

Annual Report

Financial year 2013-2014



DRAFT ANNUAL REPORT

Harry Gwala District Municipality Council

Table of Contents

Chapter 1 – Mayor’s Foreword and Executive Summary.....	
A. COMPONENT A: MAYOR’S FOREWORD.....	
B. COMPONENT B: MUNICIPAL MANAGER’S OVERVIEW.....	
1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW.....	
Provincial Location Context.....	
1.2. SERVICE DELIVERY OVERVIEW	
1.3. ORGANISATIONAL DEVELOPMENT OVERVIEW	
1.4. FINANCIAL HEALTH OVERVIEW	
1.5. STATUTORY ANNUAL REPORT PROCESS	
Chapter 2 – Governance	
A. COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	
2.1. POLITICAL GOVERNANCE	
2.2. HIGH LEVEL ADMINISTRATIVE GOVERNANCE	
2.3. INTER-GOVERNMENTAL RELATIONS (IGR)	
B. COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	
2.4. PUBLIC MEETINGS	
2.5. IDP PARTICIPATION AND ALIGNMENT	
COMPONENT D: CORPORATE GOVERNANCE	
2.6. RISK MANAGEMENT	
2.7. ANTI-CORRUPTION AND FRAUD	
2.8. SUPPLY CHAIN MANAGEMENT	
2.9. BY-LAWS	
2.10 WEBSITES	
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES	
Chapter 3 – Service Delivery Performance (Performance Report Part I)	
COMPONENT A: FINANCIAL SERVICES	
COMPONENT B: WATER SERVICES	
COMPONENT C: CORPORATE SERVICES	
COMPONENT D: SOCIAL, ECONOMIC, PLANNING AND DEVELOPMENT	
COMPONENT E: INFRASTRUCTURE	
COMPONENT F: EXECUTIVE AND COUNCIL	
Chapter 4 – Organisational Development Performance (Performance Report Part II)	
A. COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL	
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES	
B. COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	
4.2 POLICIES	
4.3 INJURIES, SICKNESS AND SUSPENSIONS	
4.4 PERFORMANCE REWARDS	
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE	
4.5 SKILLS DEVELOPMENT AND TRAINING	
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE	
4.6 EMPLOYEE EXPENDITURE	
Chapter 5 Financial Performance	

5.1 BACKGROUND

5.2 Component A: Statement Of Financial Performance

5.3 Component B: Spending Against Capital Budget

5.4 Component C: Cash Flow Management and Investment

5.5 Component D: Other Financial Matters

Chapter 6 Auditor General Audit Findings

A. COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2011/12

B. COMPONENT B: AUDITOR-GENERAL OPINION YEAR (2013-2014)

6.2 AUDITOR GENERAL REPORT YEAR 2013-2014

GLOSSARY OF TERMS AND ABBREVIATIONS

APPENDICES

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Chapter 1 – Mayor’s Foreword and Executive Summary

It is that time of the year again, where South African municipalities reflect and take stock of the year that was. Let me take this opportunity to extend my sincere greetings to all our community members, stakeholders, the municipal administration and the Council at large. It is indeed a great honour to once again take you back to the previous financial year, 2013-2014. We do this in full honor of the law as mandated by Chapter 4 of the Municipal Systems Act No. 32 of 2000. Section 16 (1) of the same act holds that, a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose-

- (a) Encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in-
 - (111) The monitoring and review of its performance, including the outcomes and impact of such performance.

Before my conclusion I will briefly outline to you how we engaged with the public to ensure full adherence to the legislative prescript but also to enhance and deepen our democracy through public participation.

Harry Gwala District Municipality (HGDM) remains committed to its vision which proclaims that “By 2030 Harry Gwala District Municipality will be a leading Water Services provider in the KZN Province with its communities benefitting from a vibrant agriculture and tourism sectors”. In order to realise this long term vision, on an annual bases as a municipality we set strategic objectives and goals as which are intended to be used as building blocks towards our vision. Our strategic goals are clear and are achievable. These strategic objectives cater for Basic Service Delivery, Municipal Transformation and Organizational Development, Good Governance and Public Participation, LED and Social Development and Cross Cutting Issues.

The above strategic objectives are linked to Section 152 (1) (b) of the Constitution of the Republic of South Africa, Act No. 108 of 1996. They have further taken note of the National Development Plan and the Provincial Growth and Development Plan. These National and Provincial perspectives give guidance to municipalities in terms of service delivery imperatives. We are enjoined by the laws of the land to deliver basic services to our communities. For these strategic objectives to be realized, on annual bases we need to allocate budget which will be able to realize each of them.

However over years huge financial and human resources challenges have adversely affected the speed in which we would like to deliver basic services. Regardless of the various limitations this council remains unshaken in its quest of realizing the 2030 vision and in transforming the lives of its people for the better.

- Households served with clean drinkable water: 469
- Households served with proper sanitation facilities: 4518
- Total number of water samples taken: 200
- Held 40 operation MBO awareness campaigns under Operation Sukuma Sakhe
- Collected 80% of our debts
- Developed a Human Resource Strategy
- Conducted 12 IDP Roadshows

The above service delivery is a true reflection of our commitment to changing the lives of all our people. Great strides have been made in all the areas of service delivery. We commit ourselves as this Council to continue with the mammoth task that has been assigned to us through your votes and promise to keep on delivering quality services at all times.

Public Participation

Government consults and involves communities in discussion about projects and programs that directly affect their lives. At an individual level, citizens have a right to hold government to account for, and acquire reasons for government decisions that directly affect them. The following public participation methods were employed to improve public participation.

Methods used to improve public participation

- Integrated Development Plan/ Budget Road Shows
- Mayoral Road Shows
- Print and air media

The task ahead is not easy, the road at times may seem insurmountable but the support that you as members of the public have displayed has surely strengthened us. Indeed we can now see the light end of the tunnel. The future is now brighter and warmer. On behalf of Harry Gwala District Municipal Council, I would like to further extend my sincere gratitude to the highest echelon of our administration and the entire Harry Gwala District Municipality staff for their continued support and the hard work that they have displayed in the 2013-2014 financial year. I trust that in the 2014-2015 financial year efforts will be doubled. Together we go forward with heads and shoulders above the rest to deliver efficient, effective and uninterrupted basic services.

I thank you

The honorable Mayor

Cllr ME Ndobe

A. COMPONENT B: MUNICIPAL MANAGER'S OVERVIEW

The Municipal Finance Management Act, Act No 56 of 2003, section 121 prescribes that municipalities and municipal entities must prepare and adopt Annual Reports for each financial year. The purpose of this report as enshrined in the MFMA is to –

- a) provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
- b) to provide a report on the performance against the budget of the municipality or municipal entity for that financial year; and
- c) to promote accountability to the local community for the decisions made through the year by the municipality or municipal entity.

Further to that, section 127 (2) requires that the Mayor of the municipality must, within seven months after the end of a financial year, table in the municipal Council, the Annual Report of the municipality and of any municipal entity under the municipality's sole or shared control.

As guided by the Municipal Systems Act, Act No 32 of 2000, the municipality prepared an Integrated Development Plan (IDP) which gave effect to the developmental duties of local government as enshrined in the section 153 of the Constitution of the Republic of South Africa. During the development of the IDP, due consideration is given towards ensuring that there is alignment with the Local Municipalities; Provincial and National Imperatives. The IDP serves as a basis for the formulation of the Annual report, which gives a state of account to stakeholders on the overall annual performance of the municipality, against the objectives and targets as set out in the IDP.

Before I provide a synopsis of the municipal performance for the 2013/2014 financial year under review, I will first reflect on the performance of the municipality in relation to the previous year's audit (2012/2013). The municipality received an unqualified audit opinion which was an improvement from 2011/2012 financial year, wherein the municipality received a qualified audit opinion. This improvement can be attributed to the initiatives that were commissioned by the municipality, focusing on strengthening overall municipal internal controls, overall control environment and governance structures such as the Audit Committee and the Municipal Public Accounts Committee.

The 2012/2013 financial year, was notably, a challenging year for the municipality in terms of its liquidity and negative cash coverage. Grants were not cash-backed and the cash ratio was 0:61. With strict budgetary controls (catering for meetings; procurement of promotional material and subsistence and travelling were suspended) that were implemented by the municipality, I am proud to indicate that in the 2013/2014 financial year under review, all the grants were cash backed and the liquidity of the municipality has improved from 0:61 to 0:85.

In accordance with the approved IDP, which contained Council priorities for the year under review, a considerable amount of service delivery projects were implemented, which were informed by the core mandate of the District Municipality which include inter alia the following:

Provision of Water and Sanitation, limited to the potable water supply system and domestic waste water and sewage disposal system; municipal health services and Disaster Management. These functions are performed by the municipality and communities are consulted broadly through public participation mechanisms that are in place and taking into account section 152(1) (b) of the Constitution of the Republic of the South Africa. It is therefore this mandate that must inform Council Priorities which are processed through a priority list of projects with SMART indicators per project.

In line with the IDP referenced to above and the approved municipal budget, the municipality implemented a number of infrastructure projects which are nearing completion such as the Bulwer Emergency Intervention in the area of Bulwer which will benefit over 1200 households in the Bulwer town; refurbishment of Machunwini and kwa Njunga water schemes and implementation of Mahwaqa water scheme in Umzimkhulu; Khukhulela water supply in the area of Ingwe and Hlokozi Phase 3 water supply in the area of Ubuhlebezwe etc. These projects will certainly expand our service delivery footprint, thus reducing backlog.

Notwithstanding the above, the municipality is also focusing on developing its water resources in a form of dams. This includes the packaging of the construction of the Steven Dlamini and Ibisi Dam. The planning processes and designs have been finalized for the Bulwer Dam and the municipality will commence with the implementation of the advance infrastructure. The work has commenced with detailed planning pertaining to the Ibisi Dam.

On operation and maintenance of our infrastructure, a number of water schemes have been refurbished, in particular those that were not functional, boreholes have been equipped in areas like Emadungeni and Mahehle. The boreholes and the spring protection are a rudimentary program which provides for short-medium term intervention in the supply of water. On water conservation and demand management, the municipality has improved its turn-around time towards addressing water leakages to 48hrs and major pipe burst in our main lines to 12hrs. Also, the municipality has intensified its customer care awareness campaigns to educate communities and consumers on water conservation.

To improve overall efficiency and effectiveness of municipal activities, the municipality has initiated Sukuma Sakhe Operation Mbo, wherein communities are engaged in a number of service delivery programs. During such events, the municipality is able to provide feedback on municipal programs and also respond to issues that our communities may have. The

municipality has also appointed a Sukuma Sakhe coordinator, whose role is to ensure functionality of war rooms, working together with the Local Municipalities.

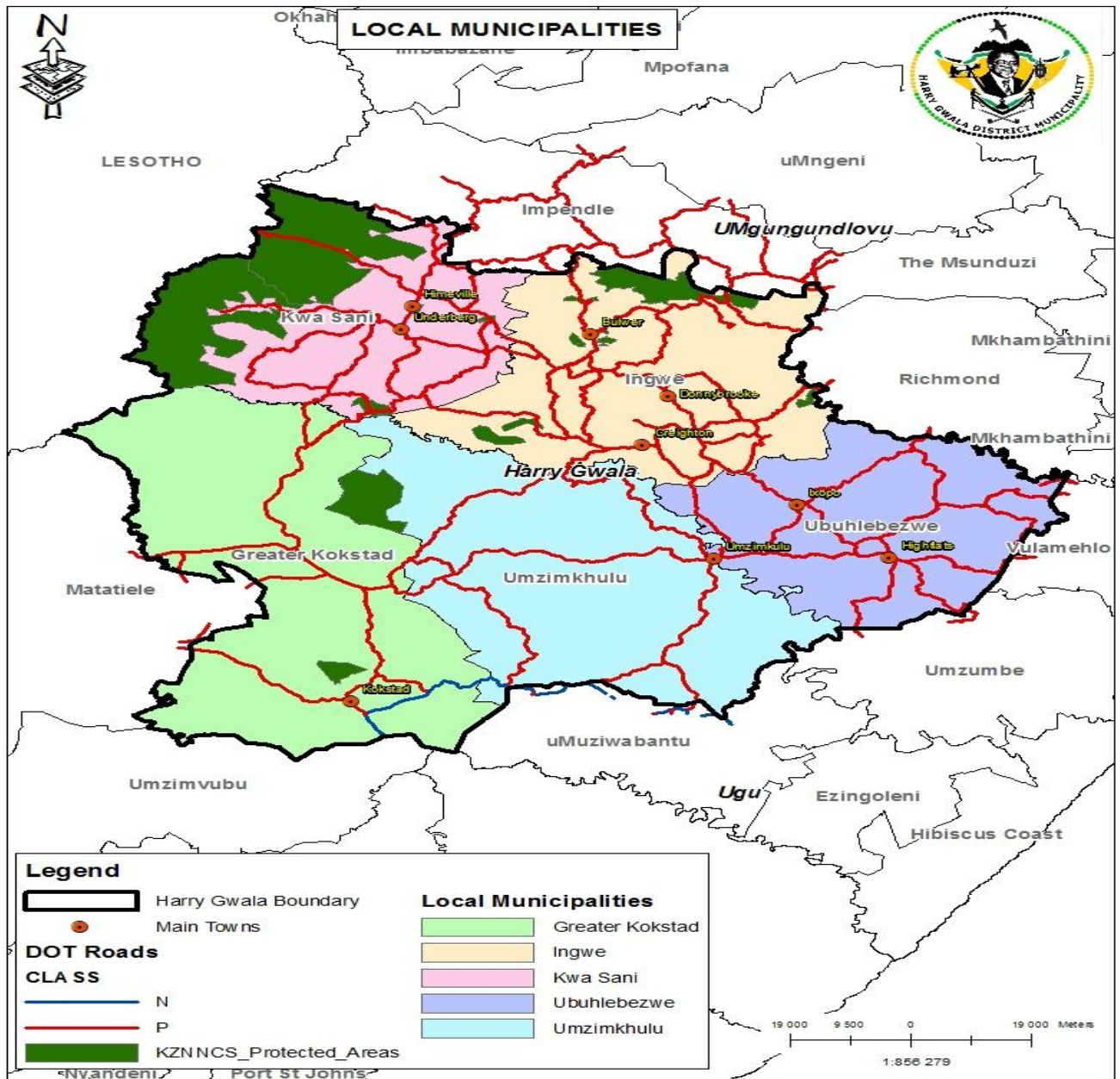
In discharging its function in relation to economic development and in response to the high levels of unemployment, poverty and inequality, the Municipality has established a municipal entity, called the Harry Gwala Development Agency. The entity came into effect in July 2012 and the municipality has a shareholding capacity in the Agency. The entity's primary objective is to facilitate and promote economic development. It also serves as a special purpose vehicle to drive high impact, catalytic projects within the district by attracting domestic and foreign investments in the area. The entity has a board of directors and a Memorandum of Agreement entered into between the Municipality and the Entity.

