development needs identified by employees and Managers, and is then affected through a training plan. Although these needs are identified by Managers and employees, the alignment of such needs with formal development needs, identified in terms of

performance management is lacking. This challenge is anticipated to be addressed by the implementation of the IPMS and alignment with identified capacity gaps and interventions which are then contained in individual employees' Personal Development Plans (PDPs).

#### 4.5 SKILLS DEVELOPMENT AND TRAINING

LEVEL	GENDER	EMPLOYEES in Posts 30 June 2014	LEARNERSHIPS			SKILLS SHORT COURSES	PROGRAMS	AND	OTHER OF TRAINING	FORMS	
		Number	Actual at end of 2012/13	Actual end of 2013/14	2013/14 Target	Actual at end of 2012/13	Actual end of 2013/14	2013/14 target	Actual end of 2012/13	Actual end of 2013/14	2013/14 target
Legislators	Female	13	3	5	3	5	5	3			
	Male	22		11	10	13	11	10			
Section 57s	Female	4				3	2	2			
	Male	1				2		0			
Sen. Managers	Female	0				0	0	0			
	Male	4		0	1	3	2	2			
Managers	Female	9	3	1	9	3	3	9			
	Male	11	2	1	6	5	4	11			

LEVEL	GENDER	EMPLOYEES in Posts 30 June 2014	LEARNERSHIPS			SKILLS SHORT COURSES	PROGRAMS	AND	OTHER OF TRAINING	FORMS	
		Number	Actual at end of 2012/13	Actual end of 2013/14	2013/14 Target	Actual at end of 2012/13	Actual end of 2013/14	2013/14 target	Actual end of 2012/13	Actual end of 2013/14	2013/14 target
Professionals	Female	5	5			2	4	3			
	Male	5	3	2		1	5	5			
Technicians & Trade Workers	Female	34			3	1	9	1	0	2	2
	Male	131			6	40	18	21	0	5	12
Community & Personal Workers	Female	0									
	Male	4						0			
Clerical & Administrative Workers	Female	111	6	3	17	12	15	38			
	Male	59	2		7	6	10	25			
Machine Operators & Drivers	Female	11	6	5	5	1	1	2	1		

LEVEL	GENDER	EMPLOYEES in Posts 30 June 2014	LEARNERSHIPS			SKILLS SHORT COURSES	PROGRAMS	AND	OTHER OF TRAINING	FORMS	
		Number	Actual at end of 2012/13	Actual end of 2013/14	2013/14 Target	Actual at end of 2012/13	Actual end of 2013/14	2013/14 target	Actual end of 2012/13	Actual end of 2013/14	2013/14 target
	Male	107	1	15	20	9	1	2			
<b>Elementary Workers</b>	Female	66	2		8	4	11				
	Male	267	1		33	1	10		3	2	2

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
<i>Accounting officer</i>	1	1	2	0	2	1
<i>Chief financial officer</i>	1	1	2	0	2	2
<i>Senior managers</i>	3	1	4	0	4	3
<i>Any other financial officials</i>	4	0	4	0	0	2
<b>Supply Chain Management Officials</b>						
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	1	0	1	0	0	0
<b>TOTAL</b>	<b>10</b>	<b>3</b>	<b>13</b>	<b>0</b>	<b>8</b>	<b>8</b>
<i>* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)</i>						

Training Budgets and Expenditure	Budget	Expenditure
Training Budget for all staff, across all levels	R1,000,000	R984,114
	<b>2012/13</b>	<b>2012/13</b>
Training Budget for all staff, across all levels	R2,400,000	R1,522,976
	<b>2013/14</b>	<b>2013/14</b>

**COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:**

Although the implementation of training in the Municipality is adequate, it requires a more focused approach as previously set out. Funding provided for capacity building is adequate at 1% of the total remuneration package. The total budget for this year was R 2,400,000.00 and a total of R 1,522,976.00 was spent on skills development during the period under review. Implementing only accredited programmes e.g. Learnerships, Skills Programmes and Section 28 has

proven to be meaningful and effective. The Bursary Scheme has given opportunity to employees to acquire/improve qualifications. The evaluation of the impact of training has not been effectively carried out (This area needs attention).

With regard to the MFMA Competency Regulations, the Municipality has made great strides in training employees i.e. Sect. 57s, officials in the Treasury

Department (including SCM) and other departments. It must be noted that some officials who are Section 57s

have left the organisation

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### INTRODUCTION TO WORKFORCE EXPENDITURE:

Employee expenditure is closely monitored and controlled each month by the respective Managers. The budget office submits monthly reports on any over or under expenditure and Managers are required to take the necessary corrective actions in order to comply with the amounts that are on the budget. The Municipality seeks to obtain value for money from its workforce

expenditure through various initiatives, such as enforcing the disciplinary actions on employees who are continuously absent at work as well as the introduction of incapacity due to ill – health procedure. Managers are required to ensure that employees are productive. The implementation of the IPMS will assist with ensuring employees’ productivity. In addition to these, when a vacancy arises Managers are required to motivate the reasons for the post to be filled again.

### 4.6 EMPLOYEE EXPENDITURE

#### COMMENT ON WORKFORCE EXPENDITURE

The expenditure trends are as follows: 2011/12 = R 198 727 494, 2012/13 = R 211 133 317 and 2013/14 = R 207 572 956. The 2011/12 Financial Year experienced a low expenditure increase because there was a moratorium in filling of vacancies, and the number of employees did not

increase. The increase in expenditure for the 2012/13 Financial Year was due to the annual salary increase and number of employees in the Municipality. During the 2013/14 Financial Year the Municipality experienced a decrease in expenditure because there were resignations from middle management to top management

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	N/A
	Male	N/A
Skilled (Levels 3-5)	Female	N/A
	Male	N/A
Highly skilled production (Levels 6-8)	Female	N/A
	Male	N/A
Highly skilled supervision (Levels9-12)	Female	N/A
	Male	N/A
Senior management (Levels13-16)	Female	N/A
	Male	N/A
MM and S 57	Female	N/A
	Male	N/A
Total		0



Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

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

**COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:**

There were no upgraded positions in the 2013/14 financial year.

## CHAPTER 5 – FINANCIAL PERFORMANCE

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### INTRODUCTION

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### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

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## **INTRODUCTION TO FINANCIAL STATEMENTS**

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## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

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Description	Year 0											Year -1			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Financial Performance</b>															
Property rates			-			-									
Service charges			-			-									
Investment revenue			-			-									
Transfers recognised - operational			-			-									
Other own revenue			-			-									
<b>Total Revenue (excluding capital transfers and contributions)</b>															
Employee costs			-			-									
Remuneration of councillors			-			-									
Debt impairment			-			-									
Depreciation & asset impairment			-			-									
Finance charges			-			-									
Materials and bulk purchases			-			-									
Transfers and grants			-			-									
Other expenditure			-			-									
<b>Total Expenditure</b>															
<b>Surplus/(Deficit)</b>															
Transfers recognised - capital			-			-									
Contributions recognised - capital & contributed assets			-			-									
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>															
Share of surplus/ (deficit) of associate			-			-									
<b>Surplus/(Deficit) for the year</b>															
<b>Capital expenditure &amp; funds sources</b>															
<b>Capital expenditure</b>															
Transfers recognised - capital			-			-									
Public contributions & donations			-			-									
Borrowing			-			-									
Internally generated funds			-			-									
<b>Total sources of capital funds</b>															
<b>Cash flows</b>															
Net cash from (used) operating			-			-									
Net cash from (used) investing			-			-									
Net cash from (used) financing			-			-									
<b>Cash/cash equivalents at the year end</b>															

T 5.1.1

Financial Performance of Operational Services							R '000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
<b>Operating Cost</b>							
Water	26,485	23,572	28,075	23,042	-2.30%	-21.84%	
Waste Water (Sanitation)	8,541	8,285	9,054	8,456	2.02%	-7.07%	
Electricity	12,355	10,254	12,478	13,219	22.43%	5.61%	
Waste Management	14,232	13,235	13,662	12,097	-9.41%	-12.94%	
Housing	6,542	5,496	5,954	6,346	13.40%	6.19%	
Component A: sub-total	68,155	60,842	69,222	63,161	3.67%	-9.60%	
Waste Water (Stormwater Drainage)	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Roads	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Transport	5,322	4,470	5,747	4,630	3.45%	-24.14%	
Component B: sub-total	16,607	8,455	8,624	9,554	11.50%	9.73%	
Planning	1,254	1,003	1,191	1,354	25.93%	12.04%	
Local Economic Development	2,516	2,063	2,264	2,340	11.83%	3.23%	
Component B: sub-total	3,769	3,066	3,455	3,693	17.00%	6.46%	
Planning (Strategic & Regulatory)	12,546	10,413	11,793	11,542	9.78%	-2.17%	
Local Economic Development	2,355	2,190	2,425	2,402	8.82%	-0.98%	
Component C: sub-total	14,900	12,603	14,218	13,944	9.62%	-1.97%	
Community & Social Services	4,565	3,698	4,337	4,291	13.83%	-1.06%	
Environmental Protection	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Health	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Security and Safety	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Sport and Recreation	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Corporate Policy Offices and Other	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Component D: sub-total	32,808	28,552	35,122	29,145	2.04%	-20.51%	
<b>Total Expenditure</b>	<b>136,240</b>	<b>113,518</b>	<b>130,642</b>	<b>119,497</b>	<b>5.00%</b>	<b>-9.33%</b>	
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T 5.1.2	

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**COMMENT ON FINANCIAL PERFORMANCE:**

## 5.2 GRANTS

Grant Performance							R' 000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	<b>33,977</b>	–	–	<b>24,756</b>			
Equitable share	21,565			17,303			
Municipal Systems Improvement	4,524			2,182			
Department of Water Affairs	6,665			4,283			
Levy replacement	1,222			988			
Other transfers/grants [insert description]							
<b>Provincial Government:</b>	<b>18,925</b>	–	–	<b>5,994</b>			
Health subsidy	8,645			3,786			
Housing	4,865			1,502			
Ambulance subsidy	846			219			
Sports and Recreation	4,568			489			
Other transfers/grants [insert description]							
<b>District Municipality:</b>	–	–	–	–			
[insert description]							
<b>Other grant providers:</b>	–	–	–	–			
[insert description]							
<b>Total Operating Transfers and Grants</b>	<b>52,902</b>	–	–	<b>30,751</b>			
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i> <i>Full list of provincial and national grants available from published gazettes.</i>						T 5.2.1	

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### COMMENT ON OPERATING TRANSFERS AND GRANTS:

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant Year -1	Actual Grant Year 0	Year 0 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Parastatals</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<b>Foreign Governments/Development Aid Agencies</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<b>Private Sector / Organisations</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<i>Provide a comprehensive response to this schedule</i>						<i>T 5.2.3</i>

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**COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:**

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**5.3 ASSET MANAGEMENT**

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**INTRODUCTION TO ASSET MANAGEMENT**

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TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -3	Year -2	Year -1	Year 0
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 2				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -3	Year -2	Year -1	Year 0
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 3				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -3	Year -2	Year -1	Year 0
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
				T 5.3.2

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**COMMENT ON ASSET MANAGEMENT:**

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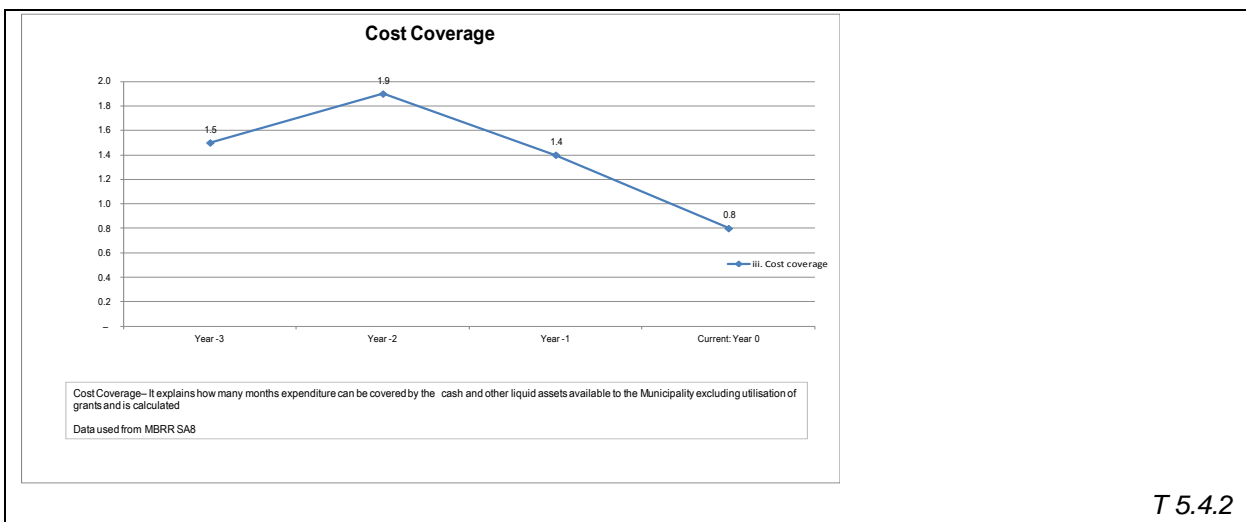
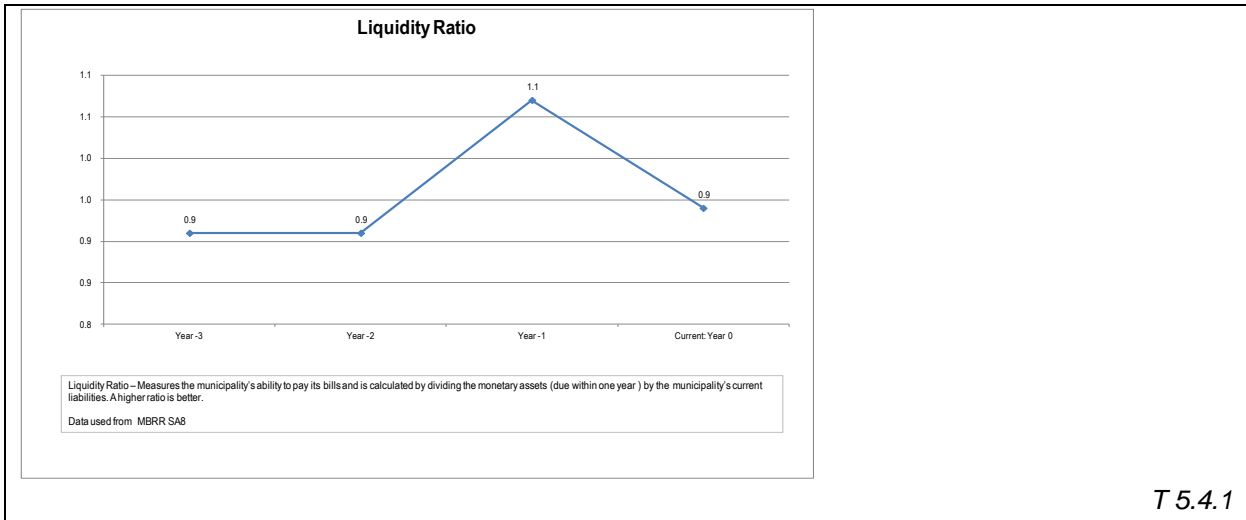
Repair and Maintenance Expenditure: Year 0				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	125	129	128	-2%
<i>T 5.3.4</i>				