On Spatial Planning and Development Planning, the municipality, supported by the Department of Local Government and Traditional Affairs, has established a Development Planning Shared Service, in partnership with its five Local Municipalities. The arrangement provides for sharing of professional planners and building capacity even in those municipalities that cannot afford to appoint their own planners.

Taking into account progress made in the implementation of the IDP, I wish to convey my appreciation and gratitude to the entire Municipal Leadership which includes Council, Executive Committee, Portfolio Committees and Management for their decisiveness on issues pertinent service delivery, for setting the tone towards advancement of our communities. The municipal staff for their commitment and dedication to serve our communities and lastly, our communities for their continued support.

1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

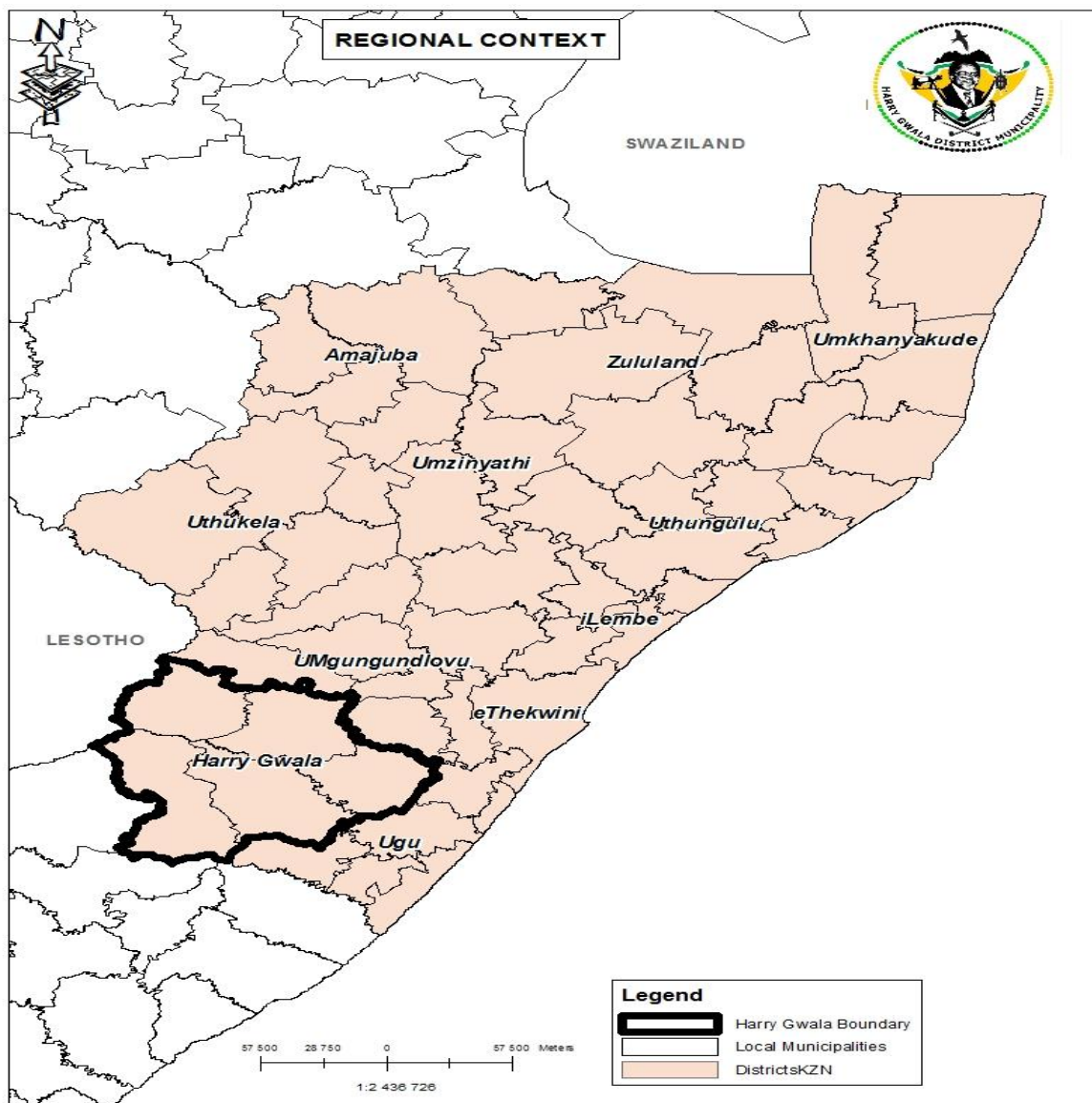
The Harry Gwala District Municipality (DC43) is located in the South West of the KwaZulu-Natal province. Its population is sparsely spread throughout an area of 11, 127, 9 square kilometers. The Harry Gwala District municipality forms part of the border between KwaZulu-Natal and Eastern Cape provinces. The District Management Area (DMA) is located to the West of the District and forms part of the border between the KwaZulu-Natal Province and Lesotho. The Harry Gwala District Municipality is composed of the following five local municipalities: Ubuhlebezwe, Ingwe, Kwa-Sani, Greater Kokstad and Umzimkhulu.



Provincial Location Context

The Harry Gwala District Municipality is one of the ten District Municipalities that forms part of the KwaZulu-Natal Province. It is located at the extreme south of the Province. The Harry Gwala District Municipality is bordered by the following District Municipalities: Uthukela to the North; Umgungundlovu to the North East; Alfred Nzo and Ugu to the South East.

The location of the District in relation to the aforesaid District municipalities means that, any planning and development-taking place in each District will have an impact on the neighbouring Districts. It is therefore imperative to align planning and development activities between the Harry Gwala District Municipality and the respective District Municipalities.



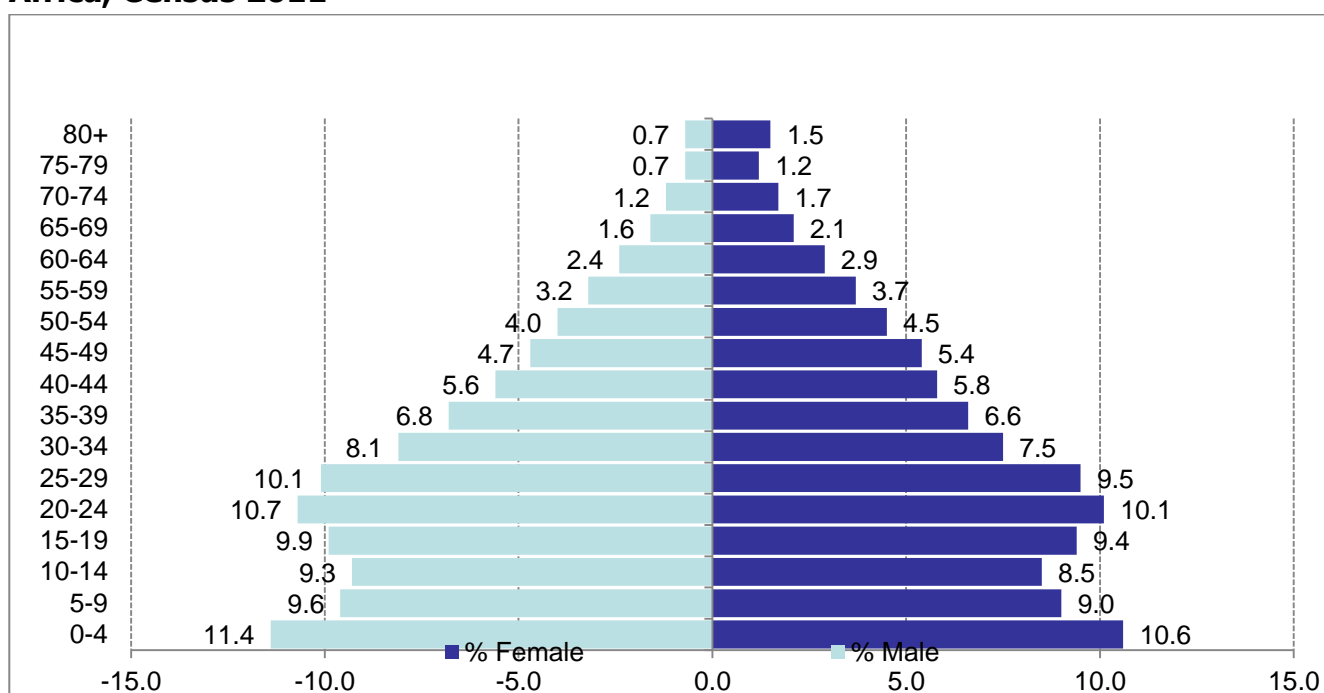
Demographic Profile

The District Municipality forms part of the boarder between KwaZulu-Natal and Eastern Cape Province. The District Management Area (DMA) is located to the West of the District and it forms part of the boarder between the KwaZulu-Natal Province and Lesotho (Harry Gwala IDP). It includes the southern most part of the UKhahlamba Drakensberg National Park adjacent to Lesotho and borders Eastern Cape Province in the west. The municipality area size is 11 127. 89,997 km² (COGTA). Key rivers in the district are the Umzimkhulu and Umkomaas rivers.

Number of Wards and Traditional Authority

Municipality	Number of Wards
KwaSani Local Municipality	4
Greater Kokstad Local Municipality	8
Ingwe Local Municipality	11
UBuhlebezwe Local Municipality	12
uMzimkhulu Local Municipality	20

Percentage distribution of the population in five-year age group by sex, South Africa, Census 2011



SOURCE: Stats SA 2011

The population pyramid above for Harry Gwala District indicates that the district has a lot of youth. There is a broad base made up of 0-4 population group, the municipality in its planning will closely work with the Department of Education and the Department of Social Development to ensure that sufficient services are provided to this particular group, linking or introducing the group to Early Childhood Development.

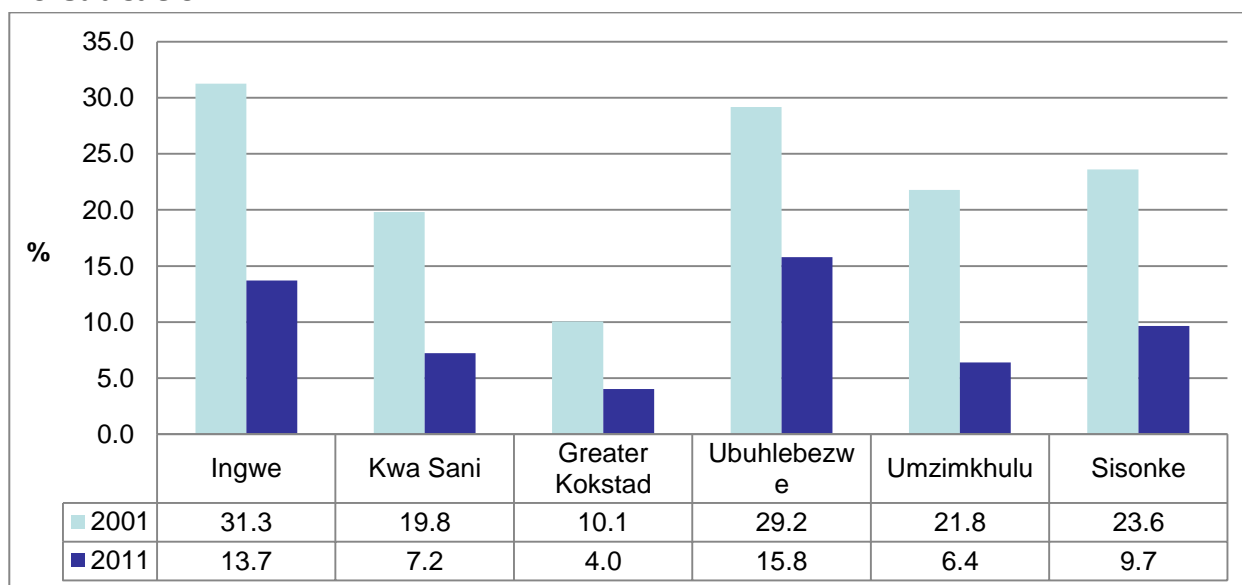
Primary Education between the ages of 6-13

District/Local Municipality	2001	2011
Ingwe Local Municipality	90.4%	89.5%
KwaSani Local Municipality	90.0%	74.1%
Greater Kokstad Local Municipality	85.1%	90.1%
Ubuhlebezwe Local Municipality	87.4%	89.8%
Umzimkhulu Local Municipality	90.9%	93.9%
Harry Gwala District Municipality	89.5%	91.2%

SOURCE: Stats SA 2011

From the tables above it is apparent that there has been a positive growth of literacy levels with Harry Gwala District municipality over the past ten years. In 2001, there was 89.5% of people whom were able to read and write but in 2011 the percentage increased to 91%. This is a major paradigm shift when considering that only 9.7% is illiterate.

Percentage of the population aged 20 and above in each Local Municipality with no education

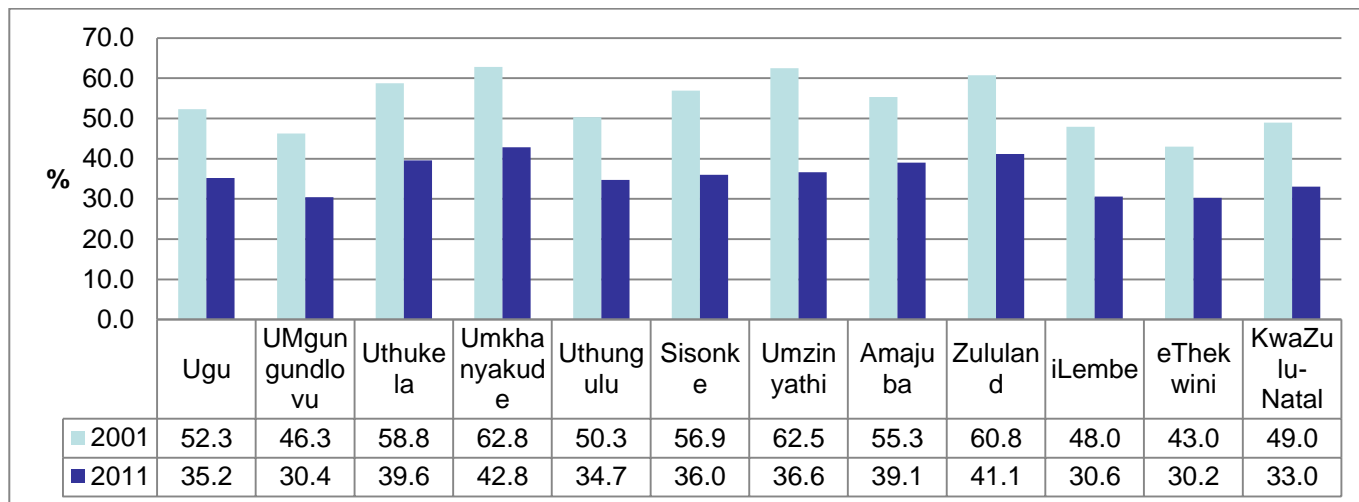


SOURCE: Stats SA 2011

The bar graph above shows a significant shift from 23.6% in 2001 to 9.7% in 2011 in the percentage of population that is above the ages of 20 with no education. This is a clear sign that more and more young people are getting educated. This becomes a challenge for the district if there are limited places of work that will employ this generation. The district has

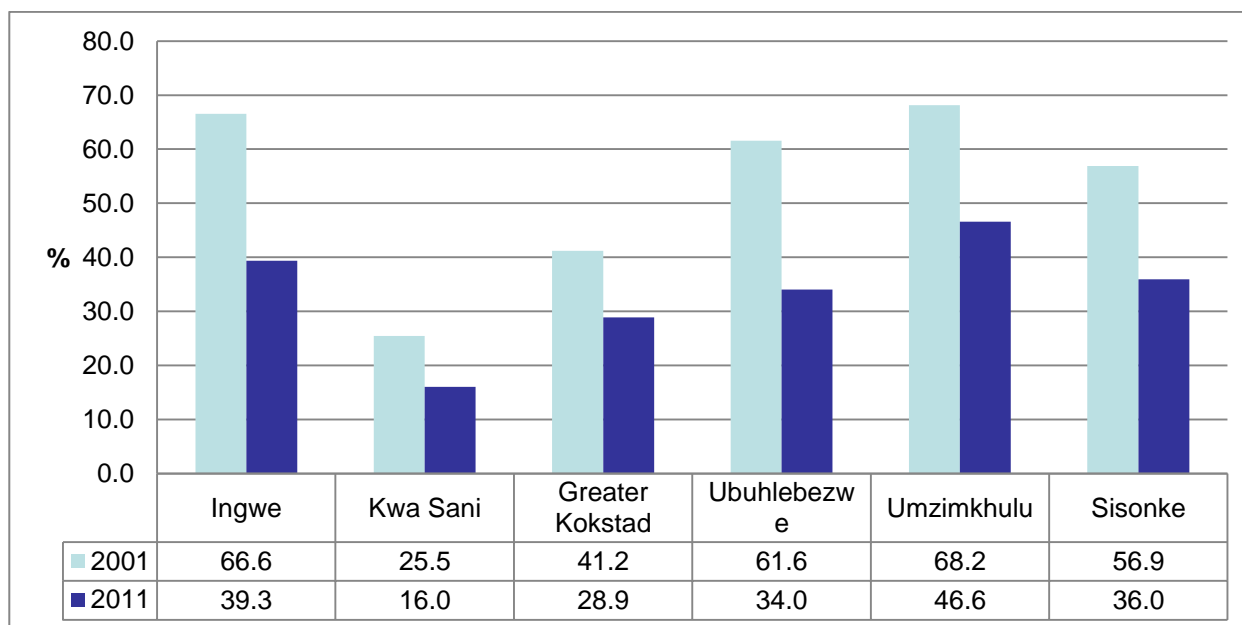
since embarked on a journey to sensitise the business people on investment opportunities that the district offers. A Development Summit was held during FY2013-2014. It is hoped that the Development Summit will trigger investment opportunities, which will boost employment and fight poverty and inequality.

Unemployment rate by District Municipalities in KwaZulu-Natal



Source: Stats SA 2011

Unemployment rate by Local Municipalities in Harry Gwala District

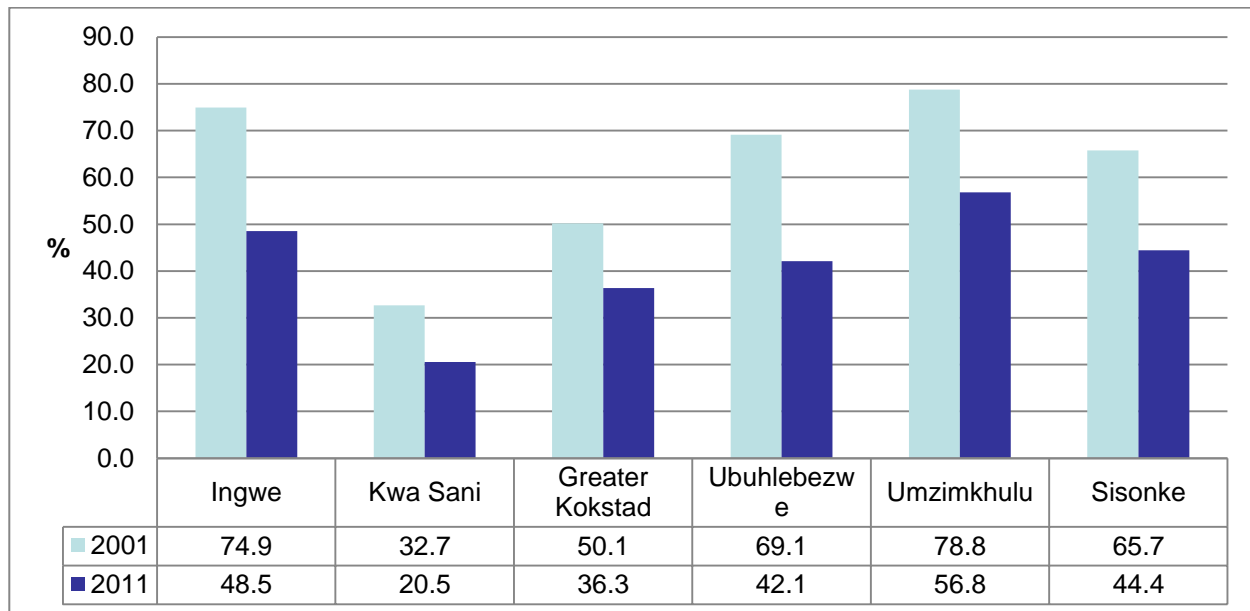


SOURCE: Stats SA 2011

Unemployment in Harry Gwala is higher by 3% from that of the Province. This is an indication that more work still needs to be done in terms of working together with private businesses to create employment, but of critical importance to create a conducive environment where business will flourish. More money over the next five years has been

invested to infrastructure development as one critical factor that will boost economic development in the district.

Unemployment rate by Local Municipalities in Harry Gwala District Youth (15-34)



SOURCE: Stats SA 2011

From the bar graph above it is clear that youth unemployment is still far above that of country. Umzimkhulu, Ingwe and UBuhlebezwe local municipalities are the critical municipalities when it comes to youth unemployment. Working together with relevant stakeholders the municipality will ensure that this trend is reversed. HGDM has since developed programs in the 2013-2014 financial year, as reflected in the Section E 2 in the implementation plan that will assist youth with skills and create job opportunities.

Labor Force

Municipality	In the formal sector	In the informal sector	Private household	Do not know	Unspecified	Not applicable
Harry Gwala District Municipality	43294	10891	6337	2704	-	398193
Ingwe Local Municipality	6333	2406	1286	798	-	89724
Kwa Sani Local Municipality	3437	713	539	741	-	7467

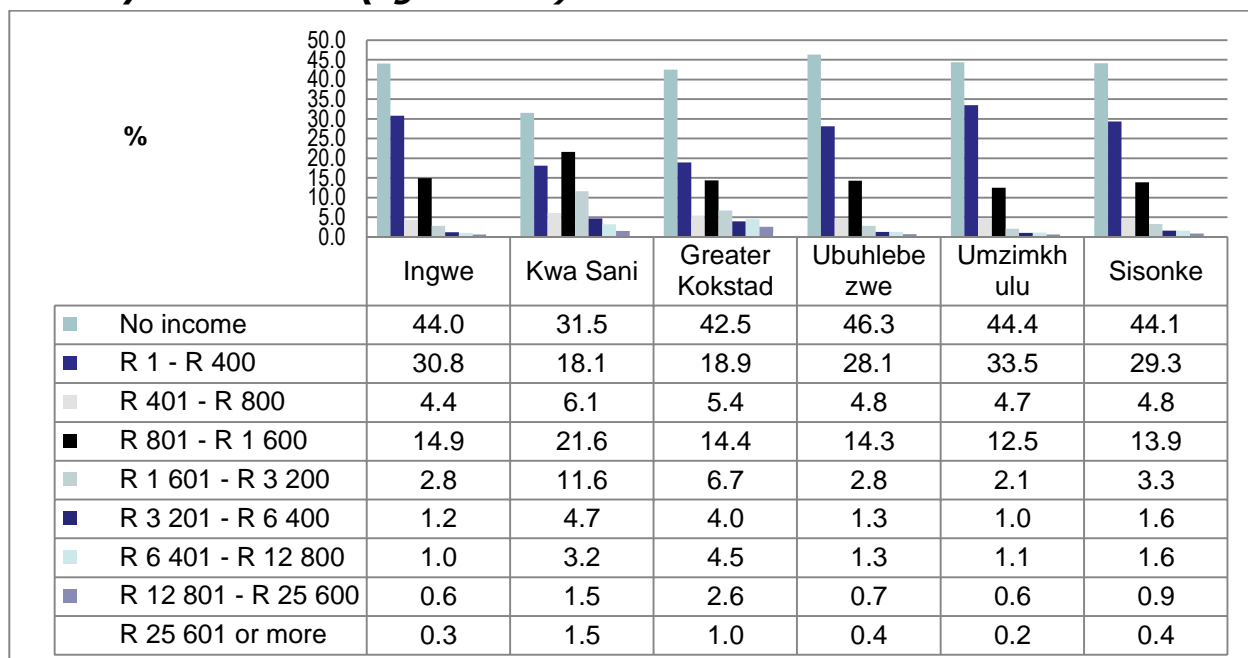
Greater Kokstad Local Municipality	13589	2730	2503	314	-	46845
Ubuhlebezwe Local Municipality	9180	2441	786	428	-	88855
Umzimkhulu Local Municipality	10754	2601	1223	422	-	165301

SOURCE: Stats SA 2011

The labour force table above reveals that out of over 460 000 people that reside in Harry Gwala, just under 70 000 are employed either formally or informally. And the majority of those that are unemployed as depicted in the graphs above is the youth between the ages of 15 and 34. This indeed is a worrying factor for the District, but as mentioned in the paragraphs above the District has embarked on a number of programs to assist that situation. Offering bursaries to needy students to go study at various institutions has encouraged learners to pay more attention to scarce skills, such as, engineering. In 2013, a significant number of medical students have been sent to Cuba to study medicine.

Poverty

Monthly income level (ages 15-65)



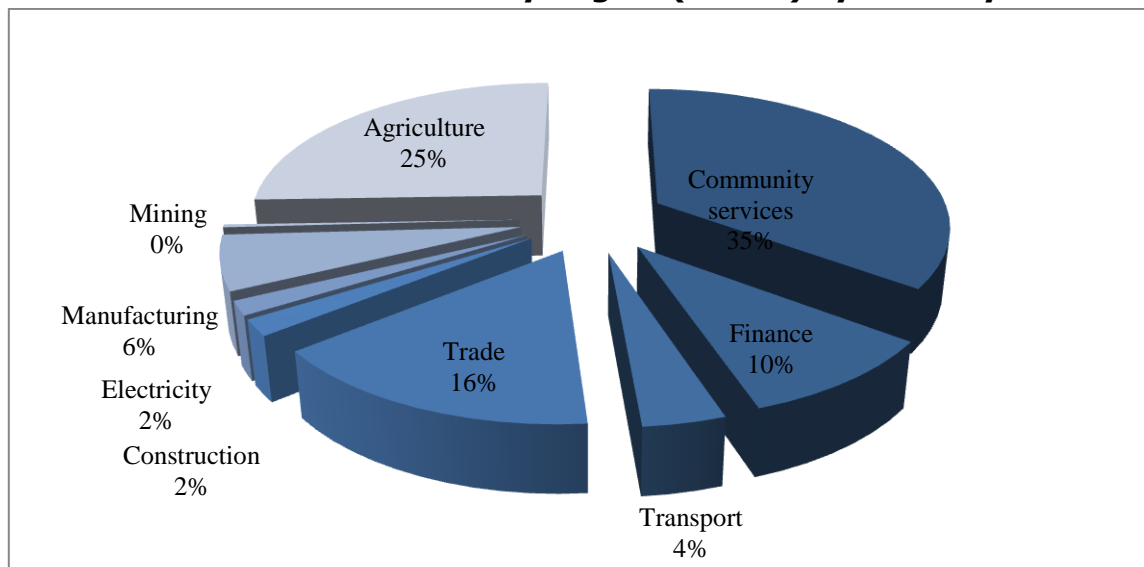
SOURCE: Stats SA 2011

The income inequality can be observed if an income distribution is considered. The figure above depicts the distribution of employed residents across monthly income categories using the 2011 Census. It is evident that of those employed; most workers earn low levels of remuneration. Nearly 80% of Harry Gwala District workers earn R1, 600 per month or less

while 40% earn R800 or less. In stark contrast, very few workers earn R122, 800 per month or more – less than 2%.