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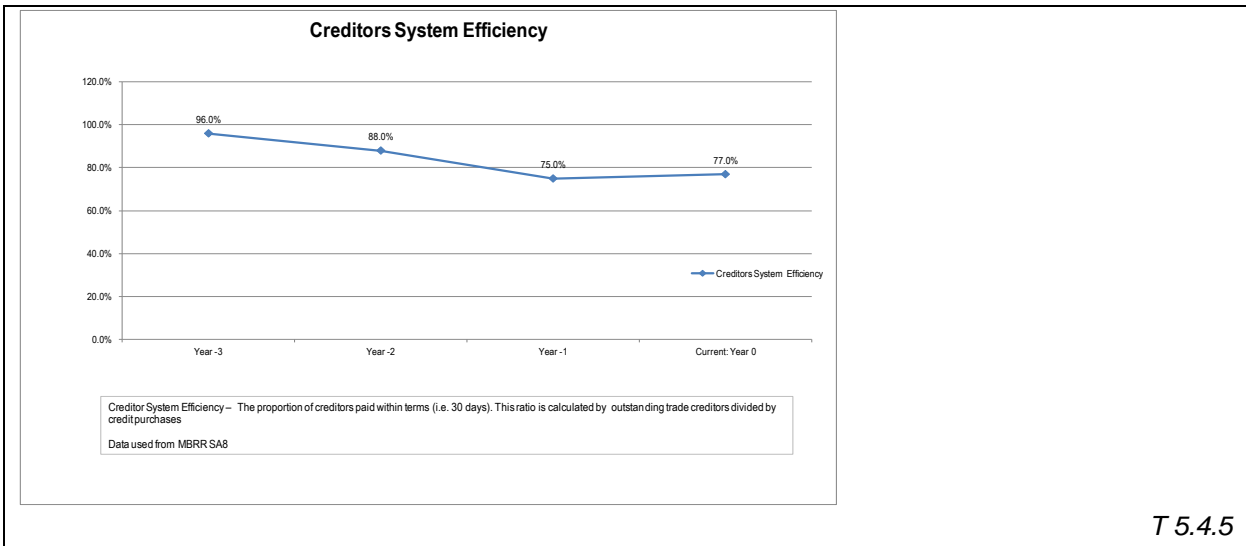
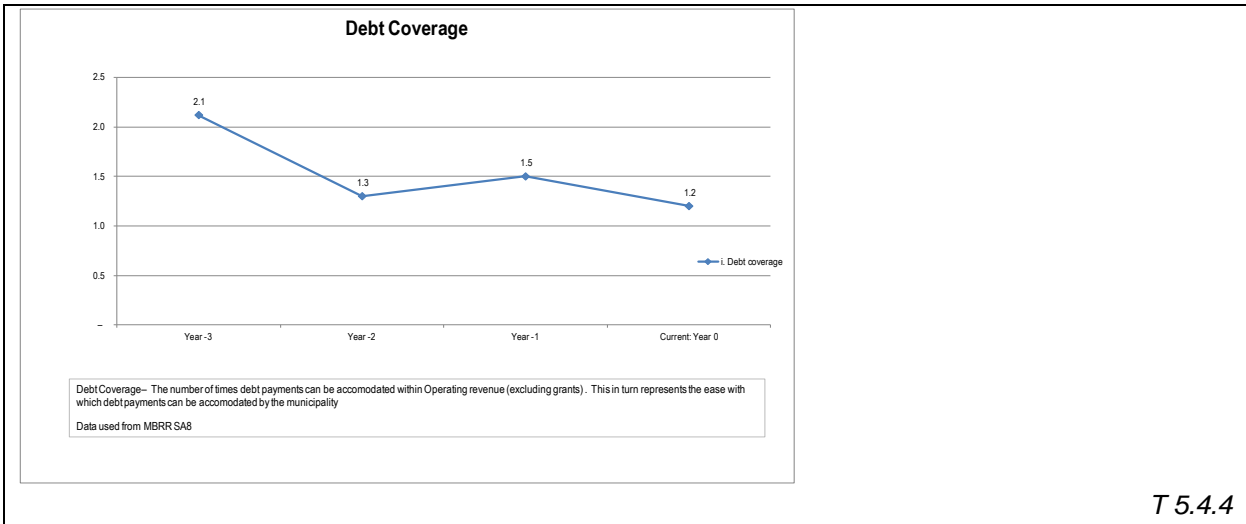
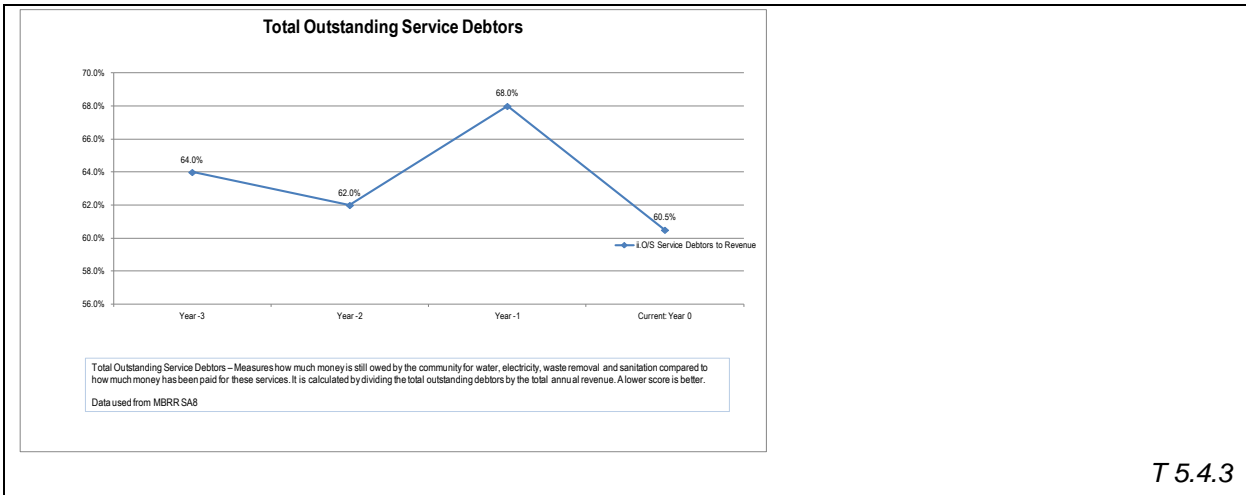
**COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:**

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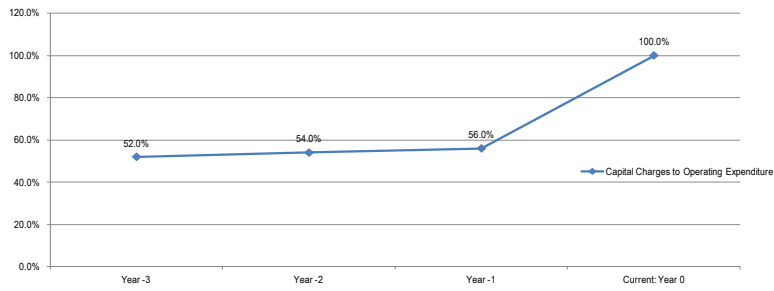
**5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS**







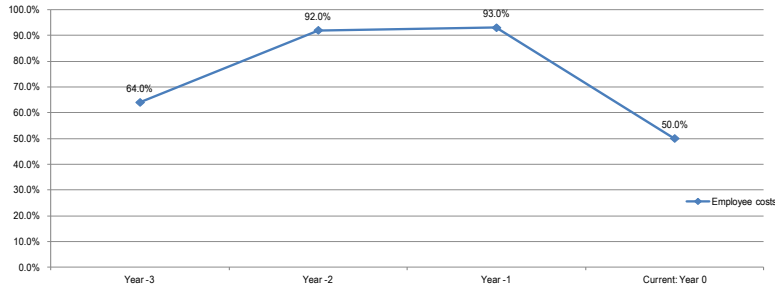
### Capital Charges to Operating Expenditure



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.  
Data used from MBRR SA8

T 5.4.6

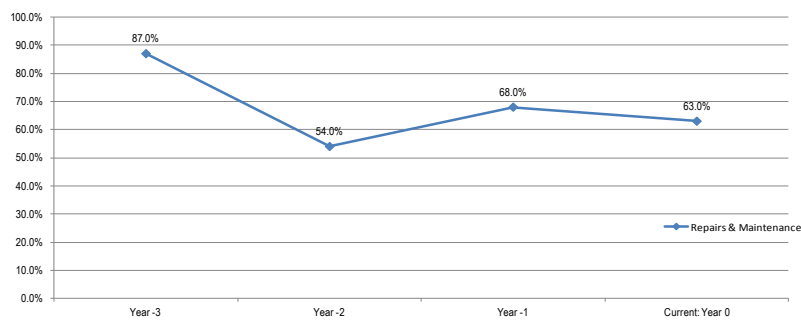
### Employee Costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.  
Data used from MBRR SA8

T 5.4.7

### Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.  
Data used from MBRR SA8

T 5.4.8

**COMMENT ON FINANCIAL RATIOS:**

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**COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**

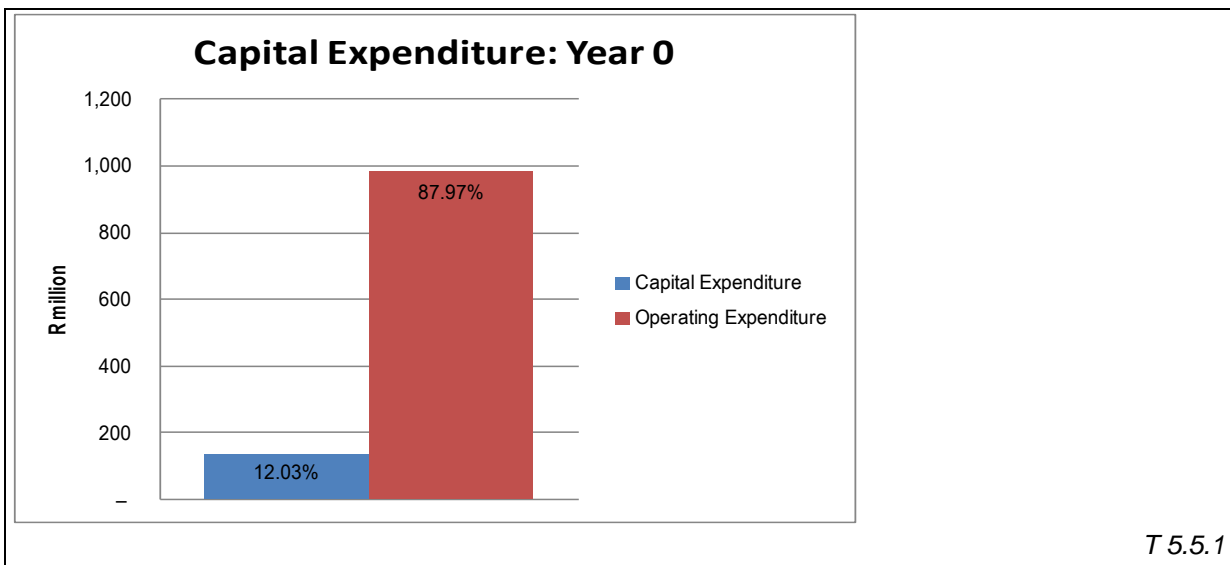
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**INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET**