Given the above, it is not surprising that the Harry Gwala District Municipality is home to a significant number of residents who could be classified as living in poverty. In 2011, almost 350,000 residents could be classified as “poor”.

Figure 1: Share of Gross Value Added by Region (GVA-R) by Industry



SOURCE: Global Insight Meta Data 2011

The dominant role played by agriculture in the district economy is evident. Agricultural activities within the Harry Gwala District Municipality are crop farming (i.e. potatoes and cabbages) and dairy farming. The agriculture sector is indeed one of the main sectors in the region contributing to the regional economy. There are also commercial forestry plantations that provide raw materials for wood-related products. Other suitable agricultural activities that have potential for growth in the region are carrots, maize, oats, soybeans, tomatoes, wheat, sorghum, sunflower and livestock. The agricultural sector in the Harry Gwala District Municipality has been one of the largest sectors of the district economy. Unfortunately, the sector is failing to fulfil its potential.

A trend analysis allows a greater appreciation of the make-up of the Harry Gwala District Municipality economy, particularly in light of the recent economic recession. The growing capacity of the public sector in the district can be clearly charted, with GVA of community services increasing from R 365 million in 1996 to R 1.513 billion in 2010 (an increase of over 400 %). Analysts estimated that community services will continue this rate of growth over the next four years, reaching R2.539 billion in 2015 (an increase of 168 %). In that year, community services are projected to make up almost 39 % of the district’s GVA. Agriculture, in contrast, has grown in a more haphazard and slow fashion, buffeted by the often abrupt

variations of national and international markets. Indeed, it is evident that agricultural GVA in the district has declined in real terms between 2007 and 2010, no doubt in part caused by the recent financial recession. The Harry Gwala District Municipality is located outside the major manufacturing sectors of the KwaZulu Natal economy, and therefore it is not surprising that manufacturing in the district has remained weak and effectively stagnant, showing only slow signs of growth and appreciation since 1996.

Looking into the future, growth in the agricultural sector is predicted to be relatively stagnant at 1.6 % on average for the period 2010-2015. Unfortunately, there are constraints inherent to certain economic sectors that hamper potential economic growth. For example, no matter how one might expect agriculture to expand, a completely unforeseen dry spell over a few years can have a detrimental effect. Growth in the manufacturing sector is predicted to be relatively stagnant at 2.5 % on average for the period 2010-2015.

Crime

Area	Common assault	Common robbery	Burglary at residential premises	Burglary at business premises	Stock-theft	Drug-related crime
KwaZulu-Natal	34 753	12 812	43 860	10 722	8 457	18 410
Harry Gwala	895	295	1 546	263	982	843
Ingwe	134	39	321	51	321	164
Kwa Sani	47	4	76	19	66	62
Greater Kokstad	175	124	429	83	178	196
Ubuhlebezwe	163	50	279	76	127	333
Umzimkhulu	375	79	442	33	289	88

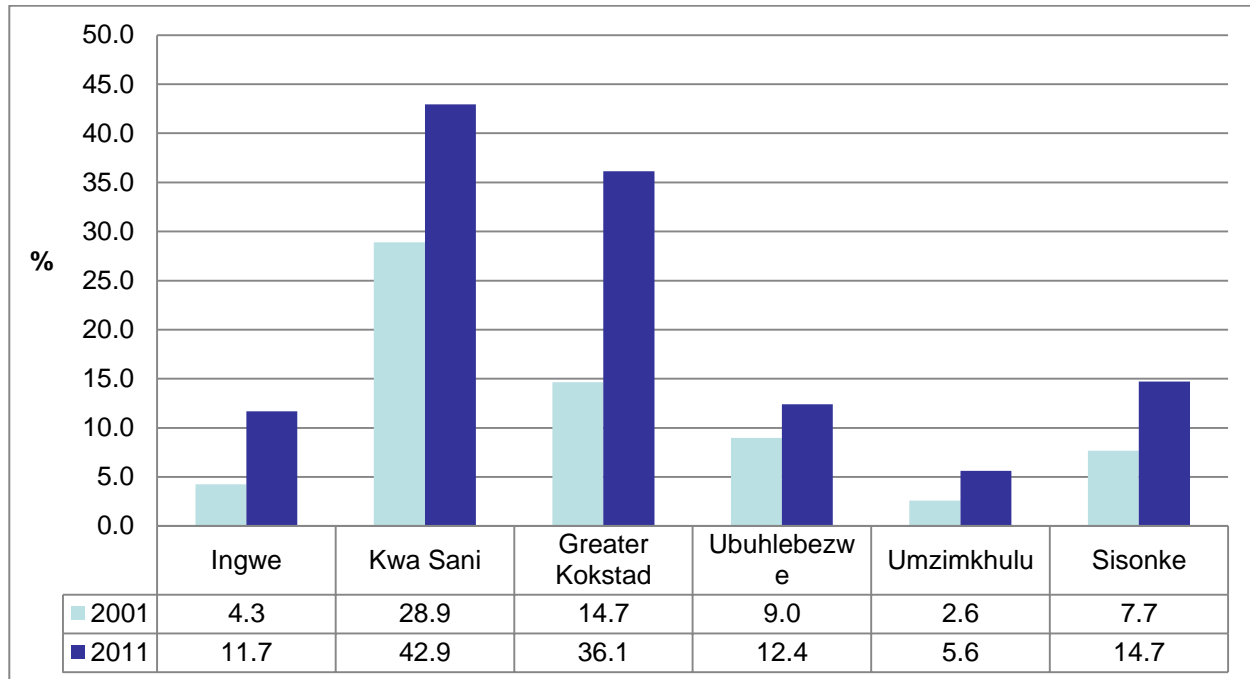
The table above indicates that common assault, burglary at residential premises and stock theft are a three major crime activities in the District. This is a call to all the stakeholders to critically analyse these findings and come up with remedial interventions to address the situation. The district municipality will have to work closely with SAPS and its sister municipalities to combat the scourge of crime in the district.

1.2. SERVICE DELIVERY OVERVIEW

The municipality is proud to indicate the achievements in this Annual Report in relation to the implementation of all the planned bulk infrastructure projects, particularly those that are

funded by grants. Those projects were not affected by the inadequate financial resources. Some of the major performance achievements in the 2013/2014 financial year are as follows:

Proportion of households with access to basic services



The Municipality is faced with the challenge of migration especially to urban areas. The previous apartheid government did not plan for growth in terms of the water services infrastructure. Harry Gwala has to now rework the planning and designs to cater for such movements especially into towns. It has proven that the cost of refurbishing the water services infrastructure is quite high and the Municipality cannot afford to do all in one or two financial years.

1.3. ORGANISATIONAL DEVELOPMENT OVERVIEW

As the Harry Gwala District Municipality aims to consolidate the solid gains of the last five years and offer better quality services and performance such as exemplary political and administrative governance, it is crucial to build human resource capital to support the needs of the five-year Integrated Development Plan.

The Harry Gwala District Municipality consists of six (6) departments, namely:

i. Office of the Municipal Manager

The functional areas of this department are, namely: Internal Audit; Risk Management; and Legal Services.

ii. Budget and Treasury Department

The functional areas of this department are, namely: Income; Expenditure; Budget & Information Systems; and Supply Chain Management.

iii. Corporate Services Department

The functional areas of this department are, namely: Administration; Council Support; Human Resource; Information Communication & Technology; and Strategic Support.

iv. Social and Development Planning Services Department

The functional areas of this department are, namely: Sport and Recreation; Special Programmes; Development Planning; Social Service; Disaster Management; and Integrated Planning & Performance Management.

v. Infrastructure Services Department

The functional areas of this department are, namely: Municipal Works; Project Management; and Technical Services.

vi. Water and Sanitation Department

The functional areas of this department are, namely: Operations & Maintenance; Water Governance; and Customer Care.

In the 2013-2014 financial year, the municipality has witnessed the following **successes**:

- Filling of all Senior Management positions with the exception of one position which was vacated towards the end of the financial year.
- Filling of most budgeted vacant positions.
- Development of ICT policies (still in draft format) with the assistance from Provincial Treasury through Ernst & Young.
- Functional Municipal Public Accounts Committee.
- Capacitation of the Municipal Public Account Committees of the family of municipalities in the Harry Gwala District.
- Functional Audit Committee.
- Functional Local Labour Forum.

While witnessing the fore stated successes, the encountered challenges outweigh them. The **challenges** that have been noted are as follows:

- ☒ Insufficient funding for filling the vacant positions.
- ☒ Huge amounts of overtime paid especially to Water and Sanitation employees due to insufficient funding for vacant positions.
- ☒ Insufficient funding for capacity building (training and bursaries).
- ☒ Poor capacity in the Information Communication and Technology section.
- ☒ Longer period taken to fill in budgeted vacant positions.
- ☒ Inadequate office accommodation and parking for Councillors and Employees.
- ☒ Lack of funding for employee compounds for Water and Sanitation employees.
- ☒ Inability to meet certain performance targets due to insufficient funding.

The Delegations of Authority have been developed and approved by Council in May 2012. The Council, Office of the Mayor, Office of the Deputy Mayor and the Office of the Speaker have been delegated powers. Each Committee of Council has also been delegated powers within which it will perform its functions and all Senior Managers including the Municipal Manager have also been delegated powers by Council.

1.4. FINANCIAL HEALTH OVERVIEW

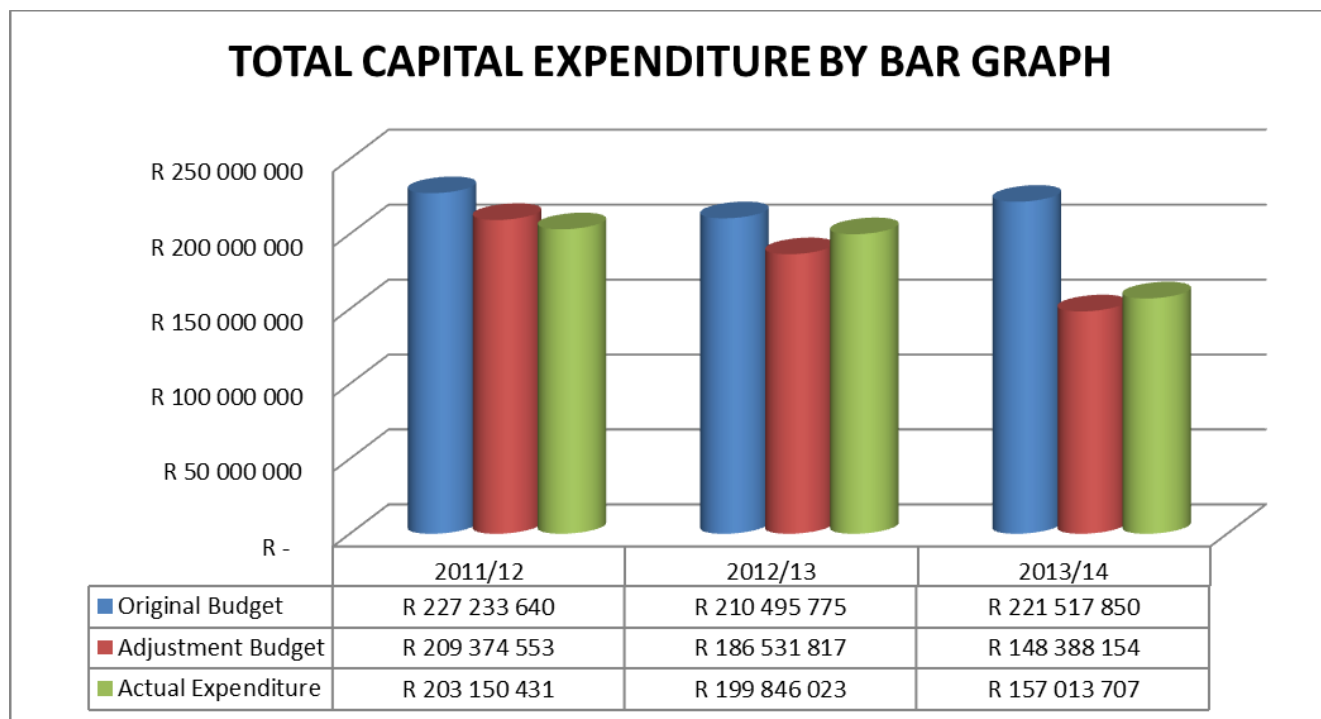
2013/2014 was a challenging year for the municipality in terms of its liquidity and negative cash coverage. This situation can be attributed to a number of grants that were not cash-backed and poor revenue collection. This resulted in the municipality cutting its expenditure on internally funded projects during the mid-year budget adjustment, ring-fencing a number of grants and implementing belt tightening and budgetary controls. As a result, the financial liquidity of the municipality is improving. It is worth noting that the municipality, with the limited available internal resources, was able to prioritize operation and maintenance of our infrastructure to avoid any disruptions.

Financial Overview 2013-2014			
			R'000
Details	Original Budget	Adjustment Budget	Actual
Income	R 2 500 000	R 32 222 090	R 15 691 198
Grants	R 431 049 000	R 456 709 584	R 373 589 955
Taxes, Levies and Tariffs	R 44 748 262	R 42 748 262	R 47 578 961
Sub-Total	R 478 297 262	R 531 679 936	R 436 860 114
Levies: Expenditure	R 254 995 619	R 336 931 636	R 273 084 684
Net Total	R 223 301 643	R 194 748 300	R 163 775 430

Operating Ratios 2013-2014	
Details	%
Employee Cost	37%
Repairs and Maintenance	1%
Finance Charges and Impairment	5%

Total Capital Expenditure: Year-2 to Year 0			
Detail	Year-2 (2011/12)	Year-1 (2012/13)	Year 0 (2013/14)
Original Budget	R 203 150 431	R 209 374 553	R 227 233 640
Adjustment Budget	R 199 846 023	R 186 531 817	R 210 495 775
Actual	R 157 013 707	R 148 388 154	R 221 517 850

Total Expenditure by Bar Graph



1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

Statutory Annual Report Process

Section 127 of the Municipal Finance Management Act, sets out that:

- a) "... the mayor of a municipality must, within seven months after the end of financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control." **[Section 127(2)]**
- b) "... the accounting officer of the municipality must submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province." **[Section 127 (5) (b)]**
- c) "... the council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report..." **[Section 129(1)]**
- d) "... the accounting officer must submit copies of the minutes of the meetings to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province." **[Section 129(2)(b)]**

1.6 AUDITOR GENERAL REPORT

In the 2012-2013 the municipality got an unqualified audit opinion from the Auditor General.

1.7 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's process plan. Except for the legislative content, the process plan will confirm in year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the IDP/Budget implementation period	
2	Implementation and monitoring of approved budget and IDP comments (In-year financial Reporting)	July
3	Finalize the 4 th quarter report for previous financial year	
4	Submit Annual Report to Internal Audit and AG	
5	Municipal entity submit draft annual report to MM	
6	Audit Committee considers draft annual report of municipality and the entity	August
7	Mayor tables the unaudited Annual Report	
8	Municipality submit draft Annual Report including consolidated annual financial statements and performance report to the AG	August
9	Annual Report as submitted to AG to be provided as input to the IDP analysis phase	
10	AG audits Annual Report including consolidated AFS and Performance data	September/October
11	Municipality receive and start to address the AGs comments	
12	Mayor tables AR and audited financial statements to council complete with the AGs report	November
13	Audited AR is made public and representation is invited	
14	Oversight committee assess the AR	
15	Council adopts oversight	
16	Oversight report is made public	

17	Oversight report is submitted to relevant provincial council	December
18	Commencements of draft Budget/ IDP finalization for next financial year. Annual Report and oversight report to be used as inputs.	January

Chapter 2 – Governance

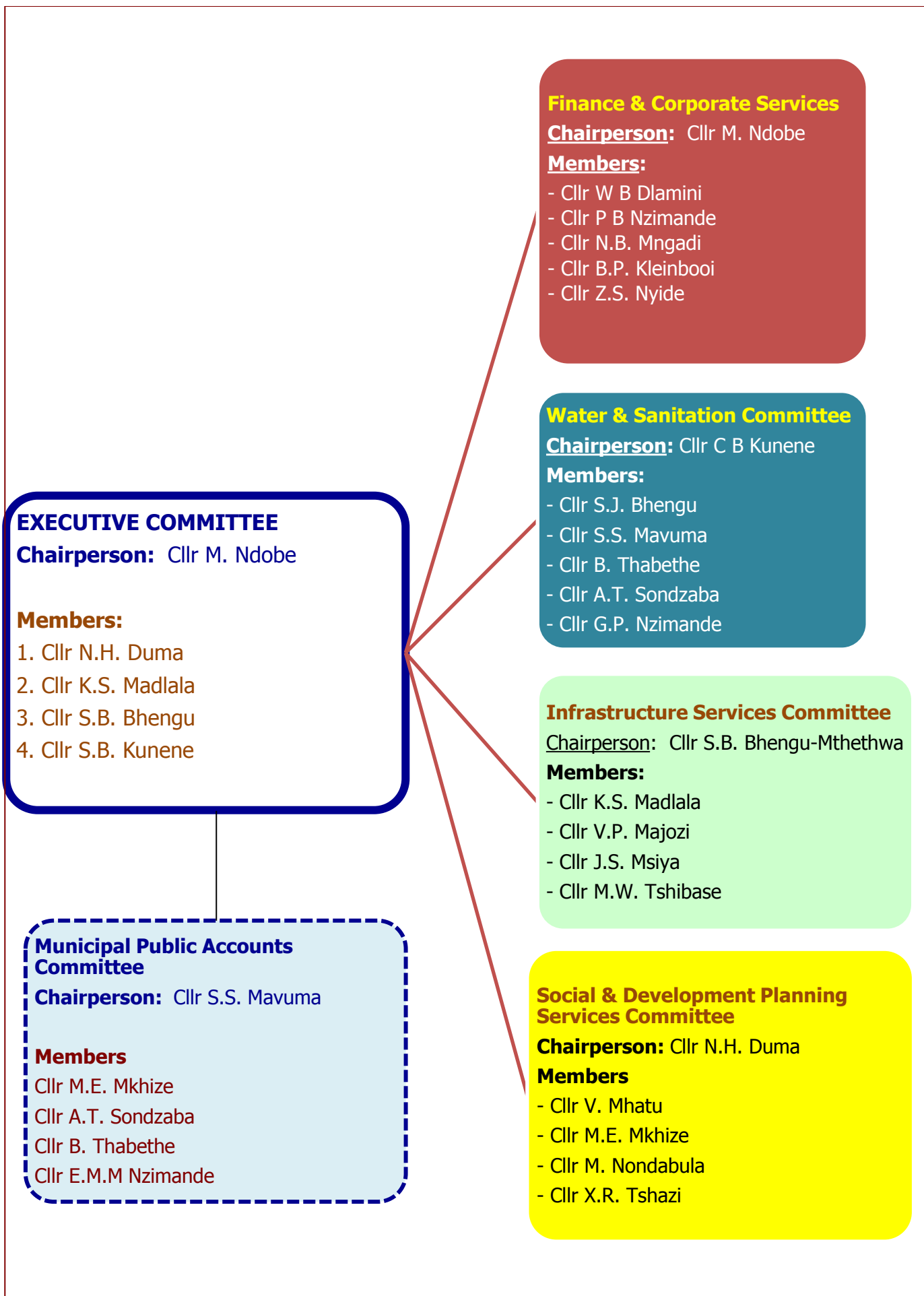
A. COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1. POLITICAL GOVERNANCE

HGDM established and appointed Committees in terms of Section 79 and 80 of the Local Government Municipal Structures Act, No. 117 of 1998. These Committees have been established for the effective and efficient performance of the municipality. The municipality has established the following Committees:

1. Executive Committee;
2. Finance and Corporate Services Committee;
3. Water and Sanitation Committee;
4. Infrastructure Services Committee;
5. Social and Development Planning Services Committee; and
6. Municipal Public Accounts Committee.

The structure below depicts how the Committees have been established with their Chairpersons and members.



The municipality has established an Oversight Committee that comprises of the non-executive councilors, with the specific purpose of providing Council with comments and recommendations on the Annual Report and any other task delegated to it by Council. The Oversight Committee report on Annual Report will be published separately in accordance with MFMA guidance.

POLITICAL STRUCTURE	NAMES	FUNCTION
Mayor	Cllr M E Ndobe	<ul style="list-style-type: none"> • Presides at meetings of the executive committee; and • Performs the duties, including any ceremonial functions, and exercises the powers delegated to the mayor by the municipal council or the executive committee
Deputy Mayor	Cllr N H Duma	<ul style="list-style-type: none"> • The deputy mayor exercises the powers and performs the duties of the mayor if the mayor is absent or not available or if the office of the mayor is vacant. The mayor may delegate duties to the deputy mayor
Speaker	Cllr C M Ngcobo	<ul style="list-style-type: none"> • Presides at meetings of the council • Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of LG:

		<p>Municipal Systems (Act No. 32 of 2000)</p> <ul style="list-style-type: none"> • Must ensure that the council meets at least quarterly • Must maintain order during meetings • Must ensure compliance in the council and council meetings with the code of conduct
Chief Whip	Cllr S S Mavuma	

EXECUTIVE COMMITTEE

1. Cllr ME Ndobe
2. Cllr NH Duma
3. Cllr SB Bhengu
4. Cllr KS Madlala
5. Cllr CB Kunene

POLITICAL DECISIONS- TAKINGS

RESOLUTION NO./ DATE OF MEETING	ITEM / RESOLUTION	RESPONSIBLE OFFICIAL	PROGRESS MADE
HGC: 020 (28 March 2014)	<p>2013/2014 REVISED SERVICES DELIVERY BUDGET AND IMPLEMENTATION PLAN</p> <p>████████████████████</p> <p>With Councillors EM Nzimande and V Mhatu proposing and seconding respectively it was,</p> <p>RESOLVED:</p>	<p>MM</p> <p>CFO</p>	IMPLEMENTED


	That the 2013/14 revised service delivery budget and implementation plan be ADOPTED.		
HGC: 021 (28 March 2014)	<p>2014-2015 DRAFT INTEGRATED DEVELOPMENT PLAN</p> <p>████████████████████</p> <p>With Councillors AT Sondzaba and M Nondabula proposing and seconding respectively it was,</p> <p style="text-align: center;">RESOLVED:</p> <p>That the 2014-2015 Draft Integrated Development plan be ADOPTED before being submitted to the MEC for Local Government in the Province for further comments.</p>	MM	IMPLEMENTED
HGC: 023 (28 March 2014)	<p>2012-2013 OVERSIGHT REPORT ON ANNUAL REPORT TO COUNCIL</p> <p>████████████████████</p> <p>With Councillors N Mngadi and EM Nzimande proposing and seconding respectively it was,</p> <p style="text-align: center;">RESOLVED:</p> <p>That the oversight report as per the Municipal Finance Management Act, No. 56 of 2003 as prepared by the Municipal Public Accounts Committee for Harry Gwala District Municipality</p>	MM	IMPLEMENTED

	and Sisonke Development Agency be ADOPTED.		
<p>HGC: 026 (28 March 2014)</p>	<p>POLITICAL PARTIES DEBATE ON THE MAIL AND GUARDIAN ARTICLE "SPLASH ON PRIVATE PROPERTY" OF 21 FEBRUARY 2014</p> <p>After brief deliberations on the matter it was unanimously,</p> <p style="text-align: center;">RESOLVED:</p> <p>i) That an investigation be done to verify if Councillors did not own farms or rather had shares in the farms.</p> <p>ii) That the Municipal Public Accounts Committee should check if the service providers that were appointed for tenders had all required documentation.</p> <p>iii) That if the Council was rescinding the resolution for irregular expenditure, the investigation should then be forwarded to the Public Prosecutor.</p> <p>iv) That the report for findings on the matter relating to Farmers Market should be fast tracked as the lawyers for Harry Gwala District Municipality were dealing with the issue.</p>	<p>MM</p>	<p>The report will be tabled by the MPAC in the Council meeting of 28 August 2014</p>

<p>SDMC: 028 (29 May 2014)</p>	<p>2014-2015 INTEGRATED DEVELOPMENT PLAN</p> <p>With Councillors BP Kleinbooi and JS Msiya proposing and seconding respectively it was,</p> <p style="text-align: center;">RESOLVED:</p> <p>(i) That the 2014-2015 Integrated Development Plan be adopted before it is submitted to the MEC for Local Government in the Province.</p>	<p>MM</p>	<p>IMPLEMENTED</p>
<p>HGC: 029 (29 May 2014)</p>	<p>REPORT ON 2014/15 FINAL DRAFT BUDGET</p> <p>With Councillors MW Tshibase and AT Sondzaba proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>1.1. The final draft budget of the municipality for the financial year 2014/15 and the multi-year capital appropriations as set out in the following tables:</p> <p>1.1.1. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21; and</p>	<p>MM CFO</p>	<p>IMPLEMENTED</p>

	<p>1.1.2. Noting the budget of the Sisonke Development Agency (Municipal entity) as presented in supporting table 31.</p> <p>1.1.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;</p> <p>1.1.4. The Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014:</p> <p>1.1.5. The Council, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014 the tariffs for other services, as set out in tariffs policy.</p> <p>1.1.6. The council, acting in terms of section 24 of the Municipal Finance Management Act , approves and adopts with effect from 1 July 2014 the final draft budget related policies as listed above.</p> <p>2. To give proper effect to the municipality's annual budget, the Council approves:</p> <p>2.1. That cash backing is</p>		
--	---	--	--

	<p>implemented through the utilisation of a portion of the revenue generated from water and sanitation to ensure that all capital reserves and provisions, and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.</p> <p>2.2. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the budget.</p>		
<p>HGC: 032 (29 May 2014)</p>	<p>REPORT ON FRUITLESS AND WASTEFUL EXPENDITURE INCURRED</p> <p>[REDACTED]</p> <p>With Councillors WB Dlamini and BP Kleinbooi proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>(i) That the report be noted.</p> <p>(ii) That the Municipal Public Accounts Committee (MPAC) investigates the fruitless and wasteful expenditure disclosed and reported and any other fruitless and wasteful expenditure that may arise</p>	<p>MM</p>	<p>The report will be tabled by the MPAC in the Council meeting of 28 August 2014</p>

	<p>in the 2013/14 financial year.</p>		
<p>HGC: 034 (29 May 2014)</p>	<p>HGC: 034 CONTRACTS AND CONTRACT MANAGEMENT s116 OF THE MUNICIPAL FINANCE MANAGEMENT ACT 56 OF 2003 </p> <p>With Councillors WB Dlamini and ZS Nyide proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>(i) That the amendments to the affected contracts be condoned.</p> <p>(ii) That the Management effects the amendments in all the affected contracts.</p>	<p>MM</p>	<p>IMPLEMENTED</p>
<p>HGC: 036</p>	<p>REPORT ON AMENDMENT OF</p>		