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**5.5 CAPITAL EXPENDITURE**

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## 5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year -1 to Year 0							R' 000
Details	Year -1	Year 0					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
<b>Source of finance</b>							
External loans	3542	5500	5520	5511	0.36%	0.20%	
Public contributions and donations	248	300	390	421	30.00%	40.33%	
Grants and subsidies	3451	3700	3700	3856	0.00%	4.22%	
Other	2451	4500	4600	4565	2.22%	1.44%	
<b>Total</b>	<b>9692</b>	<b>14000</b>	<b>14210</b>	<b>14353</b>	<b>32.59%</b>	<b>46.19%</b>	
<i>Percentage of finance</i>							
External loans	36.5%	39.3%	38.8%	38.4%	1.1%	0.4%	
Public contributions and donations	2.6%	2.1%	2.7%	2.9%	92.1%	87.3%	
Grants and subsidies	35.6%	26.4%	26.0%	26.9%	0.0%	9.1%	
Other	25.3%	32.1%	32.4%	31.8%	6.8%	3.1%	
<b>Capital expenditure</b>							
Water and sanitation	1845	4300	4250	4256	-1.16%	-1.02%	
Electricity	1562	2400	2480	2453	3.33%	2.21%	
Housing	1243	2700	2800	2685	3.70%	-0.56%	
Roads and storm water	1352	1500	1400	1486	-6.67%	-0.93%	
Other	3690	3500	3450	3473	-1.43%	-0.77%	
<b>Total</b>	<b>9692</b>	<b>14400</b>	<b>14380</b>	<b>14353</b>	<b>-2.22%</b>	<b>-1.08%</b>	
<i>Percentage of expenditure</i>							
Water and sanitation	19.0%	29.9%	29.6%	29.7%	52.4%	95.2%	
Electricity	16.1%	16.7%	17.2%	17.1%	-150.1%	-205.4%	
Housing	12.8%	18.8%	19.5%	18.7%	-166.8%	51.7%	
Roads and storm water	13.9%	10.4%	9.7%	10.4%	300.2%	86.8%	
Other	38.1%	24.3%	24.0%	24.2%	64.3%	71.7%	

T 5.6.1

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### COMMENT ON SOURCES OF FUNDING:

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Name of Project	26,000	26,500	25,700	1%	-2%
B - Name of Project	19,500	19,750	19,900	-2%	-1%
C - Name of Project	15,700	15,700	15,500	1%	0%
D - Name of Project	12,000	11,800	11,700	3%	2%
E - Name of Project	11,500	11,000	11,250	2%	4%
<i>* Projects with the highest capital expenditure in Year 0</i>					
<b>Name of Project - A</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
<b>Name of Project - B</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
<b>Name of Project - C</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
<b>Name of Project - D</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
<b>Name of Project - E</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
<i>T 5.7.1</i>					

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**COMMENT ON CAPITAL PROJECTS:**

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## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

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Service Backlogs as at 30 June Year 2013/14				
Households (HHs)				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
<b>Water</b>	103297	57	77927	43
<b>Sanitation</b>	144979	80	36245	20
<b>Electricity</b>	155852	87	25372	13
<b>Waste management</b>	28995	16	152229	84
<i>% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.</i>				T 5.8.2

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

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### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Text To be updated after AFS finalised.

## 5.9 CASH FLOW

Cash Flow Outcomes				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other				
Government - operating				
Government - capital				
Interest				
Dividends				
<b>Payments</b>				
Suppliers and employees				
Finance charges				
Transfers and Grants				
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	-	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
<b>Payments</b>				
Capital assets				
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	-	-	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
<b>Payments</b>				
Repayment of borrowing				
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	-	-	-	-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	-	-	-	-
Cash/cash equivalents at the year begin:				-
Cash/cash equivalents at the year end:		-	-	-
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

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**COMMENT ON CASH FLOW OUTCOMES:**

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## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

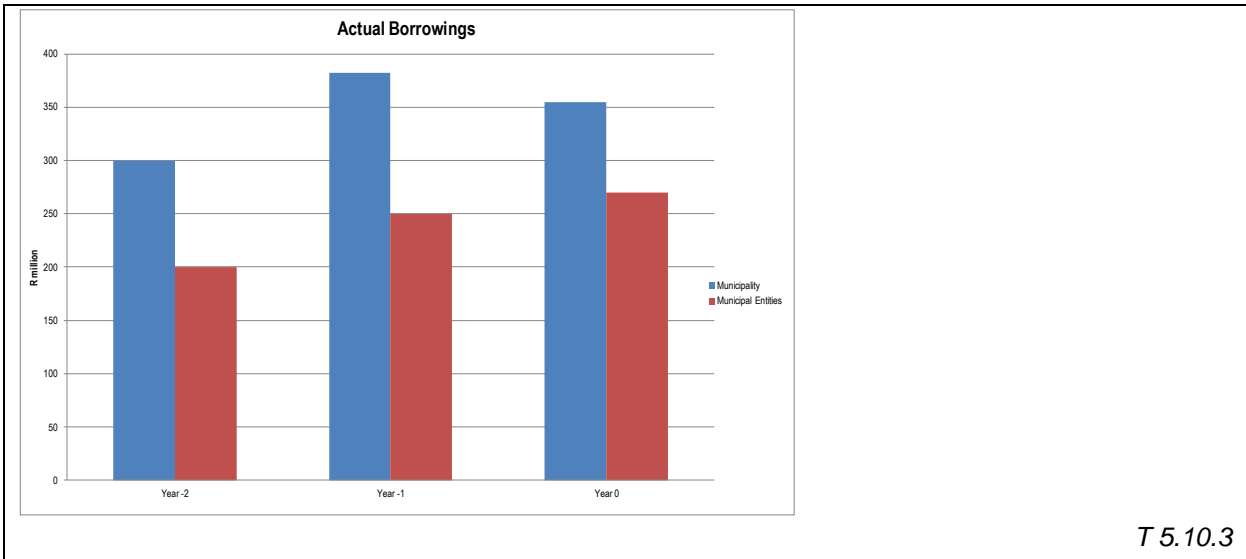
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<b>Actual Borrowings: Year -2 to Year 0</b>			
	<b>R' 000</b>		
<b>Instrument</b>	<b>Year -2</b>	<b>Year -1</b>	<b>Year 0</b>
<b>Municipality</b>	300	382	355
Long-Term Loans (annuity/reducing balance)	200	250	270
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Municipality Total</b>	<b>500</b>	<b>632</b>	<b>625</b>
<b>Municipal Entities</b>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Entities Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

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<b>Municipal and Entity Investments</b>			
			R' 000
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
<b><u>Municipality</u></b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
<b>Municipality sub-total</b>	0	0	0
<b><u>Municipal Entities</u></b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
<b>Entities sub-total</b>	0	0	0
<b>Consolidated total:</b>	0	0	0
			<i>T 5.10.4</i>

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**COMMENT ON BORROWING AND INVESTMENTS:**

**5.11 PUBLIC PRIVATE PARTNERSHIPS**

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There were no public private partnerships entered into during the 2013/14 financial year.

**COMPONENT D: OTHER FINANCIAL MATTERS**

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**5.12 SUPPLY CHAIN MANAGEMENT**

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**SUPPLY CHAIN MANAGEMENT**

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**5.13 GRAP COMPLIANCE**

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**GRAP COMPLIANCE**

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## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

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### INTRODUCTION

To be added after AG audit findings.

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 2012/13

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The Auditor General's opinion for 2012/13 Financial Statements was a disclaimer.

### 6.1 AUDITOR GENERAL REPORTS YEAR 2012/13

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#### REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND COUNCIL ON UGU DISTRICT MUNICIPALITY

##### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

###### Introduction

1. I was engaged to audit the consolidated and separate financial statements of Ugu District Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

###### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

###### Auditor-general's responsibility

3. My responsibility is to express an opinion on the consolidated and separate financial statements based on conducting the audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Because of the matters described in the Basis for disclaimer of opinion paragraphs, however, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

###### Basis for disclaimer opinion

###### Property, plant and equipment (PPE)

4. I was unable to obtain sufficient appropriate evidence that management has accounted for all property plant and equipment, depreciation and accumulated depreciation for the current year due to the municipality not maintaining a proper fixed asset register. I was unable to confirm the carrying value, depreciation and accumulated depreciation by alternative means. Consequently, I was unable to determine whether any adjustment to the property plant and equipment stated at R2,06 billion (2012: R1,94 billion) in note 9 to the financial statements were necessary.

###### Payables

5. I was unable to obtain sufficient appropriate audit evidence that the provision for leave pay included for all leave days taken by employees due to deficiencies with the functioning of the system and not all leave days taken being captured. I was unable to confirm the provision for leave pay by alternative means. Consequently, I was unable to determine whether any adjustment to the provision for leave pay stated at R15,49 million (2012: R12,17 million) in note 16 to the annual financial statements were necessary.
6. I was unable to obtain sufficient appropriate audit evidence in support of the journal processed to project cost accrual. I was unable to confirm the project cost accrual by alternative means. Consequently, I was unable to determine whether any adjustment to project cost accrual stated at R13,54 million in note 16 to the financial statements, was necessary.

#### **Revenue and receivables from exchange transactions**

7. I was unable to obtain sufficient appropriate audit evidence that management has properly charged and accounted for all service charge revenue due to poor internal controls in the billing and estimation thereof. I was unable to confirm the service charge revenue by alternative means. Consequently, I was unable to determine whether any adjustment to service charges stated at R274,52 million (2012: R297,47 million) in note 25 and the related receivables from exchange transactions stated at R101,54 million in note 3 to the financial statements were necessary.
8. I was unable to obtain sufficient appropriate audit evidence for other revenue due to unjustified corrections. I was unable to confirm the other revenue by alternative means. Consequently, I was unable to determine whether any adjustment to other revenue stated at R12,73 million in note 28 to the financial statements, were necessary.
9. I was unable to obtain sufficient appropriate audit evidence for the fair value adjustment of receivables from exchange transactions due to inconsistencies on the amounts when compared to the statement of financial position and statement of financial performance. I was unable to confirm the fair value adjustment by alternative means. Consequently, I was unable to determine whether any adjustment to interest earned stated at R18,38 million in note 27 to the financial statements, was necessary.

#### **Revenue from non exchange transactions**

10. I was unable to obtain sufficient appropriate audit evidence for the revenue from non exchange transactions due to the adjustments passed after year end. I was unable to confirm the fair value adjustment by alternative means. Consequently, I was unable to determine whether any adjustment to revenue from non exchange transactions stated at R593,57 million in note 23 to the financial statements, was necessary.

#### **Receivables and revenue from non exchange transactions**

11. I was unable to obtain sufficient appropriate audit evidence for receivables from exchange transactions due to lack of supporting documentation. I was unable to confirm the revenue from non exchange transaction by alternative means. Consequently, I was unable to determine whether any adjustment to non service debtors stated at R9,36 million in note 4 to the financial statements, was necessary.

#### **Value Added Tax (VAT) receivable**

12. I was unable to obtain sufficient appropriate audit evidence that management has properly accrued and accounted for all VAT Output and VAT input, due to poor internal controls in the revenue and creditors system. I was unable to confirm the service VAT receivable by alternative means. Consequently, I was unable to determine whether any adjustment to VAT receivable stated at R21,56 million in note 5 to the financial statements was necessary.

**Unspent conditional grants (Prior period error)**

13. I was unable to obtain sufficient appropriate audit evidence that management has properly accounted for all corrections to prior period errors relating to incorrect entries passed to conditional grants due to lack of supporting documentation and justification for amounts system and not all leave days taken being captured. I was unable to confirm the provision for leave pay by alternative means. Consequently, I was unable to determine whether any adjustment to the provision for leave pay stated at R15,49 million (2012: R12,17 million) in note 16 to the annual financial statements were necessary.

**Commitments**

14. I was unable to obtain sufficient appropriate audit evidence for capital commitments due to inadequate records and reconciliations. I was unable to confirm the commitments by alternative means. Consequently I was unable to determine whether any adjustments to commitments stated at R513,51 million as disclosed in note 48 to the financial statements was necessary.

**Irregular expenditure**

15. I was unable to obtain sufficient appropriate audit evidence for irregular expenditure due to poor internal controls within the supply chain management function. I was unable to confirm the irregular expenditure by alternative means. Consequently, I was unable to determine whether any adjustments to irregular expenditure stated at R44,03 million in note 46.3 to financial statements was necessary.

**Cash flow statement**

16. I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed for net cash flow from operating activities due to the inconsistencies in amounts when compared to the statement of financial position and performance. I was unable to confirm the net cash flow from operating activities by alternative means. Consequently, I was unable to determine whether any adjustments to the net cash flow from operating activities stated at R232,34 million on the cash flow statements were necessary.

**Accumulated surplus**

17. I was unable to obtain sufficient appropriate audit evidence for accumulated surplus due to the inconsistencies in amounts when compared to the statement of financial position and performance. I was unable to confirm the accumulated surplus by alternative means. Consequently, I was unable to determine whether any adjustments to accumulated surplus stated at R1,88 billion in note 22 to financial statements was necessary.

**Disclaimer of opinion**

18. Because of the significance of the matters described in the Basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

**Emphasis of matters**

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

**Significant uncertainties**

20. With reference to note 52.3 to the financial statements, the municipality is the defendant in 13 lawsuits relating to non payments of contracts and breach of agreements amounting to R21,79 million. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.
21. With reference to note 52.5 in the financial statements, employees of the municipality have not been paid according to the wage scales and rates in the South African Local Government Association (SALGA) Categorisation and job evaluation wage curves collective agreement. The municipality has not finalised job evaluations pending the outcome of the lawsuit by the union disputing the agreement. The amount of the obligation cannot be determined with sufficient reliability and no provision for any liability that may result has been made in the financial statements.

#### **Material losses**

22. As disclosed in note 47.9 to the financial statements, material losses amounting to R21,48 million and 11,91million kilolitres were incurred as a result of water losses.

#### **Going concern**

23. As disclosed in note 58 to the financial statements the Ugu District Municipality current liabilities exceed current assets at year end. These conditions, along with other matters, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

#### **Unauthorised expenditure**

24. As disclosed in note 46.1 to the financial statements, unauthorised expenditure of R8,22 million was incurred as a result of expenditure exceeding approved budget for operating expenditure.

#### **Fruitless and wasteful expenditure**

25. As disclosed in note 46.2 to the financial statements, fruitless and wasteful expenditure of R810 904 was incurred as a result of interest charges on late payment.

#### **Additional matter**

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

#### **Unaudited supplementary schedules**

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

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

28. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

#### **Predetermined objectives**



29. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages ... to ... of the annual report.
30. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned development objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information (FMPPPI)*. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
31. The material findings are as follows:

**Usefulness of information**

**Presentation**

**Measures to improve performance not disclosed**

32. Section 46 of the Municipal Systems Act 32 of 2000, requires disclosure in the annual performance report of measures taken to improve performance where planned targets were not achieved. Measures to improve performance for a total of 29% of the planned targets not achieved were not reflected in the annual performance report. This was due to the lack of review of reported performance information by senior management.

**Reliability of information**

**Infrastructure and basic service delivery and Local economic development**

33. The *National Treasury Framework for managing programme performance information (FMPPPI)* requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets.
34. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of information presented with respect to Infrastructure and basic service delivery and local economic development.
35. The institution could not provide sufficient appropriate evidence in support of the information presented with respect to the Infrastructure and basic service delivery and the institution's records not permitting the application of alternative audit procedures.

**Compliance with laws and regulations**

36. I performed procedures to obtain evidence that the municipality and municipal entity have complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA are as follows:

**Strategic planning and performance management**

37. The accounting officer of the municipality did not by 25 January assess the performance of the municipality during the first half of the financial year, as required by section 72(1)(a)(ii) of the MFMA.
38. The municipality did not have and maintain effective, efficient and transparent systems of financial and risk management and internal controls as required by section 62(1)(c)(i) of the MFMA.
39. Revisions to the service delivery and budget implementation plan were not approved by the council after the approval of the adjustments budget, as required by section 54(1)(c) of the MFMA.
40. The municipal entity did not ensure that the annual performance objectives and indicators were established by agreement with the parent municipality, as required by section 93B(a) of the Municipal Systems Act (Act 32 of 2000)(MSA).

#### **Annual financial statements**

41. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of unspent grants, retentions and trade creditors identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a disclaimer audit opinion.

#### **Procurement and contract management**

42. Awards were made to providers who are in the service of the municipality in contravention of section 112(j) of the MFMA and SCM regulations 44. Furthermore the provider failed to declare that he/she was in the service of the municipality, as required by SCM regulation 13(c).
43. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded only to bidders who submitted a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
44. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality and did not to disclose such interest, as required by SCM regulation 46(2)(e).
45. Bid adjudication was not always done by committees which were composed in accordance with SCM regulation 29(2).
46. Sufficient appropriate audit evidence could not be obtained that invitations for competitive bidding were advertised for a required minimum period of days, as required by SCM regulation 22(1) and 22(2).
47. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.

#### **Expenditure management**

48. Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.
49. Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

#### **Asset management**

50. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

#### **Revenue management**

51. An adequate management, accounting and information system which accounts for revenue, debtors and receipts of revenue was not in place, as required by section 64(2)(e) of the MFMA.
52. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.
53. Accounts for service charges were not prepared on monthly, as required by section 64(2)(c) of the MFMA.

#### **Budget management**

54. Expenditure was incurred in excess of the limits of the amounts provided for in the votes of the approved budget, in contravention of section 15 of the MFMA.

#### **Conditional grants received**

55. The municipality did not evaluate its performance in respect of programmes funded by the Municipal Systems Infrastructure Grant submit the evaluation to the transferring national officer within two months after the end of the financial year, as required by section 12(5) of the DoRA.

#### **Consequence management**

56. Unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, in accordance with the requirements of section 32(2) of the MFMA.
57. The condoning of irregular expenditure was not approved by the appropriate relevant authority, in accordance with the requirements of sections 1 and 170 of the MFMA.
58. Council certified unauthorised, irregular, fruitless and wasteful expenditure as irrecoverable without conducting an investigation by council committee to determine recoverability of the expenditure, as required by section 32(2) of the MFMA.
59. The council did not always report cases of alleged irregular expenditure that constituted a criminal offence, as required by section 32(6) of the MFMA.

#### **Human resource**

60. The municipal manager and or senior managers directly accountable to the municipal manager did not sign performance agreements, as required by section 57(2)(a) MSA.

#### **Internal control**

61. I considered internal control relevant to my audit of the financial statements, performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to

the significant deficiencies that resulted in the basis for disclaimer of opinion, the findings on the performance report and the findings on compliance with laws and regulations included in this report.

#### **Leadership**

62. The accounting officer did not exercise effective oversight over policies and procedures regarding supply chain management, revenue and performance management to enable and support understanding and execution of internal control objectives, processes and responsibilities.

#### **Financial and performance management**

63. Systems and controls were not designed in a manner to prevent, detect and address risks that impact on financial and compliance reporting. In this regard, the accounting officer and management did not ensure that regular, accurate and complete financial and performance reports were prepared.
64. Management did not implement controls over the preparation, review and reconciliation of the financial statements against supporting schedules as well as the reported performance against predetermined objectives.

#### **Governance**

65. Adequate controls to address the risks identified as part of the risk assessment have not been implemented.

#### **OTHER REPORTS**

##### **Investigations completed during the financial year**

66. Eight investigations were completed regarding alleged fraudulent supply chain management practices.

##### **Investigations in progress during the financial year**

67. Five investigations were in progress regarding alleged dishonesty, assault and misuse of municipal vehicles.

Pietermaritzburg  
13 December 2013



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

**COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2013/14**

**6.2 AUDITOR GENERAL REPORT YEAR 2013/14**

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**AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2013/14**

.....  
Signed (Chief Financial Officer)

Dated: .....

*TO BE ADDED ONCE RECEIVED*

## GLOSSARY

<b>Accessibility indicators</b>	<b>Explore whether the intended beneficiaries are able to access services or outputs.</b>
<b>Accountability documents</b>	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution’s strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.

<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

#### REPORT ON ATTENDANCE OF COUNCIL BY COUNCILLORS: JULY 2013 TO JUNE 2014

Name of Councillor	JULY 2013	AUG 2013	SEPT 2013	OCT 2013	NOV 2013	DEC 2013	JAN 2014	FEB 2014	MAR 2014	APRIL 2014	MAY 2014	JUNE 2014
1. Cllr S B Cele	Y	Y	Y	Y	Y	N1	N1	Y	Y	-	Y	N1
2. Cllr I M Mavundla	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	Y
3. Cllr M A Chiliza	Y	N1	Y	Y	N1	Y	Y	Y	Y	-	N1	Y
4. Cllr N H Gumede	Y	N1	N1	N1	Y	N1	Y	N1	Y	-	Y	N1
5. Cllr E Moosa Bux	Y	Y	Y	Y	Y	Y	N1	Y	Y	-	Y	Y
6. Cllr S Mahomed	Y	Y	N1	Y	Y	Y	Y	Y	Y	-	Y	Y
7. Cllr M G Sonwabo	Y	N2	Y	Y	N1	Y	Y	N1	Y	-	Y	Y
8. Cllr T N Dzingwa	Y	Y	Y	Y	N1	Y	Y	N2	Y	-	Y	Y
9. Cllr NN Boyce – July to Nov MA Manyoni – Jan onwards	N2	N1	Y	Y	Y		Y	Y	Y	-	Y	Y
10. Cllr D Snashall	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	N1
11. Cllr Dr S G Nyawuza	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	N1	Y
12. Cllr J S Mbutuma	Y	Y	N1	Y	N1	Y	Y	Y	Y	-	N1	Y
13. Cllr Jacobus van Vuuren	Y	Y	Y	Y	Y	N1	Y	Y	Y	-	Y	Y



Name of Councillor	JULY 2013	AUG 2013	SEPT 2013	OCT 2013	NOV 2013	DEC 2013	JAN 2014	FEB 2014	MAR 2014	APRIL 2014	MAY 2014	JUNE 2014
14. Cllr D H Njoko	Y	Y	Y	N2	Y	Y	N1	Y	Y	-	Y	Y
15. Cllr N F Shusha	N1	N1	N1	N1	N1	Y	Y	Y	Y	-	Y	N1
16. Cllr Y Nair	Y	Y	Y	Y	N1	Y	Y	Y	Y	-	Y	Y
17. Cllr N A Madlala	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	Y
18. Cllr G D Henderson	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	Y
19. Cllr Z A Mhlongo	Y	N2	Y	Y	Y	Y	Y	Y	N1	-	Y	N1
20. Cllr B E Machi	Y	Y	N1	Y	N2	Y	Y	Y	N1	-	N1	Y
21. Cllr S T Gumede	Y	Y	Y	N1	N1	N1	Y	Y	Y	-	Y	Y
22. Cllr N Y Mweshe	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	Y
23. Cllr M P L Zungu	Y	Y	Y	Y	N1	Y	Y	N2	Y	-	Y	Y
24. Cllr K B M Mbhele	Y	Y	N1	N2	N1	N2	Y	Y	Y	-	Y	Y
25. Cllr S M Zuma	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	Y
26. Cllr N P Mpanza	Y	Y	N1	Y	N1	Y	N1	Y	Y	-	N1	Y
27. Cllr F B Shezi	Y	Y	Y	Y	Y	N2	Y	Y	N1	-	Y	N1
28. Cllr T M Cele	Y	N1	N1	Y	N1	Y	Y	Y	Y	-	Y	N1
29. Cllr S A Khawula	Y	Y	Y	Y	N1	Y	Y	Y	Y	-	Y	Y
30. Cllr M P Mtheshane	Y	Y	N1	N1	Y	Y	N1	N1	N1	-	Y	Y
31. Cllr M B Gavu	Y	Y	Y	Y	N1	Y	Y	Y	Y	-	N1	N1

Name of Councillor	JULY 2013	AUG 2013	SEPT 2013	OCT 2013	NOV 2013	DEC 2013	JAN 2014	FEB 2014	MAR 2014	APRIL 2014	MAY 2014	JUNE 2014
32. Cllr L N Myende	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	Y
33. Cllr J M Ndlela	N1	Y	N1	Y	Y	Y	Y	Y	N1	-	Y	N1
34. Cllr Y L Duma	N1	Y	Y	N1	N1	N2	Y	N1	Y	-	N2	N1
35. Cllr V L Ntanza	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	Y

PARTY	MALE	FEMALE
AFRICAN NATIONAL CONGRESS (ANC)	12	12
NATIONAL FREEDOM PARTY (NFP)	4	1
INKATHA FREEDOM PARTY (IFP)	3	1
DEMOCRATIC ALLIANCE (DA)	2	0
<b>TOTAL - 35</b>	<b>21</b>	<b>14</b>

#### REPORT ON ATTENDANCE OF EXECUTIVE COMMITTEE BY COUNCILLORS

NAME OF COUNCILLOR	17 July 2013	31 July 2013	14 Aug 2013	28 Aug 2013	12 Sept 2013	02 Oct 2013	16 Oct 2013	30 Oct 2013	13 Nov 2013	04 Dec 2013	05 Feb 2014	24 March 2014	20 May 2014	04 June 2014	18 June 2014
CLLR NH GUMEDE	Y	N1	Y	Y	Y	Y	Y	Y	N1	Y	Y	Y	Y	Y	Y
CLLR MA CHILIZA	Y	Y	Y	Y	N1	Y	Y	Y	Y	Y	Y	N1	Y	Y	Y

NAME OF COUNCILLOR	17 July 2013	31 July 2013	14 Aug 2013	28 Aug 2013	12 Sept 2013	02 Oct 2013	16 Oct 2013	30 Oct 2013	13 Nov 2013	04 Dec 2013	05 Feb 2014	24 March 2014	20 May 2014	04 June 2014	18 June 2014
CLLR S MAHOMED	N1	Y	Y	Y	Y	N1	N1	Y	Y	Y	Y	N1	N1	Y	Y
CLLR I M MAVUNDLA	Y	Y	Y	Y	Y	Y	Y	N1	Y	Y	Y	Y	Y	Y	Y
CLLR JS MBUTUMA	N1	Y	Y	Y	Y	Y	N1	Y	Y	Y	Y	N2	N1	Y	N1
CLLR S G NYAWUZA	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
CLLR NF SHUSHA	N1	N1	N1		N1	Y	N1	Y	Y	N1	Y	Y	Y	Y	Y
CLLR SB CELE	N1	N1	Y	Y	Y	N1	Y	Y	Y	N1	Y	Y	Y	Y	Y

#### REPORT ON ATTENDANCE OF GOOD GOVERNANCE COMMITTEE BY COUNCILLORS

Name of Councillor	JULY 13	AUG 13	SEPT 13	OCT 13	NOV 13	FEB 14	MAR 14	APR 14	MAY 14	JUN 14
ClIr J S MBUTUMA	Yes	No1	Yes	Yes	Yes	Yes	Nil	Nil	Nil	Yes
ClIr MG SONWABO	Yes	Yes	Yes	No2	Yes	No2	Nil	Nil	Nil	Yes
ClIr TN DZINGWA	Yes	Yes	Yes	Yes	No2	Yes	Nil	Nil	Nil	Yes
ClIr D SNASHALL	Yes	Yes	Yes	Yes	No2	No1	Nil	Nil	Nil	Yes
ClIr MB	Yes	Yes	Yes	No2	Yes	Yes	Nil	Nil	Nil	Yes