<p>(29 May 2014)</p>	<p>CERTAIN SECTIONS OF THE MUNICIPAL HEALTH BYLAWS</p> <p>████████████████████</p> <p>With Councillors AT Sondzaba and MW Tshibase proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>That the amendment of certain sections of the reviewed Municipal Health Services Bylaws be supported.</p>	<p>HOD: SOCIAL SERVICES & DEVELOPMENT PLANNING</p>	<p>IMPLEMENTED</p>
<p>HGC: 037 (29 May 2014)</p>	<p>REPORT ON REVIEWED DISASTER MANAGEMENT SUPPORT POLICY</p> <p>████████████████████</p> <p>With Councillors JS Msiya and WB Dlamini proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>(i) That the reviewed Disaster Management Support Policy be supported.</p>	<p>HOD: SOCIAL SERVICES & DEVELOPMENT PLANNING</p>	<p>IMPLEMENTED</p>
<p>HGC: 038 (29 May 2014)</p>	<p>REPORT ON DISASTER MANAGEMENT EMERGENCY EVACUATION AND SAFETY PLAN</p> <p>████████████████████</p> <p>With Councillors V Mhatu and ZS Nyide proposing and seconding respectively it was</p>		

	<p style="text-align: center;">RESOLVED:</p> <p>(i) That the reviewed Disaster Management Emergency Evacuation and Safety Plan be supported.</p>	<p>HOD: SOCIAL SERVICES & DEVELOPMENT PLANNING</p>	<p>IMPLEMENTED</p>
<p>HGC: 039 (29 May 2014)</p>	<p>REPORT ON REVIEWED PAUPER/ DESTITUTE POLICY</p> <p>████████████████████</p> <p>With Councillors ZS Nyide and SS Mavuma proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>That the reviewed policy for pauper/ destitute burials be supported.</p>	<p>HOD: SOCIAL SERVICES & DEVELOPMENT PLANNING</p>	<p>IMPLEMENTED</p>
<p>SDMC: 040 (29 May 2014)</p>	<p>REPORT ON REVIEWED MUNICIPAL HEALTH SERVICES POLICY</p> <p>████████████████████</p> <p>With Councillors BP Kleinbooi and AT Sondzaba proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>That the reviewed Municipal Health Services Policy be supported.</p>	<p>HOD: SOCIAL SERVICES & DEVELOPMENT PLANNING</p>	<p>IMPLEMENTED</p>

<p>HGC: 043 (29 May 2014)</p>	<p>3rd QUARTER REPORT ON SUPPLY CHAIN MANAGEMENT</p> <p>With Councillor VP Majozi proposing and Councillor WB Dlamini seconding it was</p> <p>RESOLVED:</p> <p>(i) That the 3rd Quarter Supply Chain Management report be noted.</p> <p>(ii) That the extension of contracts be approved.</p>	<p>CHIEF FINANCIAL OFFICER</p>	<p>IMPLEMENTED</p>
<p>HGC: 044 (29 May 2014)</p>	<p>RENEWAL OF A BANK GUARANTEE ON BEHALF OF HARRY GWALA DISTRICT MUNICIPALITY WITH ESKOM ON CONTINGENT AND SETTLEMENT FACILITIES</p> <p>With Councillor XR Tshazi proposing and Councillor VP Majozi seconding it was</p> <p>RESOLVED:</p> <p>That the Mayor signs the guarantee on contingent and settlement facilities which was a guarantee on the consumption of electricity to the value of R200 000.00 (two hundred thousand rands).</p>	<p>MM</p>	<p>IMPLEMENTED</p>

<p>HGC: 046 (30 June 2014)</p>	<p>WATER GOVERNANCE REGULATION REPORT ON BY-LAWS</p> <p>████████████████████</p> <p>With Councillors NB Mngadi and BP Kleinbooï proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>That the Water and Sanitation bylaws be adopted.</p>	<p>MM HOD: WATER</p>	<p>IMPLEMENTED</p>
<p>HGC: 047 (30 June 2014)</p>	<p>POLICIES TO BE ADOPTED BY HARRY DISTRICT MUNICIPAL COUNCIL</p> <p>████████████████████</p> <p>With Councillors WB Dlamini and ZS Nyide proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>That the following policies be adopted:</p> <p>(a) ADMINISTRATION POLICIES</p> <ol style="list-style-type: none"> 1. Fleet Management Policy 2. Use of Caucus allocated funds 3. Records Management Policy <p>(b) HUMAN RESOURCES POLICIES</p> <ol style="list-style-type: none"> 1. Acting in Higher Position Policy 2. Annual Leave Policy 3. Bursary Policy 	<p>MM</p>	<p>IMPLEMENTED</p>




	<ol style="list-style-type: none"> 4. Death in Service Policy 5. Disciplinary and Grievance policy 6. Employee Wellness policy 7. Experiential Training Policy 8. Family Responsibility Policy 9. HIV/AIDS Policy 10. Induction Policy 11. Integrated Employee Health and Wellness Strategy 12. Internal Transfer Policy 13. Learnership Policy 14. Occupational Health and Safety Policy 15. Overtime Policy 16. Parental leave Policy 17. Probationary Period Policy 18. Recruitment and Selection policy 19. Scarce and Critical Skills Retention Policy 20. Sexual Harassment Policy 21. Sick Leave Policy 22. Skills Development Policy 23. Staff appointment Policy 24. Standby Policy 25. Study Leave Policy 26. Subsidized Motor Vehicles Policy 27. Termination of Services Policy 28. Travel and Subsistence Policy 29. Human Resources Plan/Strategy 30. Employment Equity Plan <p>(c) INFRASTRUCTURE POLICIES:</p> <ol style="list-style-type: none"> 1. EPWP Policy 		
--	---	--	--

	<p>(d) SOCIAL SERVICES POLICIES:</p> <ol style="list-style-type: none"> 1. Performance Management Framework Policy <p>(e) MUNICIPALMANAGER'S OFFICE POLICIES:</p> <ol style="list-style-type: none"> 1. Risk Management Policies 2. Risk Management Strategy 3. Fraud Prevention and Anti-corruption Strategy. 		
<p>HGC: 048 (30 June 2014)</p>	<p>HARRY GWALA DISTRICT 2013/2017 DRAFT SPATIAL DEVELOPMENT FRAMEWORK</p> <p>████████████████████</p> <p>With Councillors M Nondabula and GP Nzimande proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>That the 2013/2017 Harry Gwala District Spatial Development Framework (SDF) be approved as a forward planning document providing basic guidelines for a land use management for the Municipality in terms of Chapter 5 of the Municipal Systems Act, Act No.32 of 2000 as amended.</p>	<p>MM</p>	<p>IMPLEMENTED</p>
<p>HGC: 049 (30 June 2014)</p>	<p>PROCUREMENT OF THE MAYORAL VEHICLE</p> <p>████████████████████</p>		

	<p>With Councillors EMM Nzimande and NB Mngadi proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>That the procurement of the Mayoral vehicle be approved.</p>	<p>HOD: CORPORATE SERVICES</p>	<p>IMPLEMENTED</p>
<p>HGC: 050 (30 June 2014)</p>	<p>PROGRESS ON IMPLEMENTATION OF COUNCIL RESOLUTIONS FROM JULY 2013-FEBRUARY 2014</p> <p style="background-color: black; color: black;">[REDACTED]</p> <p>With Councillors AT Sondzaba and NB Mngadi proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>That the progress made against the implementation of Council resolutions be noted.</p>	<p>HOD: CORPORATE SERVICES</p>	<p>IMPLEMENTED</p>
<p>HGC: 051 (30 June 2014)</p>	<p>REPORT ON MUNICIPAL REGULATIONS ON FINANCIAL MISCONDUCT PROCEDURES AND CRIMINAL PROCEEDINGS</p> <p style="background-color: black; color: black;">[REDACTED]</p> <p>With Councillors WB Dlamini and GP Nzimande proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>(i) That the Council considers the Municipal Regulations on Financial Misconduct Procedures and Criminal</p>	<p>MM</p>	<p>IMPLEMENTED</p>


	<p>Proceedings.</p> <p>(ii) That the Municipal Regulations on Financial Misconduct Procedures and criminal proceedings be adopted as working documents.</p>		
<p>HGC: 052 (30 June 2014)</p>	<p>REPORT ON SALARY AND WAGE INCREASE FOR THE PERIOD 1 JULY 2014 TO 30 JUNE 2015</p> <p>[REDACTED]</p> <p>With Councillors M Nondabula and AT Sondzaba proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>(a) That the Circular No. 3/2014 dated 8th April 2014 be approved with effect from 1 July 2014, which stipulate that the:</p> <p>(i) General Salary Increase shall be 6.79%</p> <p>(ii) New Minimum Wage shall be R5 621.43 and</p> <p>(iii) Medical Aid Maximum Employer Contribution shall be R3 618. 08 based on 60% employer contribution and 40% employee contribution.</p>	<p>MM HOD: CORPORATE SERVICES</p>	<p>IMPLEMENTED</p>
<p>HGC: 053 (27 January 2014)</p>	<p>DISTRICT MUNICIPAL COMMUNICATION STRATEGY 2012-2016</p>		

	<p>With Councillors BP Kleinbooi and M Nondabula proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>(i) That the District Communication Strategy be adopted.</p> <p>(ii) That a workshop be organized where Councillors will be taken through the communication strategy.</p> <p>(iii) That the setting of date of the workshop be expedited.</p>	<p>MM HOD: CORPORATE SERVICES</p>	<p>IMPLEMENTED</p>
<p>HGC: 054 (30 June 2014)</p>	<p>REPORT ON TABLING OF 2013/2014 ADJUSTMENTS BUDGET</p> <p>With Councillors EMM Nzimande and SS Mavuma proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>(i) That the adjustment budget be noted.</p> <p>(ii) That the 2013/14 Second Adjustments Budget be approved</p>	<p>MM CHIEF FINANCIAL OFFICER</p>	<p>IMPLEMENTED</p>
<p>HGC: 055 (30 June 2014)</p>	<p>REQUEST FOR INCORPORATION OF THE SISONKE DEVELOPMENT AGENCY (SDA) PROJECTS IN THE 2014-2015 INTERGRATED</p>		

	<p>DEVELOPMENT PLAN (IDP) </p> <p>With Councillors M Nondabula and NB Mngadi proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>(i) That the Sisonke Development Agency projects be approved for incorporation to the 2014-2015 Integrated Development Plan before it was re-submitted to the MEC for Local Government in the Province.</p>	<p>MM</p>	<p>IMPLEMENTED</p>
<p>HGC: 056 (30 June 2014)</p>	<p>IMPLEMENTATION OF STANDARD CHART OF ACCOUNT (SCOA) IN LOCAL GOVERNMENT </p> <p>With Councillors SS Mavuma and WB Dlamini proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>(i) That the Standard Chart of Accounts be noted as gazetted.</p> <p>(ii) That Council ensures that all necessary systems and processes would be in place.</p>	<p>MM</p>	<p>IMPLEMENTED</p>
<p>HGC: 057 (30 June 2014)</p>	<p>REPORT ON SUPPLY CHAIN MANAGEMENT </p> <p>With Councillors M Nondabula</p>		

	<p>and AT Sondzaba proposing seconding respectively it was,</p> <p style="text-align: center;">RESOLVED:</p> <p>(i) That the report be NOTED.</p> <p>(ii) That the deviation reported above be ratified in terms of SCM Regulation 36 on deviation and ratification of minor breaches of procurement processes.</p>	MM	IMPLEMENTED
<p>HGC: 011 (24 February 2014)</p>	<p>ACTION PLAN TO ADDRESS ISSUES RAISED BY AUDITOR GENERAL</p> <p style="background-color: black; color: black;">[REDACTED]</p> <p>With Councillors AT Sondzaba and M Nondabula proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>(i) That the Action Plan to address issues raised by Auditor General be NOTED.</p> <p>(ii) That the Executive Committee monitors on a monthly basis the implementation of the Action Plan and that,</p> <p>(iii) Reports on the implementation of the Action Plan be tabled to the Audit Committee, Municipal Public Accounts Committee and Auditor General.</p>	MM	IMPLEMENTED


<p>HGC: 003 (24 February 2014)</p>	<p>2012/2013 DRAFT ANNUAL REPORT FOR THE SISONKE DEVELOPMENT AGENCY</p> <p>With Councillors MW Tshibase and GP Nzimande proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>(i) That the 2012/13 Draft Annual Report for Sisonke Development Agency be NOTED.</p> <p>(ii) That the 2012/13 Draft Annual Report for Sisonke Development Agency be referred to the Municipal Public Accounts Committee (MPAC) for scrutiny.</p> <p>(iii) That the Draft Annual Report be presented to Council in the form of Oversight Report in March 2014.</p>	<p>MM</p>	<p>NOT IMPLEMENTED</p>
<p>HGC: 005 (24 February 2014)</p>	<p>DRAFT ANNUAL REPORT FOR 2012/2013 FINANCIAL YEAR</p> <p>With Councillors B Thabethe and BP Nzimande proposing and seconding respectively it was</p>		

	<p style="text-align: center;">RESOLVED:</p> <p>(i) That the 2012/13 Draft Annual Report for Harry Gwala District Municipality be NOTED.</p> <p>(ii) That the 2012/13 Draft Annual Report be referred to the Municipal Public Accounts Committee (MPAC) for scrutiny.</p>	MM	IMPLEMENTED
<p>HGC: 008 (24 February 2014)</p>	<p>REPORT ON INVESTIGATION OF IRREGULAR EXPENDITURE 2013/2014 </p> <p>With Councillors WB Dlamini and XR Tshazi proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>(i) That the adjustments budget be prepared for tabling to Council before the 28th February 2014 in terms of Municipal Budget Regulations.</p> <p>(ii) That the projections for Revenue & Expenditure in the</p>	MM	IMPLEMENTED