Name of Councillor	JULY 13	AUG 13	SEPT 13	OCT 13	NOV 13	FEB 14	MAR 14	APR 14	MAY 14	JUN 14
<b>GAVU</b>										
<b>ClIr KBM MBHELE</b>	Yes	Yes	No 2	No 2	No 2	No2	Nil	Nil	Nil	<b>No2</b>
<b>ClIr IM MAVUNDLA</b>	Yes	Yes	Yes	No1	Yes	No1	Nil	Nil	Nil	<b>Yes</b>
<b>ClIr MP MTHESHANE</b>	Yes	Yes	<b>No2</b>	<b>No2</b>	<b>No 2</b>	<b>No1</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Yes</b>

#### REPORT ON ATTENDANCE OF ECONOMIC DEVELOPMENT PORTFOLIO COMMITTEE

Name of Councillor	23 July 2013	28 August 2013 (No quorum)	17 September 2013	17 October 2013	November 2013	13 February 2014	11 June 2014
<b>ClIr I M Mavundla</b>	Y	Y	Y	Y	Y	Y	<b>Y</b>
<b>ClIr N N Boyce/ ClIr M A Manyoni</b>	N1	Y	N2	N1	N2	Y (ClIr Manyoni replaced Boyce from this date)	<b>Y</b>
<b>ClIr B E Machi</b>	Y	-	Y	Y	N1	Y	<b>Y</b>
<b>ClIr N P Mpanza</b>	Y	-	Y	Y	Y	Y	<b>Y</b>
<b>ClIr D H Njoko</b>	N1	Y	Y	Y	Y	N1	<b>Y</b>
<b>ClIr G D Henderson</b>	Y	-	N1	Y	Y	Y	<b>Y</b>
<b>ClIr F B Shezi</b>	Y	-	Y	N2	N2	Y	<b>Y</b>
<b>ClIr L V Ntanza</b>	Y	Y	Her meetings clashed. Had to attend Special	Y	Y	Y	<b>Y</b>

Name of Councillor	23 July 2013	28 August 2013 (No quorum)	17 September 2013	17 October 2013	November 2013	13 February 2014	11 June 2014
			Programs Portfolio				

#### REPORT ON ATTENDANCE OF PORTFOLIO COMMITTEE ON SPECIAL PROGRAMMES

Name of Councillor	Gender	Political Party	JULY 13	AUG 13	SEPT 13	OCT 13	NOV 13	FEB 14	MAR 14	APR 14	MAY 14	JUNE 14
Clr Mahomed	F	ANC	Y	Y	N1	Y	Y	Y	Nil	Nil	Nil	Y
Clr NY Mweshe	F	ANC	N1	Y	Y	N1	Y	Y	Nil	Nil	Nil	Y
Clr T Dzingwa	F	ANC	Y	N1	N1	Y	Y	N1	Nil	Nil	Nil	N2
Clr JM Ndlela	M	IFP	N1	Y	N2	N1	N2	N2	Nil	Nil	Nil	N2
Clr Snashall	M	DA	N1	Y	Y	Y	Y	Y	Nil	Nil	Nil	Y
Clr NA Madlala	F	ANC	N1	Y	Y	Y	Y	N2	Nil	Nil	Nil	Y
Clr ZA Mhlongo	M	NFP	N1	N1	Y	Y	N2	N2	Nil	Nil	Nil	Y
Clr V L Ntanza	F	ANC	Nil	Y	Y	Y	Y	Y	Nil	Nil	Nil	Y

#### REPORT ON ATTENDANCE OF PORTFOLIO COMMITTEE ON WATER AND SANITATION

Name of Councillor	Gender	Political Party	JUNE 13	JULY 13	Aug 13	Sept 13	OCT 13	NOV 13	FEB 14	JUNE 14

Name of Councillor	Gender	Political Party	JUNE 13	JULY 13	Aug 13	Sept 13	OCT 13	NOV 13	FEB 14	JUNE 14
ClIr M A Chiliza	F	ANC	Y	Y	Y	Y	Y	Y	Y	Y
ClIr M G Sonwabo	M	ANC	Y	Y	Y	Y	Y	N2	Y	Y
ClIr MPL Zungu	F	ANC	N1	N1	N1	Y	Y	Y	Y	Y
ClIr TM Cele	F	ANC	Y	N1	Y	Y	Y	Y	N1	Y
ClIr Y Nair	M	ANC	Y	Y	Y	Y	Y	Y	Y	Y
ClIr LN Myende	F	ANC	Y	Y	Y	Y	Y	Y	Y	Y
ClIr YL Duma	M	NFP	N2	N1	Y	Y	Y	N1	N2	Y
ClIr SG Nyawuza	M	IFP	Y	Y	Y	N1	Y	Y	Y	Y

- Indicate with “Y” where the meeting was attended
- Indicate with “No” where the meeting was not attended
- Indicate with “N1” where the meeting was not attended but the application for leave of absence was furnished
- Indicate with “N2” where the meeting was not attended and the application for leave of absence was not furnished and no apology was recorded

During the 2013/14 financial year, all Council and EXCO meetings sat as there was a quorum. These committees are operating optimally.

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Portfolio Committee on Finance	<p>The Portfolio Committee on Finance is a Section 80 Committee, responsible for the following functions, and making recommendations to the Executive Committee thereon:</p> <ul style="list-style-type: none"> <li>➤ Familiarise, interrogate and recommend to the Committee of the budget and reports on economic issues, statistical information, agreements, financial reports, and reports on economic and policy statements.</li> <li>➤ Sharpen public awareness of the budget and Government financial and economic policies, and encourage informed debate on the budget.</li> <li>➤ Advise the executive committee on the district municipality's domestic borrowing policies.</li> <li>➤ Study Government's policies as regards budgets and advise accordingly.</li> <li>➤ Seek advice from all three spheres of Government, on financial and other budget related matters.</li> <li>➤ Drive the entire budget process as alluded to by legislation, thus ensuring that budgets are based on priorities and realistic income and expenditure.</li> <li>➤ Advise on processes that need to be put in place for formulating and monitoring the budget, throughout its cycle, that will enhance the District Municipality's role in appropriating and overseeing the budget, and make the budget process more responsive to stakeholders.</li> <li>➤ Advise on budget programmes that need to be given special treatment during budget implementation.</li> <li>➤ Ensure that the budget of the District Municipality is used as a primary tool for implementing National and Provincial Policies.</li> <li>➤ Review the relevant legislation and future legislation (bills) with financial and budget implications and advise the Executive Committee accordingly.</li> <li>➤ Deal with any other budget related matter referred to the Committee by the Executive Committee.</li> <li>➤ Develop policy proposals on all the areas of responsibility with the intention of achieving municipal and/or general government objectives.</li> </ul>
Portfolio Committee on Special Programmes	<p>The Portfolio Committee on Special Programmes is a Section 80 Committee, responsible for the following functions, and making recommendations to the Executive Committee thereon:</p> <ol style="list-style-type: none"> <li>1. Oversight over the following functional areas:-             <ol style="list-style-type: none"> <li>(i) Undertake the following special programmes in respect of Policy, Strategy and Programmes.                 <ul style="list-style-type: none"> <li>➤ Youth</li> <li>➤ Senior Citizens</li> <li>➤ People with Disability</li> <li>➤ Gender</li> <li>➤ Moral regeneration</li> <li>➤ Rights of the Child</li> <li>➤ Farm workers</li> </ul> </li> <li>(ii) Lobby and advocacy for special programmes interests by other Portfolio Committees within Council.</li> <li>(iii) Coordinate response for vulnerable groups.</li> <li>(iv) Facilitate and monitor an evaluation framework for all the functional areas.</li> </ol> </li> </ol>
Portfolio	The general responsibilities of the Portfolio Committee, in respect of the functional area of Corporate Services, are:

<p><b>Committee on Sound Governance and Human Resources</b></p>	<ul style="list-style-type: none"> <li>➤ to develop and recommend the Good Governance and Human Resources Services portfolio policies;</li> <li>➤ to develop and recommend the Good Governance and Human Resources portfolio by-laws;</li> <li>➤ to consider and make recommendations in respect of the draft budget and IDP of the Human Resources &amp; Sound Governance Portfolio;</li> <li>➤ to ensure public participation in the development of policy, legislation, IDP and budget of the Human Resources &amp; Sound Governance Portfolio;</li> <li>➤ to monitor the implementation of Council policies in respect of the Human Resources &amp; Sound Governance portfolio;</li> </ul>
<p><b>Functional Role of the Human Resources &amp; Sound Governance Portfolio Committee</b></p>	<p>The objective of the Human Resources &amp; Sound Governance Portfolio Committee is to assist the executive committee on the functions listed below:</p> <ol style="list-style-type: none"> <li><b>1. Administration and Operational Support</b> <ul style="list-style-type: none"> <li>➤ Corporate strategies, systems and services</li> <li>➤ Records Management and Registry Services</li> <li>➤ Secretariat Support and Printing Services</li> <li>➤ Occupational Health and Safety</li> <li>➤ Employment Equity Planning</li> <li>➤ Wellness: EAP</li> <li>➤ Customer Relations</li> <li>➤ Performance management: Individual (and OPMS)</li> <li>➤ Information Communications Technology</li> <li>➤ Facilities Management</li> <li>➤ Enterprise Security</li> </ul> </li> <li><b>2. Legal Services</b> <ul style="list-style-type: none"> <li>➤ Statutory Compliance Legislation, and</li> <li>➤ Legal Research</li> </ul> </li> <li><b>3. Strategic Human Resources and Personnel Services</b> <ul style="list-style-type: none"> <li>➤ Individual Performance Management</li> <li>➤ Training and Development</li> <li>➤ Labour Relations</li> <li>➤ Personnel Management</li> </ul> </li> <li>4. To ensure the provision of efficient, economical and effective administration of the municipality, to co-ordinate secretarial services, to oversee the delivery of the human resource services, and to render management and transformation services;</li> <li>5. To oversee the delivery of support services to the council and community;</li> <li>6. Exercise delegated authority after considering a report from the designated officials for the Human Resources &amp; Sound Governance Portfolio;</li> <li>7. Introduce to Exco the recommendations from the Human Resources &amp; Sound Governance Portfolio Committee;</li> <li>8. Introduce departmental reports on the functions of the relevant sections to Exco ;</li> <li>9. General administration inclusive council &amp; committee secretariat, legal, council support, policies &amp; procedures, facilities management, capacity building &amp; training, human resources, including, Governance, democracy and Skills development.</li> </ol>
<p><b>Portfolio Committee on Local Economic Development</b></p>	<p>The Portfolio Committee on Local Economic Development is a Section 80 Committee, responsible for the following functions, and making recommendations to the Executive Committee thereon:</p> <ul style="list-style-type: none"> <li>➤ Oversee the implementation of all applicable legislation relating to social and economic development, national development programmes, provincial development programmes, trading regulations, investment opportunities, transport, land affairs, electrification, housing and public works.</li> <li>➤ Oversee all aspects, programmes and activities of local economic development.</li> <li>➤ Oversee all fiscal and other incentives designed to promote social and economic development.</li> <li>➤ Oversee environmental management and ensuring environmental planning, education, sustainable development management</li> <li>➤ Oversee the provision of efficient environmental health services through continuous monitoring</li> </ul>



	<p>and enforcement.</p> <ul style="list-style-type: none"> <li>➤ Develop policy proposals on all the areas of responsibility with the intention of achieving municipal and/or general government objectives.</li> </ul>
<p><b>Portfolio Committee on Water and Sanitation</b></p>	<p>The Portfolio Committee on Water and Sanitation is a Section 80 Committee, responsible for the following functions, and making recommendations to the Executive Committee thereon:</p> <ul style="list-style-type: none"> <li>➤ Advise the Executive Committee on all legislation or prospective legislation relating to: - <ul style="list-style-type: none"> <li>➤ Water and sanitation reticulation;</li> <li>➤ Water and sanitation treatment works;</li> <li>➤ Water and Sanitation Capital projects;</li> <li>➤ Water and sanitation operations;</li> <li>➤ Water and sanitation operational projects;</li> <li>➤ Non revenue water;</li> <li>➤ Water restrictions ;</li> <li>➤ Water Services planning;</li> <li>➤ Emergency water and drought relief;</li> <li>➤ Ground water;</li> <li>➤ Industrial effluent and recycling of waste water;</li> </ul> </li> <li>➤ Oversee the following municipal services: <ul style="list-style-type: none"> <li>➤ Water and Sanitation reticulation;</li> <li>➤ Water and sanitation purification;</li> <li>➤ Water and Sanitation designs;</li> <li>➤ Water and sanitation operations;</li> <li>➤ Water and sanitation capital projects;</li> </ul> </li> <li>➤ Oversee municipal infrastructure development and services to meet the needs of the Municipality in the discharge of its responsibilities.</li> <li>➤ Oversee the commissioning of the best methods to deliver the aforementioned municipal services and facilities to the maximum benefit of the community of the municipality.</li> <li>➤ Develop policy proposals on all the areas of responsibility with the intention of achieving municipal and/or general government objectives.</li> </ul>
<p><b>Human Resources Development Committee</b></p>	<p>The Human Resources Development Committee is established within the prescription of the main collective agreement to, in its preparatory consultation, report to the Local Labour Forum regarding issues concerning the development of human resources and other related activities within the Municipality.</p> <p>The Committee is established with a primary objective to exercise oversight over issues concerning the Workplace Skills Plan (WSP), education and training, employment equity and all such other related human resources issues.</p> <p>The Committee is responsible for the following functions, and making recommendations to the Local Labour Forum thereon:</p> <ul style="list-style-type: none"> <li>➤ Oversight over the following functional areas: - <ul style="list-style-type: none"> <li>➤ Human Resources Management;</li> <li>➤ Skills Development;</li> <li>➤ Performance Management;</li> <li>➤ Organisational Development;</li> <li>➤ Implementation of Employment Equity Plan and Affirmative Action;</li> <li>➤ Councillor Support;</li> <li>➤ Education and Training;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>➤ Develop strategy and policy proposals on all the areas of responsibility with an intention of achieving municipal and/or general government objectives.</li> </ul>
<b>Employee Assistance Programme</b>	<p>Ugu District Municipality, in recognizing the importance of its service delivery machinery or employees introduced Employee Assistance Programme (EAP), which is located in the Corporate Services Department within Human Resources Section to play an integral part in meeting the Municipal objective with a view to providing a satisfying, safe and healthy environment within which all employees are working. The EAP as a programme is dedicated to support and strengthen the workplace environment by providing assistance for employees whenever they need it. According to the Employee Assistance Professionals Association of South Africa (EAPA), <i>“Employee Assistance is the work organization’s resource based on core technologies or functions to enhance employee and workplace effectiveness through prevention, identification, and resolution of personal and productivity issues.”</i></p> <p>The EAP Committee in the Ugu District Municipality is established to ensure that it provides employee assistance programme to encourage and assist employees with personal and work related problems for them to take responsibility for their own health and wellness</p>
<b>Municipal Public Accounts Committee (MPAC)</b>	<p>The Municipal Finance Management Act (MFMA) creates a favourable environment for the establishment of municipal structures that can adequately deal with municipal financial accountability. Such a structure is mandated to deal with financial and related management aspects of municipalities.</p> <p>The Municipal Public Accounts Committee (MPAC) is an important component of the financial reforms and it is achieved through the separation of roles and responsibilities between Council, the Executive (Executive Committee and Political Office Bearers) and administration. Good governance, effective accountability and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players.</p> <p>The Municipal Council is required to maintain oversight on the performance of specific responsibilities and delegated powers to the Executive (Executive Committee &amp; Political Office Bearers). In other words, in exchange for the powers in which Council has delegated to the Executive, Council retains a monitoring and oversight role ensuring that there is accountability for the performance or non performance of the municipality.</p> <p>The Committee is a Section 79 Committee, responsible for the following functions, and reporting back to Council for consideration of all matters and formal adoption:</p> <ul style="list-style-type: none"> <li>➤ Examination of financial statements of the Municipality;</li> <li>➤ Examination of audit statements issued on the financial statements;</li> <li>➤ Examination of any reports issued by the Auditor-General on the affairs of the Municipality and any Municipal Entity;</li> <li>➤ Examination of quarterly and mid-year performance reports;</li> <li>➤ Examination of any other financial statements or reports referred to the Committee by the Council, and may report on any of those financial statements or reports to Council;</li> <li>➤ May recommend any investigation in its area of competence;</li> <li>➤ Must perform any other function assigned by resolution of Council;</li> <li>➤ To call any person, including Councillors to appear before the Committee to account or clarify on any matter the committee deems fit; and</li> <li>➤ Make recommendations to Council for corrective and / or disciplinary action that may be instituted in terms of the MFMA regarding mismanagement of funds, unauthorised, irregular, fruitless and wasteful expenditure.</li> </ul>
<b>Local Labour Forum</b>	<p>In terms of the Labour Relations Act, 66 of 1995, Section 80 makes provision for the establishment of workplace forum in any workplace in which an employer employs more than 100 employees. In compliance with the Act, Municipalities have established workplace forums and are constituted as per the SALGBC main collective agreement clauses 2.8 to 2.8.4.5. In this regard, the composition of such forum shall be established with equal representation from the trade unions and the employer. Trade Unions’ representation shall be divided in proportion to their respective membership in the employer. Likewise, employer representatives shall consist of Councillors and of Management. The workplace forum in the Local Government is referred to as the Local Labour Forum. Such Forum seeks to promote the interests of all employees in the workplace, irrespective of whether</p>

	<p>they belong to trade unions; enhance efficiency in the workplace; engage in consultation with the employer on a wide range of workplace related issues; and participate in joint decision-making.</p> <p>The Local Labour Forum shall have the powers and functions of negotiating and / or consulting on the following functions:</p> <ul style="list-style-type: none"> <li>➤ On matters of mutual concern pertaining to the employer and which do not form the subject matter of negotiations at the council or its divisions;</li> <li>➤ On such matters as may from time to time be referred to such forum by the council or its divisions;</li> <li>➤ Provided that it may not negotiate on any matter, which has been reserved for exclusive bargaining in the council or the divisions;</li> <li>➤ Concluding of minimum service agreements;</li> <li>➤ Disputes over what is negotiable, what are the matters that are for consultation and over whether a specific process constitutes sufficient consultation are to be resolved through the dispute resolution mechanism of the council.</li> </ul>	
		<i>T B</i>

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

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<b>Third Tier Structure</b>	
<b>Directorate</b>	<b>Director/Manager (State title and name)</b>
<b>Office of the Municipal Manager</b>	DD Naidoo Municipal Manager
<b>Corporate Services</b>	V Tsako General Manager Corporate Services
<b>Water Services</b>	L Cele General Manager Water Services
<b>Infrastructure and Economic Development</b>	Z Mbonane General Manager Infrastructure and Economic Development
<b>Treasury</b>	S Mbili General Manager Treasury

## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	No	No
Building regulations	No	No
Child care facilities	No	No
Electricity and gas reticulation	No	No
Fire fighting services	Yes	No
Local tourism	No	Yes
Municipal airports	No	No
Municipal planning	No	No
Municipal health services	Yes	No
Municipal public transport	No	No
Stormwater management systems in built-up areas	No	No
Trading regulations	No	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	No
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	No	No
Cemeteries, funeral parlours and crematoria	No	No
Cleansing	No	No
Control of public nuisances	No	No
Control of undertakings that sell liquor to the public	Yes	No
Facilities for the accommodation, care and burial of animals	No	No
Fencing and fences	No	No
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	No	No
Local amenities	No	No
Local sport facilities	No	No
Markets	Yes	No
Municipal abattoirs	No	No
Municipal parks and recreation	No	No
Municipal roads	No	No
Noise pollution	Yes	No
Pounds	No	No
Public places	No	No
Refuse removal, refuse dumps and solid waste disposal	No	No
Street trading	No	No
Street lighting	No	No

## APPENDIX E – WARD REPORTING

### Functionality of Ward Committees

Ward Name (Number)	Local Municipality	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Umdoni Municipality	Clr M.N Maphumulo	Yes	2	Nil	1
2		Clr B.M Mthethwa	Yes	2	Nil	1
3		Clr S Bhoola	Yes	2	Nil	1
4		Clr M.O. Zama	Yes	2	Nil	1
5		Clr SSI Khwela	Yes	1	Nil	1
6		Clr TH Ngcobo	Yes	1	Nil	1
7		Clr GH Nyuswa	Yes	2	Nil	1
8		Clr B.J Mtolo	Yes	2	Nil	2
9		Clr LN Myende	Yes	2	Nil	1
10		Clr KK Armugam	Yes	1	Nil	1
1	Umuziwabantu Municipality	Clr NB Dlamini	Yes	12	12	4
2		Clr MJ Jali	Yes	12	12	4
3		Clr ATC Houston	Yes	12	12	4
4		Clr DS Dlamini	Yes	12	12	4
5		Clr CP Nkomo	Yes	12	12	4
6		Clr SW Vethe	Yes	12	12	4
7		Clr Munyathi	Yes	12	12	4
8		Clr TH Chiliza	Yes	12	12	4
9		Clr HJ Ngubelanca	Yes	12	12	4
10		Clr MB Gavu	Yes	12	12	4
1	Ezinqoleni Municipality	Clr Sibongiseni Alec Khawula	Yes	12	1	2
2		Clr Bongzi Mzobe	Yes	12	1	1
3		Clr Sifiso Advocate Ngceche	Yes	12	1	2
4		Clr Hawukile Mbatha	Yes	12	1	3
5		Clr Makhosonke Amon Mpisi	Yes	12	1	3
6		Clr Dennis Nyawose	Yes	12	1	3
1	Umzumbe Municipality	Msomi D.K.	yes	11	11	4
2		Ngwabe C.S.	yes	11	11	4

Ward Name (Number)	Local Municipality	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year	
3		Mqadi M.R.	yes	11	11	4	
4		Maluleka S.R.	Yes	11	11	4	
5		Gumede T.S.	Yes	11	11	4	
6		Radebe S.E.	yes	11	11	4	
7		Peters T.L	yes	11	11	4	
8		Mntambo J.P	yes	11	11	4	
9		Mkhize M.J.	yes	11	11	4	
10		Mbayi T.M.	yes	11	11	4	
11		Mhlangu N.E	yes	11	11	4	
12		Mbhele K.B.M	yes	11	11	4	
13		Cele S.R.	yes	11	11	4	
14		Mdletshe M.S.	yes	11	11	4	
15		Zungu M.P.L	yes	11	11	4	
16		Luthuli M.Z.	yes	11	11	4	
17		Hlongwa P.A.	yes	11	11	4	
18		Mbambo O.J	yes	11	11	4	
19		Zindela A	yes	11	11	4	
1		Vulamehlo Municipality	Cllr Kweyama	Yes	6	1	2
2			Cllr Dlamini	Yes	6	1	2
3	Cllr Ndlovu		Yes	4	1	2	
4	Cllr Shezi		Yes	7	1	2	
5	Cllr Ntombela		Yes	4	1	2	
6	Cllr Mngadi		Yes	7	1	2	
7	Cllr Hlongwa		Yes	7	1	2	
8	Cllr Jwara		Yes	7	1	2	
9	Cllr Ngcobo		Yes	7	1	2	
10	Cllr Ncwane		Yes	6	1	2	
1	Hibiscus Coast Municipality	Cllr Watson	Yes	2	8	2	
2		Cllr Henderson	Yes	3	7	3	
3		Cllr Ndovela	Yes	4	10	2	
4		Cllr Shinga	Yes	4	11	3	
5		Cllr Moloji	Yes	4	8	3	

Ward Name (Number)	Local Municipality	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
6		Cllr Schmidt	Yes	4	10	2
7		Cllr Lushaba	Yes	3	8	3
8		Cllr Mbotho	Yes	4	11	2
9		Cllr Nyembezi	Yes	4	9	3
10		Cllr Kowa	Yes	4	10	2
11		Cllr Mzelemu	Yes	4	11	3
12		Cllr Opperman	Yes	3	8	3
13		Cllr Ntusi	Yes	4	10	2
14		Cllr Zulu	Yes	4	9	3
15		Cllr Madlala	Yes	4	10	2
16		Cllr Kruger	Yes	4	11	3
17		Cllr Rajaram	Yes	3	10	2
18		Cllr Potter	Yes	4	9	3
19		Cllr Naude	Yes	4	10	2
20		Cllr Morafe	Yes	3	9	3
21		Cllr Koli	Yes	4	10	3
22		Cllr Nyawose	Yes	4	11	2
23		Cllr Cele	Yes	4	10	3
24		Cllr Hlophe	Yes	4	9	3
25		Cllr Danca	Yes	3	8	3
26		Cllr Duma	Yes	4	9	2
27		Cllr Zulu	Yes	4	7	3
28		Cllr Gumbi	Yes	4	10	3
29		Cllr Majola	Yes	3	6	4



## APPENDIX F – WARD INFORMATION

Ugu District Municipality				
Capital Projects: Seven Largest in 2013/14 (Full List at Appendix O)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
1	Kwanyuswa Water Scheme - Phase 3 (AFA) MIS 194753	Jul-13	Jun-14	R13 333 500
2	Mhlabatshane Regional Water Supply Scheme	Jul-13	Jun-14	R44 099 270
3	Umtamvuna Water Works Raw Water Upgrade	Jul-13	Jun-14	R11 855 500
4	Umzimkhulu Bulk Water Augmentation Scheme Stage	Jul-13	Jun-14	R15 278 000
5	Maphumulo Water Supply	Jul-13	Jun-14	R13 333 500
6	Msikaba and Surrounds Water Supply Scheme	Jul-13	Jun-14	R33 924 517
7	Umzinto Slum Clearance: Farm Isonti Low cost Housing Water and Sanitation Scheme			R21 667 000

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	103297	144979	155852	28995	
Households without minimum service delivery	77927	36245	25372	152229	
<b>Total Households*</b>	181224	181224	181224	181224	
Houses completed in year					
Shortfall in Housing units					
<i>*Including informal settlements</i>					

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During Year 0
1.00	Water	reduced backlog to 43%
2.00	Sanitation	reduced backlog to 20%
3.00	Electricity	reduced backlog to 16%
4.00	Housing	LM function. Several rural projects were done approximately 5000 houses were constructed