	<p>SDBIP be revised to reflect the adjustments to the Annual Budget.</p> <p>(iii) That the Unauthorised expenditure during the first half of the financial year be authorised in terms of Section 32 (2) (a) of the MFMA.</p>		
--	---	--	--

RESOLUTION NO./ DATE OF MEETING	ITEM / RESOLUTION	RESPONSIBLE OFFICIAL	PROGRESS MADE
HGC: 020 (28 March 2014)	<p>2013/2014 REVISED SERVICES DELIVERY BUDGET AND IMPLEMENTATION PLAN</p> <p>[REDACTED]</p> <p>With Councillors EM Nzimande and V Mhatu proposing and seconding respectively it was,</p> <p>RESOLVED:</p> <p>That the 2013/14 revised service delivery budget and implementation plan be ADOPTED.</p>	<p>MM</p> <p>CFO</p>	IMPLEMENTED
HGC: 021 (28 March 2014)	<p>2014-2015 DRAFT INTEGRATED DEVELOPMENT PLAN</p> <p>[REDACTED]</p> <p>With Councillors AT Sondzaba and M Nondabula proposing and</p>		

	<p>seconding respectively it was,</p> <p style="text-align: center;">RESOLVED:</p> <p>That the 2014-2015 Draft Integrated Development plan be ADOPTED before being submitted to the MEC for Local Government in the Province for further comments.</p>	MM	IMPLEMENTED
<p>HGC: 023 (28 March 2014)</p>	<p>2012-2013 OVERSIGHT REPORT ON ANNUAL REPORT TO COUNCIL</p> <p style="background-color: black; color: black;">[REDACTED]</p> <p>With Councillors N Mngadi and EM Nzimande proposing and seconding respectively it was,</p> <p style="text-align: center;">RESOLVED:</p> <p>That the oversight report as per the Municipal Finance Management Act, No. 56 of 2003 as prepared by the Municipal Public Accounts Committee for Harry Gwala District Municipality and Sisonke Development Agency be ADOPTED.</p>	MM	IMPLEMENTED
<p>HGC: 026 (28 March 2014)</p>	<p>POLITICAL PARTIES DEBATE ON THE MAIL AND GUARDIAN ARTICLE "SPLASH ON PRIVATE PROPERTY" OF 21 FEBRUARY 2014</p> <p style="background-color: black; color: black;">[REDACTED]</p> <p>After brief deliberations on the matter it was unanimously,</p> <p style="text-align: center;">RESOLVED:</p> <p>v) That an investigation be done</p>	MM	The report will be tabled by the

	<p>to verify if Councillors did not own farms or rather had shares in the farms.</p> <p>vi) That the Municipal Public Accounts Committee should check if the service providers that were appointed for tenders had all required documentation.</p> <p>vii) That if the Council was rescinding the resolution for irregular expenditure, the investigation should then be forwarded to the Public Prosecutor.</p> <p>viii) That the report for findings on the matter relating to Farmers Market should be fast tracked as the lawyers for Harry Gwala District Municipality were dealing with the issue.</p>		<p>MPAC in the Council meeting of 28 August 2014</p>
<p>SDMC: 028 (29 May 2014)</p>	<p>2014-2015 INTEGRATED DEVELOPMENT PLAN</p> <p></p> <p>With Councillors BP Kleinbooi and JS Msiya proposing and seconding respectively it was,</p> <p>RESOLVED:</p> <p>(ii) That the 2014-2015 Integrated Development Plan be adopted before it is submitted to the MEC for Local Government in the Province.</p>	<p>MM</p>	<p>IMPLEMENTED</p>
<p>HGC: 029 (29 May 2014)</p>	<p>REPORT ON 2014/15 FINAL DRAFT BUDGET</p>		



	<p>With Councillors MW Tshibase and AT Sondzaba proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>2.3. The final draft budget of the municipality for the financial year 2014/15 and the multi-year capital appropriations as set out in the following tables:</p> <p>2.3.1. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21; and</p> <p>2.3.2. Noting the budget of the Sisonke Development Agency (Municipal entity) as presented in supporting table 31.</p> <p>2.3.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;</p> <p>2.3.4. The Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014:</p> <p>2.3.5. The Council, acting in terms of 75A of the Local Government:</p>	<p style="text-align: center;">MM CFO</p>	<p style="text-align: center;">IMPLEMENTED</p>
--	---	--	---

	<p>Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014 the tariffs for other services, as set out in tariffs policy.</p> <p>2.3.6. The council, acting in terms of section 24 of the Municipal Finance Management Act , approves and adopts with effect from 1 July 2014 the final draft budget related policies as listed above.</p> <p>3. To give proper effect to the municipality’s annual budget, the Council approves:</p> <p>3.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from water and sanitation to ensure that all capital reserves and provisions, and unspent conditional grants are cash backed as required in terms of the municipality’s funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.</p> <p>3.2. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the budget.</p>		
--	---	--	--

<p>HGC: 032 (29 May 2014)</p>	<p>REPORT ON FRUITLESS AND WASTEFUL EXPENDITURE INCURRED</p> <p>████████████████████</p> <p>With Councillors WB Dlamini and BP Kleinbooi proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>(iii) That the report be noted.</p> <p>(iv) That the Municipal Public Accounts Committee (MPAC) investigates the fruitless and wasteful expenditure disclosed and reported and any other fruitless and wasteful expenditure that may arise in the 2013/14 financial year.</p>	<p>MM</p>	<p>The report will be tabled by the MPAC in the Council meeting of 28 August 2014</p>
<p>HGC: 034 (29 May 2014)</p>	<p>HGC: 034</p> <p>CONTRACTS AND CONTRACT MANAGEMENT s116 OF THE MUNICIPAL FINANCE MANAGEMENT ACT 56 OF 2003</p> <p>████████████████████</p> <p>With Councillors WB Dlamini and ZS Nyide proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>(iii) That the amendments to the affected contracts be condoned.</p> <p>(iv) That the Management effects the amendments in all the</p>	<p>MM</p>	<p>IMPLEMENTED</p>

	affected contracts.		
HGC: 036 (29 May 2014)	<p>REPORT ON AMENDMENT OF CERTAIN SECTIONS OF THE MUNICIPAL HEALTH BYLAWS</p> <p>[REDACTED]</p> <p>With Councillors AT Sondzaba and MW Tshibase proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>That the amendment of certain sections of the reviewed Municipal Health Services Bylaws be supported.</p>	HOD: SOCIAL SERVICES & DEVELOPMENT PLANNING	IMPLEMENTED
HGC: 037 (29 May 2014)	<p>REPORT ON REVIEWED DISASTER MANAGEMENT SUPPORT POLICY</p> <p>[REDACTED]</p> <p>With Councillors JS Msiya and WB Dlamini proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>(ii) That the reviewed Disaster Management Support Policy be supported.</p>	HOD: SOCIAL SERVICES & DEVELOPMENT PLANNING	IMPLEMENTED
HGC: 038 (29 May 2014)	<p>REPORT ON DISASTER MANAGEMENT EMERGENCY EVACUATION AND SAFETY PLAN</p> <p>[REDACTED]</p> <p>With Councillors V Mhatu and ZS</p>		

	<p>Nyide proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>(ii) That the reviewed Disaster Management Emergency Evacuation and Safety Plan be supported.</p>	<p>HOD: SOCIAL SERVICES & DEVELOPMENT PLANNING</p>	<p>IMPLEMENTED</p>
<p>HGC: 039 (29 May 2014)</p>	<p>REPORT ON REVIEWED PAUPER/ DESTITUTE POLICY</p> <p>████████████████████</p> <p>With Councillors ZS Nyide and SS Mavuma proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>That the reviewed policy for pauper/ destitute burials be supported.</p>	<p>HOD: SOCIAL SERVICES & DEVELOPMENT PLANNING</p>	<p>IMPLEMENTED</p>
<p>SDMC: 040 (29 May 2014)</p>	<p>REPORT ON REVIEWED MUNICIPAL HEALTH SERVICES POLICY</p> <p>████████████████████</p> <p>With Councillors BP Kleinbooi and AT Sondzaba proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>That the reviewed Municipal Health Services Policy be supported.</p>	<p>HOD: SOCIAL SERVICES & DEVELOPMENT PLANNING</p>	<p>IMPLEMENTED</p>

<p>HGC: 043 (29 May 2014)</p>	<p>3rd QUARTER REPORT ON SUPPLY CHAIN MANAGEMENT </p> <p>With Councillor VP Majozi proposing and Councillor WB Dlamini seconding it was</p> <p>RESOLVED:</p> <p>(iii) That the 3rd Quarter Supply Chain Management report be noted.</p> <p>(iv) That the extension of contracts be approved.</p>	<p>CHIEF FINANCIAL OFFICER</p>	<p>IMPLEMENTED</p>
<p>HGC: 044 (29 May 2014)</p>	<p>RENEWAL OF A BANK GUARANTEE ON BEHALF OF HARRY GWALA DISTRICT MUNICIPALITY WITH ESKOM ON CONTINGENT AND SETTLEMENT FACILITIES </p> <p>With Councillor XR Tshazi proposing and Councillor VP Majozi seconding it was</p> <p>RESOLVED:</p> <p>That the Mayor signs the guarantee on contingent and settlement facilities which was a guarantee on the consumption of electricity to the value of R200 000.00 (two hundred thousand rands).</p>	<p>MM</p>	<p>IMPLEMENTED</p>
<p>HGC: 046 (30 June 2014)</p>	<p>WATER GOVERNANCE REGULATION REPORT ON BY-</p>		

	<p>LAWS</p> <p>████████████████████</p> <p>With Councillors NB Mngadi and BP Kleinbooi proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>That the Water and Sanitation bylaws be adopted.</p>	<p>MM HOD: WATER</p>	<p>IMPLEMENTED</p>
<p>HGC: 047 (30 June 2014)</p>	<p>POLICIES TO BE ADOPTED BY HARRY DISTRICT MUNICIPAL COUNCIL</p> <p>████████████████████</p> <p>With Councillors WB Dlamini and ZS Nyide proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>That the following policies be adopted:</p> <p>(f) ADMINISTRATION POLICIES</p> <p>4. Fleet Management Policy 5. Use of Caucus allocated funds 6. Records Management Policy</p> <p>(g) HUMAN RESOURCES POLICIES</p> <p>31. Acting in Higher Position Policy 32. Annual Leave Policy 33. Bursary Policy 34. Death in Service Policy 35. Disciplinary and Grievance policy 36. Employee Wellness policy</p>	<p>MM</p>	<p>IMPLEMENTED</p>

	<p>37. Experiential Training Policy 38. Family Responsibility Policy 39. HIV/AIDS Policy 40. Induction Policy 41. Integrated Employee Health and Wellness Strategy 42. Internal Transfer Policy 43. Learnership Policy 44. Occupational Health and Safety Policy 45. Overtime Policy 46. Parental leave Policy 47. Probationary Period Policy 48. Recruitment and Selection policy 49. Scarce and Critical Skills Retention Policy 50. Sexual Harassment Policy 51. Sick Leave Policy 52. Skills Development Policy 53. Staff appointment Policy 54. Standby Policy 55. Study Leave Policy 56. Subsidized Motor Vehicles Policy 57. Termination of Services Policy 58. Travel and Subsistence Policy 59. Human Resources Plan/Strategy 60. Employment Equity Plan</p> <p>(h) INFRASTRUCTURE POLICIES:</p> <p>2. EPWP Policy</p> <p>(i) SOCIAL SERVICES POLICIES:</p> <p>2. Performance Management Framework Policy</p>		
--	---	--	--

	<p>(j) MUNICIPALMANAGER'S OFFICE POLICIES:</p> <p>4. Risk Management Policies 5. Risk Management Strategy 6. Fraud Prevention and Anti-corruption Strategy.</p>		
<p>HGC: 048 (30 June 2014)</p>	<p>HARRY GWALA DISTRICT 2013/2017 DRAFT SPATIAL DEVELOPMENT FRAMEWORK</p> <p>████████████████████</p> <p>With Councillors M Nondabula and GP Nzimande proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>That the 2013/2017 Harry Gwala District Spatial Development Framework (SDF) be approved as a forward planning document providing basic guidelines for a land use management for the Municipality in terms of Chapter 5 of the Municipal Systems Act, Act No.32 of 2000 as amended.</p>	<p>MM</p>	<p>IMPLEMENTED</p>
<p>HGC: 049 (30 June 2014)</p>	<p>PROCUREMENT OF THE MAYORAL VEHICLE</p> <p>████████████████████</p> <p>With Councillors EMM Nzimande and NB Mngadi proposing and seconding respectively it was</p> <p>RESOLVED:</p>		


	That the procurement of the Mayoral vehicle be approved.	HOD: CORPORATE SERVICES	IMPLEMENTED
HGC: 050 (30 June 2014)	<p>PROGRESS ON IMPLEMENTATION OF COUNCIL RESOLUTIONS FROM JULY 2013-FEBRUARY 2014</p> <p>[REDACTED]</p> <p>With Councillors AT Sondzaba and NB Mngadi proposing and seconding respectively it was</p> <p>RESOLVED: That the progress made against the implementation of Council resolutions be noted.</p>	HOD: CORPORATE SERVICES	IMPLEMENTED
HGC: 051 (30 June 2014)	<p>REPORT ON MUNICIPAL REGULATIONS ON FINANCIAL MISCONDUCT PROCEDURES AND CRIMINAL PROCEEDINGS</p> <p>[REDACTED]</p> <p>With Councillors WB Dlamini and GP Nzimande proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>(iii) That the Council considers the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.</p> <p>(iv) That the Municipal Regulations on Financial Misconduct Procedures and criminal proceedings be adopted as</p>	MM	IMPLEMENTED

	working documents.		
HGC: 052 (30 June 2014)	<p>REPORT ON SALARY AND WAGE INCREASE FOR THE PERIOD 1 JULY 2014 TO 30 JUNE 2015</p> <p>[REDACTED]</p> <p>With Councillors M Nondabula and AT Sondzaba proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>(b) That the Circular No. 3/2014 dated 8th April 2014 be approved with effect from 1 July 2014, which stipulate that the:</p> <p>(iv) General Salary Increase shall be 6.79%</p> <p>(v) New Minimum Wage shall be R5 621.43 and</p> <p>(vi) Medical Aid Maximum Employer Contribution shall be R3 618.08 based on 60% employer contribution and 40% employee contribution.</p>	MM HOD: CORPORATE SERVICES	IMPLEMENTED
HGC: 053 (27 January 2014)	<p>DISTRICT MUNICIPAL COMMUNICATION STRATEGY 2012-2016</p> <p>[REDACTED]</p> <p>With Councillors BP Kleinbooi and M Nondabula proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>(iv) That the District</p>	MM HOD: CORPORATE	IMPLEMENTED