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2013/14

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2013/14	Recommendations adopted
26 August 2013	<b>Annual Financial Statements for the year ended 30 June 2013</b>	Yes
	a) That Ms Elliot meets with the Treasury Department to scrutinise the Financial Statements	
	b) That a special meeting be called on Thursday, 29 August 2013 in order to approve the Statements for onward submission to National Treasury.	
	<b>Annual Performance Report for the year ended 30 June 2013</b>	Yes
	(a) That the report regarding the Annual Performance Report for the year ended 30 June 2013 be and is hereby <b>NOTED</b> .	
	(b) That the Annual Performance report for the financial year ended 30 June 2013 be submitted to the Auditor General for review provided that the correct format be used.	
	(c) That Cogta and the Municipality decide which format was appropriate.	
	(d) That any recommendations of the Audit Committee after review of the Annual Performance Report must be effective prior to the submission to the Auditor General.	
30 September 2013	<b>Annual Audit Plan 2013 / 2014</b>	Yes
	(a) That the report regarding the Internal Audit Plan for 2013 / 14 be <b>NOTED</b>	
	(b) That the report regarding the Internal Audit Plan for 2013 / 14 be <b>APPROVED</b> .	
	(c) That any amendments to the plan should be brought to the Audit Committee for information.	
	<b>Internal Audit Charter</b>	Yes
	(a) That the report regarding the Internal Audit Charter be <b>NOTED</b> .	
	(b) That the Internal Audit Charter be <b>REVIEWED</b> and <b>APPROVED</b> .	
19 December 2013	<b>Development Agency</b>	Yes
	(a) That a meeting between the Development Agency, Ugu DM, HCM and Audit Committee members be convened by no later than 28 February 2014.	
	<b>Auditor General Management Report 2012/2013</b>	Yes
	(a) that reasonable timeframes for dealing with the AG issues be set for responsible Managers	
20 February 2014	<b>Management Corrective Actions</b>	Yes
15 April 2014	<b>Status Report: Internal Audit Reports</b>	Yes
	(b) That the IT Review, SCM review and Follow up on Payroll projects be deferred to the next financial year	

UGU SHARED AUDIT SERVICES COMMITTEE  
28 CONNOR STREET,  
PO BOX 33, PORT SHEPSTONE  
039 6885700

**UGU DISTRICT MUNICIPALITY**  
REPORT OF THE CHAIRPERSON:  
AUDIT & PERFORMANCE AUDIT COMMITTEE  
EXTERNAL AUDIT SHARED SERVICES

**Members of the External Audit Committee:**

Mr. Paul Preston	–	Chairperson
Mrs. Chantel Elliott	–	Member
Mr. Imraan Lockhat	–	Member

**Internal Auditor:**

Ms. Zevile Dlamini

**1. INTRODUCTION**

In terms of section 62(1)(c) of the Municipal Finance Management Act (MFMA), No.56 of 2003, the Municipal Manager is the Accounting Officer and is responsible from managing the financial administration of the municipality. The Audit Committee is appointed in terms of Municipal Finance Legislation, to assist and to advise the Mayor, Speaker and Municipal Manager of the Municipality. It is afforded wide powers and obligations in terms of Section 166 of the Municipal Finance Management Act (MFMA). This report documents the activities of the Audit Committee sitting as a shared service for the Ugu District Municipality for the 2013/2014 financial year.

**2. MEMBERS AND MEETINGS OF THE AUDIT COMMITTEE**

In terms of the MFMA and the Ugu District Municipality's Audit Committee Charters, the Audit Committee as at the 30 June 2014, included three external independent members. None of the members were Councillors. The membership composition of the Audit Committee does not include the Municipal Manager. The Audit Committee included the members listed above and meets at least four (4) times per annum as per its approved Charter and twice a year as a Performance Audit Committee and did so, for the year, to discharge its responsibilities.

Meetings of a more informal nature with the Mayor/Speaker/Deputy Mayor and Senior Councillors took place from time to time. These meetings included ongoing assessment of statutory compliance, the Auditor General's interim reports, risk in respect of the Municipality and considered the Municipality's financial position. The Chairperson also tabled quarterly reports at Exco, which were thoroughly interrogated.

The Audit Committee also sat as a Performance Audit Committee for performance audits in respect of Section 40, 41, 43 and 46 of the Municipal Systems Act (MSA).

The year has been characterised by the increasing prominence of the Auditor General (A.G.) Dashboard Report. The A.G. visits the Municipality from time to time and interacts with it. It produces a Quarterly Dashboard Report which has become a most useful tool in evaluating the performance and predicted performance of the Ugu District Municipality. An Audit

Committee member is in attendance at the report back and this function is shared amongst the three members of the Audit Committee.

Audit Committee members carefully reviewed and approved draft meeting minutes to ensure they captured the essence of issues and discussion. Committee members met with another and exchanged e-mails with the Manager: Internal Audit, the Municipal Manager and the Committee Chairperson between meetings if issues or concerns arose. An atmosphere of mutual trust and respect exists between the Audit Committee and Municipal Management while maintaining a spirit of healthy skepticism and independence.

### **3. AUDIT COMMITTEE'S RESPONSIBILITIES AND FINDINGS**

In discharging its responsibilities for the year ended 30 June 2014 the Audit Committee completed the following:-

#### **3.1 Audit Committee Meetings**

- Reviewed the quality of the financial information, financial statements and other statutory/public and regulatory reporting was tabled before the Audit Committee;
- Reviewed the draft annual financial statements and the draft Performance Audit information prior to submission to Council and then the Auditor-General and made recommendations on enhancing the quality of disclosure;
- Reviewed the draft annual financial statements and performance information to ensure they present a balanced credible and understandable assessment of the position, performance and prospects of the Municipality;
- Reviewed the Auditor General's proposed audit report in relation to the year ended June 2014;
- Discussed problems and reservations arising from the audit, and any matters the A.G. wished to discuss;
- Reviewed the Auditor General's management letter and management response with regard to the corrective action to be undertaken in response to significant internal audit findings;
- Identified key matters arising in the prior year's management letter and satisfied itself that they were being properly followed up;
- Reviewed and recommended the Internal Audit Plan;
- Dealt at every Audit Committee meeting with the required corrective action in terms of the A.G.'s Management Report;
- Dealt with Risk;
- Dealt with the Asset Register.

#### **3.2 Performance Management**

The Audit Committee, sitting as a Performance Audit Committee, considered matters relating to performance management in order to discharge the responsibilities prescribed in terms of Regulation 14(4) of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

These responsibilities included:

- A review of the quarterly reports required to be submitted by internal audit.
- Planning and Performance Management Regulations.
- Reviewed the performance management system and testing the functionality thereof and compliance with the Municipal Systems Act and the MFMA.
- Focused on the economy, effectiveness, efficiency, reliability and impact applicable to the Municipality's own key performance indicators.
- Considered the application of Sections 40, 41, 43 and 46 of the MSA, with reference to the I.D.P. and the shortcomings of the Municipality in this regard and reviewed these, prior to submission to the Council and the Auditor General.

- Established that there has (as in the past years) been a pervasive failure by the Municipality to comply with Sections 40, 41, 43 and 46 of the Local Government: Municipal Systems Act in that the reporting in respect of the Integrated Development Plan (“IDP”) has been found to be inconsistent with the objectives, indicators and targets in the approved annual performance plan.
- This was noted with concern, the Audit Committee stating that the Auditor General would make an adverse finding, which it did. The Auditor General has found that the cause of the inconsistency is due to inadequate review of reports before submission.
- Service delivery is calibrated and can be evaluated by using the PMS system; because senior managers must know what is happening or what is not happening in their departments because they are receiving facts and information and assessing it and writing reports based on such information and aligning that with the I.D.P. This is the essence of good governance and represents proper compliance with Section 195 of the Constitution of South Africa.

### **3.3 Revenue**

- 3.3.1 Water Billing and Consumer Debt have received far better levels of administrative attention or competency. A minimum monthly remittance by water users is required to sustain water revenue income. A shortfall impacts on Ugu as a going concern, and poses a pervasive risk.
- 3.3.2 The position with the cash flow continues to be of some concern. There is an improvement in the under-recovery in respect of water revenue and the anomalies in the billing system underpin this difficulty which therefore poses significant risk.
  - 3.3.2.1 The Municipality paid out significant amounts in overtime, but the Municipal Manager has made it his business to put as many checks, balances and controls as possible in place in order to limit and curtail the abuse of overtime.
  - 3.3.2.2 The Committee does however, understand the sudden emergency nature of a water break and the urgency it creates.

### **3.4 Internal Control and Internal Audit**

The External Audit Committee is responsible for monitoring and advising in respect of the effective functioning of the Internal Audit activity. Internal Audit reports functionally to the Audit Committee and administratively to the Accounting Officer. The Audit Committee:-

- has direct access to Internal Audit through a reporting relationship with Internal Audit thus supporting its independence from management.
- via the Chairperson has conducted regular private telephone calls and exchanged e-mails, and meetings with the Manager of Internal audit to allow for frank discussion of issues and concerns.
- evaluated the performance of internal audit and the independence and effectiveness of the internal auditors.
- understands the scope of internal and external auditor's review of internal control over financial reporting, and obtained reports on significant findings and recommendations, together with management's responses.
- evaluated controls over the overall operational and financial reporting environment and reviewed the effectiveness of the internal controls.
- assessed the adequacy of performance of the internal audit function, and the adequacy of available internal audit resources.
- reviewed the adequacy and frequency of corrective action taken in response to significant Auditor General's findings raised in the prior year.
- reviewed and approved the Internal Audit Charter, Internal Audit Plans and Internal Audit's conclusions with regard to internal control.
- frequently discussed matters with respect to risk assessment and asset management.
- discussed at length the challenges in water-billing and revenue management.

### **3.5 Compliance and Ethics**

From a review of various reports and discussions held at Audit Committee meetings the Audit Committee noted that a Fraud Prevention Strategy was in place and a code of conduct for municipal staff in terms of the Municipal Systems Act was applied by the municipality. Declarations of interest in respect of risk posed by attempts to by-pass the Supply Chain Management process have been requested by the Audit Committee.

The Audit Committee is satisfied that it has complied with its responsibilities. It has reviewed the effectiveness of mechanisms for the identification and reporting of compliance with laws as set out in the pre-determined Internal Audit Plan and regulations; and the findings of regulatory bodies or audit observations. It must be stated, however, that fraud is very difficult to detect at every level.

### **3.6 Section 71 (of the MFMA) Management Report**

This is required at each Audit Committee meeting from the Chief Financial Officer. It is most helpful in providing a contemporaneous indication of the financial health and state of the Municipality at any given time. The Audit Committee recommends that monthly section 71 Management reports also be submitted to the Counsel during the year.

### **3.7 The Consideration of the Auditor General's Report**

The Auditor General has tabled its Final Management Report and Audit Finding in respect of the year under review. The AG expressed an opinion that the problems at Ugu were pervasive and therefore was unable to regard the information provided by the Municipality in respect of revenue, and with regard to Performance as credible, which formed the basis of its Audit Report. The Quarterly Dashboard Report is a useful tool.

### **3.8 In-year reports submitted in terms of the MFMA**

The quarterly performance management reports (pms), the budget and SDBIP, Internal Audit reports and the Annual Performance Reports have been called for by the Audit Committee. The Audit Committee reviewed these reports and was not satisfied with the lack of content and quality of these reports prepared in respect of performance management and issued on behalf of the Accounting Officer and management during the year under review and the minutes of the External Audit Committee reflects this.

### **3.9 Internal Audit Function**

During the year under review, an audit plan was prepared based on the Annual Risk Assessment. The following is a list of areas of concerns which required Internal Audit and Management's high levels of attention:

- Ethics
- Asset Management Review
- Bi-annual reviews of Performance Management
- Cash Flow Management Review
- Financial Discipline Review
- Overtime
- Water Revenue
- Fleet Management
- Audit Committee Review
- Follow Up Review: Revenue Management
- Information Technology General Controls Review
- Supply Chain Management Discipline Review
- Corrective Action Plans: A-G Management Report & Audit Reports

- Section 36 and 17(1)(c) of Supply Chain Management Regulations
- Annual Financial Statements
- Fraud Prevention
- Statutory Compliance.
- Risk Management
- Performance Management
- Internal Audit Plan

An annual assessment of the Internal Audit Function had been completed the Audit Committee. The External Audit Committee is satisfied with the performance of the Internal Audit function and reports that all projects in terms of the approved risk based annual audit plan had been adequately provided to the Audit Committee as required by Law. The plan comprising of the approved projects for the Financial Year 2013-14 and its status of attention is reported upon in the Internal Audit Report within the Annual Report under the auspices of the Office of the Municipal Manager.

#### **4. EVALUATION OF ANNUAL FINANCIAL STATEMENTS**

The Audit Committee has reviewed the credibility, the draft annual financial statements and the Municipalities Performance Management for the year ended 30 June 2013 prior to same being submitted to the Auditor General on the 31 August 2013. The Committee reviewed the accounting policies and practices and evaluated the draft annual financial statements based on the information provided to the Committee and considered the integrity of the said statements complying in all material respects with the requirements of the MFMA and Treasury Regulations as well as the statements of Generally Recognised Accounting Practice (GRAP).

The Committee will also, in the following financial year review and interrogate the audited financial statements together with the report of the Auditor General and the related management letter and Audit finding with management responses and the required corrective action. It will provide the Municipal Council with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness on overall compliance with the MFMA and any other applicable legislation and formally notes the very weak and concerning state of the Municipalities' Financial Position.

#### **5. RESOLUTIONS**

With reference to Treasury Circulars, the Audit Committee Resolved as follows, at its Audit Committee meetings for the year in question:-

1. To deal with necessary Corrective Action in terms of Section 131 of the MFMA at every meeting.
2. To deal with water billing and water accounts at every meeting.
3. To formally express concern at the lack of evidence of Performance Management.
4. To follow up with regard to the creation and updating of an asset register.
5. To consider Ugu's viability as a Going Concern at each meeting.
6. To consideration of Section 71 Management Reports.

#### **6. THE POLITICAL LEADERSHIP**

The Political Leadership has interacted positively with the Audit Committee. Since the previous Audit Report the Honorable Mayor, the Honorable Deputy Mayor, the Honorable Speaker and Councillors have interacted at meetings of Exco in a purposeful and informed manner which has been helpful in fulfilling the functions in terms of Section 166 of the MFMA.

#### **7. CONCLUSION**

I would like to thank Mr. Lockhat and Mrs. Elliott for making themselves available to serve on this Committee and for the significant contribution that they have made. As an Audit Committee, we rely to a great extent on the Manager: Internal Audit and her staff in the Internal Audit Department for their support and assistance and, in particular, for the role they continue to play in improving the accounting and internal auditing systems and controls at Ugu District Municipality. We are indebted to them for their service and the fine quality of the board packs. We are also grateful to the helpful input of the Municipal Manager and his integrity in all matters, the Chief Financial Officer, the Auditor-General, Cogta, Treasury, Private Auditors and all other invitees to our meetings, including the external service providers, all of whom provide invaluable information to the Committee.

**Mr Paul Preston**

Chairperson: Ugu District Municipality

Shared Services Audit Committee

Date: July 2014



## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Nil					
<b>Public Private Partnerships Entered into during 2013/14</b>					
					R' 000
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2008/09
Nil					

**APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE**

To be populated after AFS completed

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose	(a) Service Indicators	Year 0		Year 1		Year 2	Year 3		
	(b) Service Targets	Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<p><i>Note: This statement should include no more than the top four priority indicators. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.</i></p>									T /

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 0 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
<b>(Executive) Mayor</b>	NG GUMEDE	NONE
<b>Members of Mayoral Committee / Exco</b>	MA CHILIZA	TAXI OWNER
	IM MAVUNDLA	NONE
	N SHUSHA	SHARES – ROSSIMINE MEMBER : GAMALAKHA & ZAMOKUHLE DIRECTORSHIP : GREENVILLE INVEST OTHER BUTRANSPORT PLANT HIRE & LOGISTICS
	JS MBUTHUMA	NONE
<b>Councillors</b>	GD HARDESON	NONE
	JP VAN VUUREN	GIOTEX PAINTS
	M BUX	MEMBER :MATLIWALA INDUSTRIES TRUSTEE: ESSOP BUX FAMILY TRUST
	LN MYENDE	NONE
	TN DZINGWA	NONE
	NA MADLALA	SHARES: OLD MUTUAL
	DH NJOKO	NONE
	ST GUMEDE	NONE
	NY DLAMINI-MWESHE	NONE
	NP MPANZA	NONE
	KBM MBELE	NONE
	Y NAIR	SHARES : NITS
	FB SHEZI	NONE
	SM ZUMA	NONE
	SA KHAWULA	NONE
	L	NTANZA
	M GAVU	NONE
B E MACHI	NONE	
<b>Municipal Manager</b>	DD NAIDOO	BUSINESS PARTNER – SAK INVESTMENTS GC REDDY VIA SUPER AUTO MIDAS
<b>Deputy MM and (Executive) Directors</b>	N/A	
<b>Other S57 Officials</b>		
<b>GENERAL MANAGER: CORPORATE SERVICES</b>	VUYIWE TSAKO	NONE

<b>Disclosures of Financial Interests</b>		
<b>Period 1 July to 30 June of Year 0 (Current Year)</b>		
<b>Position</b>	<b>Name</b>	<b>Description of Financial interests* (Nil / Or details)</b>
<b>GENERAL MANAGER:TREASURY</b>	SIBONGILE MBILI	NONE
<b>GENERAL MANAGER : IED</b>	ZAKITHI MBONANE	BOARD MEMBER: SOUTH AFRICA INSTITUTE FOR URBAN MANAGERS DIRECTOR: KZN DEVELOPMENT CONSULTANT CC
<b>GENERAL MANAGER: WATER SERVICE</b>	LUNGILE H CELE	NONE

**APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE**

**APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE**

To be added after AFS finalised

Revenue Collection Performance by Vote							R' 000
Vote Description	Year -1	Current: Year 0			Year 0 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Example 1 - Vote 1							
Example 2 - Vote 2							
Example 3 - Vote 3							
Example 4 - Vote 4							
Example 5 - Vote 5							
Example 6 - Vote 6							
Example 7 - Vote 7							
Example 8 - Vote 8							
Example 9 - Vote 9							
Example 10 - Vote 10							
Example 11 - Vote 11							
Example 12 - Vote 12							
Example 13 - Vote 13							
Example 14 - Vote 14							
Example 15 - Vote 15							
<b>Total Revenue by Vote</b>	-	-	-	-	-	-	
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.                      This table is aligned to MBRR table A3</i>						T K.1	

## APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

To be added after AFS finalised

Revenue Collection Performance by Source							R '000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates	26,485	23,572	28,075	23,042	-2%	-22%	
Property rates - penalties & collection charges	8,541	8,285	9,054	8,456	2%	-7%	
Service Charges - electricity revenue	12,355	10,254	12,478	13,219	22%	6%	
Service Charges - water revenue	14,232	13,235	13,662	12,097	-9%	-13%	
Service Charges - sanitation revenue	6,542	5,496	5,954	6,346	13%	6%	
Service Charges - refuse revenue	1,865	1,622	1,865	1,510	-7%	-23%	
Service Charges - other	5,643	5,530	5,925	5,304	-4%	-12%	
Rentals of facilities and equipment	5,643	5,530	5,925	5,304	-4%	-12%	
Interest earned - external investments	5,322	4,470	5,747	4,630	3%	-24%	
Interest earned - outstanding debtors	8,455	8,455	8,624	9,554	12%	10%	
Dividends received	1,254	1,003	1,191	1,354	26%	12%	
Fines	2,516	2,063	2,264	2,340	12%	3%	
Licences and permits	6,846	6,230	7,256	6,640	6%	-9%	
Agency services	12,546	10,413	11,793	11,542	10%	-2%	
Transfers recognised - operational	2,355	2,190	2,425	2,402	9%	-1%	
Other revenue	48,542	40,776	48,542	46,115	12%	-5%	
Gains on disposal of PPE	4,565	3,698	4,337	4,291	14%	-1%	
Environmental Protection	5,649	4,971	6,157	4,971	0%	-24%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>179,353</b>	<b>157,791</b>	<b>181,274</b>	<b>169,118</b>	<b>6.70%</b>	<b>-7.19%</b>	
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>							T K.2

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

To be added after AFS finalised

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
<b>Other Specify:</b>						
<b>Total</b>						
<i>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</i>						TL

**COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:**

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

To be added after AFS finalised

Capital Expenditure - New Assets Programme*							
Description	R '000						
	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	-	-		-	-	-	-
<b>Infrastructure: Road transport - Total</b>	-	-		-	-	-	-
<i>Roads, Pavements &amp; Bridges</i>							
<i>Storm water</i>							
<b>Infrastructure: Electricity - Total</b>	-	-		-	-	-	-
<i>Generation</i>							
<i>Transmission &amp; Reticulation</i>							
<i>Street Lighting</i>							
<b>Infrastructure: Water - Total</b>	-	-		-	-	-	-
<i>Dams &amp; Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>							
<b>Infrastructure: Sanitation - Total</b>	-	-		-	-	-	-
<i>Reticulation</i>							
<i>Sewerage purification</i>							
<b>Infrastructure: Other - Total</b>	-	-		-	-	-	-
<i>Waste Management</i>							
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
<b>Community - Total</b>	-	-		-	-	-	-
<i>Parks &amp; gardens</i>							
<i>Sportsfields &amp; stadia</i>							
<i>Swimming pools</i>							
<i>Community halls</i>							
<i>Libraries</i>							
<i>Recreational facilities</i>							
<i>Fire, safety &amp; emergency</i>							
<i>Security and policing</i>							
<i>Buses</i>							
<i>Clinics</i>							
<i>Museums &amp; Art Galleries</i>							
<i>Cemeteries</i>							
<i>Social rental housing</i>							
<i>Other</i>							
<i>Table continued next page</i>							



Table continued from previous page

Capital Expenditure - New Assets Programme*								R '000
Description	Year -1	Year 0			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
<b>Capital expenditure by Asset Class</b>								
<b>Heritage assets - Total</b>	-	-		-	-	-	-	
Buildings								
Other								
<b>Investment properties - Total</b>	-	-		-	-	-	-	
Housing development								
Other								
<b>Other assets</b>	-	-		-	-	-	-	
General vehicles								
Specialised vehicles								
Plant & equipment								
Computers - hardware/equipment								
Furniture and other office equipment								
Abattoirs								
Markets								
Civic Land and Buildings								
Other Buildings								
Other Land								
Surplus Assets - (Investment or Inventory)								
Other								
<b>Agricultural assets</b>	-	-		-	-	-	-	
List sub-class								
<b>Biological assets</b>	-	-		-	-	-	-	
List sub-class								
<b>Intangibles</b>	-	-		-	-	-	-	
Computers - software & programming								
Other (list sub-class)								
<b>Total Capital Expenditure on new assets</b>	-	-		-	-	-	-	
<b>Specialised vehicles</b>	-	-		-	-	-	-	
Refuse								
Fire								
Conservancy								
Ambulances								

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)

T.M.1

## APPENDIX M (II): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

To be added after AFS finalised

Capital Expenditure - Upgrade/Renewal Programme*							
Description	R '000						
	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	-	-		-	-	-	-
Infrastructure: Road transport -Total	-	-		-	-	-	-
Roads, Pavements & Bridges							
Storm water							
<b>Infrastructure: Electricity - Total</b>	-	-		-	-	-	-
Generation							
Transmission & Reticulation							
Street Lighting							
<b>Infrastructure: Water - Total</b>	-	-		-	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation							
<b>Infrastructure: Sanitation - Total</b>	-	-		-	-	-	-
Reticulation							
Sewerage purification							
<b>Infrastructure: Other - Total</b>	-	-		-	-	-	-
Waste Management							
Transportation							
Gas							
Other							
<b>Community</b>	-	-		-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
<b>Heritage assets</b>	-	-		-	-	-	-
Buildings							
Other							

Table continued next page

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*								R '000
Description	Year -1	Year 0			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
<b>Capital expenditure by Asset Class</b>								
<b>Investment properties</b>	-	-		-	-	-	-	
Housing development								
Other								
<b>Other assets</b>	-	-		-	-	-	-	
General vehicles								
Specialised vehicles								
Plant & equipment								
Computers - hardware/equipment								
Furniture and other office equipment								
Abattoirs								
Markets								
Civic Land and Buildings								
Other Buildings								
Other Land								
Surplus Assets - (Investment or Inventory)								
Other								
<b>Agricultural assets</b>	-	-		-	-	-	-	
List sub-class								
<b>Biological assets</b>	-	-		-	-	-	-	
List sub-class								
<b>Intangibles</b>	-	-		-	-	-	-	
Computers - software & programming								
Other (list sub-class)								
<b>Total Capital Expenditure on renewal of existing assets</b>	-	-		-	-	-	-	
<b>Specialised vehicles</b>	-	-		-	-	-	-	
Refuse								
Fire								
Conservancy								
Ambulances								

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

T.M.2

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2013/14

Capital Programme by Project: Year 0					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
R' 000					
<b>Water</b>					
"Project A"	82	85	92	8%	11%
"Project B"	82	85	92	8%	11%
"Project C"	85	90	95	5%	11%
<b>Sanitation/Sewerage</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Electricity</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Housing</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Refuse removal</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Stormwater</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Economic development</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Sports, Arts &amp; Culture</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Environment</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Health</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Safety and Security</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>ICT and Other</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<i>T N</i>					

**APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2013/14**

To be added after AFS finalised

<b>Capital Programme by Project by Ward: Year 0</b>		
<b>Capital Project</b>	<b>Ward(s) affected</b>	<b>R' 000</b>
		<b>Works completed (Yes/No)</b>
<b>Water</b>		
"Project A"		
"Project B"		
<b>Sanitation/Sewerage</b>		
<b>Electricity</b>		
<b>Housing</b>		
<b>Refuse removal</b>		
<b>Stormwater</b>		
<b>Economic development</b>		
<b>Sports, Arts &amp; Culture</b>		
<b>Environment</b>		
<b>Health</b>		
<b>Safety and Security</b>		
<b>ICT and Other</b>		
		<i>T O</i>

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

UGU DISTRICT MUNICIPALITY									
SCHOOLS WATER SUPPLY PROJECT									
Count of Water supply	Water supply								
Municipality	B'Hole	Comm S'Pipe	None	Rain Tnk	Tap	Tap + Rain	Spring + Tank	Total	
Ezinqoleni		12		13	5	4		34	
Hibiscus	5		7	21	45			78	
Umdoni				2	5	11	1	19	
Umuziwabantu	6	6	6	11	27	2		58	
Umzumbé	4	1		64	6	8		83	
Vulamehlo	2		18	39	32			91	
<b>Total</b>	17	19	31	150	120	25	1	363	
	217								

**APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION**

To be added after AFS finalised

<b>Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)</b>		
<b>Services and Locations</b>	<b>Scale of backlogs</b>	<b>Impact of backlogs</b>
<b>Clinics:</b>		
<b>Housing:</b>		
<b>Licencing and Testing Centre:</b>		
<b>Reseviors</b>		
<b>Schools (Primary and High):</b>		
<b>Sports Fields:</b>		
		T Q

## APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

To be added after AFS finalised

Declaration of Loans and Grants made by the municipality: Year 0				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
* Loans/Grants - whether in cash or in kind				TR



## APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

To be added

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services		
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
<p><i>* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.</i></p>		
		T.S

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

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The annual financial statements for the 2013/14 Financial year are included as an annexure in this document.

### The 2013/14 Annual Report Task Team members were;

Norma Grobler – Corporate Services – Annual Report Co-ordinator

Nonhlanhla Msomi – Infrastructure and Economic Development

Nonkululeko Cele – Office of the Municipal Manager

Johan van der Walt – Water Services

Fano Ngubane – Treasury