	<p>Communication Strategy be adopted.</p> <p>(v) That a workshop be organized where Councillors will be taken through the communication strategy.</p> <p>(vi) That the setting of date of the workshop be expedited.</p>	SERVICES	
<p>HGC: 054 (30 June 2014)</p>	<p>REPORT ON TABLING OF 2013/2014 ADJUSTMENTS BUDGET</p> <p>████████████████████</p> <p>With Councillors EMM Nzimande and SS Mavuma proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>(iii) That the adjustment budget be noted.</p> <p>(iv) That the 2013/14 Second Adjustments Budget be approved</p>	<p>MM CHIEF FINANCIAL OFFICER</p>	IMPLEMENTED
<p>HGC: 055 (30 June 2014)</p>	<p>REQUEST FOR INCORPORATION OF THE SISONKE DEVELOPMENT AGENCY (SDA) PROJECTS IN THE 2014-2015 INTERGRATED DEVELOPMENT PLAN (IDP)</p> <p>████████████████████</p> <p>With Councillors M Nondabula and NB Mngadi proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>(ii) That the Sisonke Development</p>	MM	IMPLEMENTED

	Agency projects be approved for incorporation to the 2014-2015 Integrated Development Plan before it was re-submitted to the MEC for Local Government in the Province.		
HGC: 056 (30 June 2014)	<p>IMPLEMENTATION OF STANDARD CHART OF ACCOUNT (SCOA) IN LOCAL GOVERNMENT</p> <p>████████████████████</p> <p>With Councillors SS Mavuma and WB Dlamini proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>(iii) That the Standard Chart of Accounts be noted as gazetted.</p> <p>(iv) That Council ensures that all necessary systems and processes would be in place.</p>	MM	IMPLEMENTED
HGC: 057 (30 June 2014)	<p>REPORT ON SUPPLY CHAIN MANAGEMENT</p> <p>████████████████████</p> <p>With Councillors M Nondabula and AT Sondzaba proposing seconding respectively it was,</p> <p>RESOLVED:</p> <p>(iii) That the report be NOTED.</p> <p>(iv) That the deviation reported above be ratified in terms of SCM Regulation 36 on deviation and ratification of minor breaches of</p>	MM	IMPLEMENTED

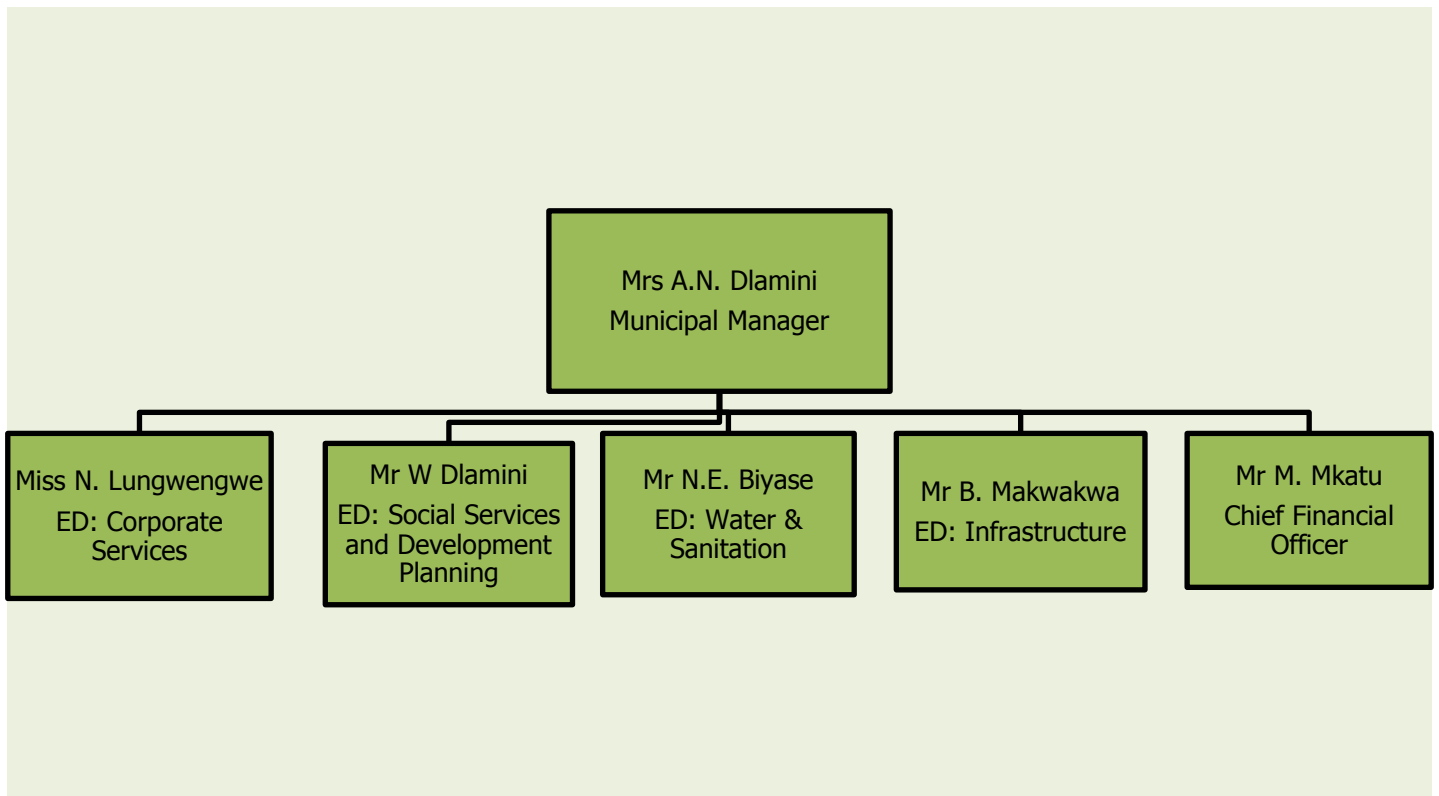
	procurement processes.		
HGC: 011 (24 February 2014)	<p>ACTION PLAN TO ADDRESS ISSUES RAISED BY AUDITOR GENERAL</p> <p>████████████████████</p> <p>With Councillors AT Sondzaba and M Nondabula proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>(iv) That the Action Plan to address issues raised by Auditor General be NOTED.</p> <p>(v) That the Executive Committee monitors on a monthly basis the implementation of the Action Plan and that,</p> <p>(vi) Reports on the implementation of the Action Plan be tabled to the Audit Committee, Municipal Public Accounts Committee and Auditor General.</p>	MM	IMPLEMENTED
HGC: 003 (24 February 2014)	<p>2012/2013 DRAFT ANNUAL REPORT FOR THE SISONKE DEVELOPMENT AGENCY</p> <p>████████████████████</p> <p>With Councillors MW Tshibase and GP Nzimande proposing and seconding respectively it was</p> <p style="text-align: center;">RESOLVED:</p> <p>(iv) That the 2012/13 Draft Annual Report</p>	MM	NOT

	<p>for Sisonke Development Agency be NOTED.</p> <p>(v) That the 2012/13 Draft Annual Report for Sisonke Development Agency be referred to the Municipal Public Accounts Committee (MPAC) for scrutiny.</p> <p>(vi) That the Draft Annual Report be presented to Council in the form of Oversight Report in March 2014.</p>		IMPLEMENTED
<p>HGC: 005 (24 February 2014)</p>	<p>DRAFT ANNUAL REPORT FOR 2012/2013 FINANCIAL YEAR </p> <p>With Councillors B Thabethe and BP Nzimande proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>(iii) That the 2012/13 Draft Annual Report for Harry Gwala District Municipality be NOTED.</p> <p>(iv) That the 2012/13 Draft Annual Report be referred to the Municipal Public Accounts Committee (MPAC) for scrutiny.</p>	MM	IMPLEMENTED

<p>HGC: 008 (24 February 2014)</p>	<p>REPORT ON INVESTIGATION OF IRREGULAR EXPENDITURE 2013/2014</p> <p>[REDACTED]</p> <p>With Councillors WB Dlamini and XR Tshazi proposing and seconding respectively it was</p> <p>RESOLVED:</p> <p>(iv) That the adjustments budget be prepared for tabling to Council before the 28th February 2014 in terms of Municipal Budget Regulations.</p> <p>(v) That the projections for Revenue & Expenditure in the SDBIP be revised to reflect the adjustments to the Annual Budget.</p> <p>(vi) That the Unauthorised expenditure during the first half of the financial year be authorised in terms of Section 32 (2) (a) of the MFMA.</p>	<p>MM</p>	<p>IMPLEMENTED</p>

2.2. HIGH LEVEL ADMINISTRATIVE GOVERNANCE

Section 82 of the Local Government Municipal Structures Act, No. 117 of 1998 and Section 54A of the Local Government Municipal Systems Act, No. 32 of 2000, as amended, states the Municipal Manager must be appointed, who is the head of administration and also the Accounting Officer for the Municipality with relevant skills and expertise to perform the duties associated with the post. Section 56 of the Local Government Municipal Systems Act, No. 32 of 2000, as amended, states that the Municipal Council, after consultation with the Municipal Manager must appoint managers directly accountable to the Municipal Manager. The positions have been filled except the position of the Executive Director: Social and Development Planning Services, which has been vacated towards the end of the financial year.



COMPONENT B: INTER-GOVERNMENTAL RELATIONS

2.3. INTER-GOVERNMENTAL RELATIONS (IGR)

An itinerary of meetings was drawn up and distributed to all departments for meetings to be convened. Although the IGR structure is in operation, the meetings are not happening according to schedule. In the 2013-2014 financial year a dedicated personnel was appointed to ensure that all the scheduled meetings sit and that all the recommendations and resolutions are implemented.

District Intergovernmental Structures:

- Mayors Forum
- Municipal Managers' Forum
- Infrastructure Services Forum
- District Area Finance Forum
- Social Services Forum
- Communication Forum

In order to ensure continuity, the municipality has extended the activities of the Director: Administration to assist in coordinating meetings.

B. COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4. PUBLIC MEETINGS

Despite the legislative imperative, local government is, by essence, obliged to maintain effective communication with the communities. Likewise, the communities have a responsibility to participate and be involved in the affairs of the municipality. At HGDM, engagement with communities is ensured through the following structures and mechanisms:

- IDP and budget road shows
- Council meetings
- Mayoral Izimbizo
- Print media
- Electronic media, notably the website and the municipal video system

2.5. IDP PARTICIPATION AND ALIGNMENT

The Municipal Manager has a delegated responsibility from the Mayor, to prepare the IDP for the District. During the IDP review, the following key elements were addressed within the confines of the approved IDP Process Plan and Framework Plan:

- Comments were received from the various role-players in the assessment of the IDP Review documentation.
- Strategic elements of the IDP were reviewed in terms of Council's new priorities, including the Spatial Development Framework.
- New information was included.
- The IDP was aligned with newly completed Sector Plans

The final IDP was tabled before Council in May 2013. There was consideration of community and stakeholder inputs, leading to the final IDP being approved by Council.

IDP Participation Alignment Criteria	Yes/ No
Does the municipality have impact, outcome, and output indicators?	No
Does the IDP have priorities, objectives, KPIs and development strategies?	Yes
Does the IDP has the multi-year targets	Yes
Are these aligned and can they be calculated into a score?	Yes
Does the budget align directly to the KPIs in	Yes

the strategic plan?	
Do the IDP KPIs align to the Section 57 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the Provincial KPIs on the 12 outcomes?	Yes
Were the indicators communicated to the public?	Yes

COMPONENT D: CORPORATE GOVERNANCE

2.6. RISK MANAGEMENT

We are in the process of developing the following risk management infrastructure which is expected to be completed mid-September:

- Risk management framework (Customise the existing framework developed by National Treasury).
- Risk management strategy
- Risk management policy
- Fraud prevention and anti-corruption strategy and policy.

The risk management committee will be structured as follows:

i.	Municipal Manager:	Chairperson
ii.	Chief Financial Officer:	Member
iii.	Executive Director Corporate Services:	Member
iv.	Executive Director Infrastructure Services:	Member
v.	Executive Director Water Services:	Member
vi.	Executive Director Social Services and Development Planning:	Member

- The unit will further set up a sub-committee which will be composed of risk champions from each department to be appointed by HOD's. This committee will work closely with the Risk Manager in identifying new and emerging risks, monitoring the implementation of the agreed risk treatment action plans and reporting to the Risk Committee.
- Terms of reference or risk management charter for both committees have been developed, to guide committees to execute their roles and responsibilities.
- We will formulate and compile the *foreword* by the Mayor declaring the posture of Harry Gwala's commitment in good governance, accountable financial management system and effective risk management. This *foreword* must be signed by the Mayor and be part of Harry Gwala risk management framework.
- The risk assessment for the entire municipality has been conducted, the draft report is available.
- We will also be reviewing the audit committee charter to consider additional risk management responsibilities.

Summary of work performed under Risk Management

The following table summarizes the results of the overall implementation of risk management action plans for the 2013-2014 financial year.

Number of Risks	Number of mitigation plans	Number of mitigation plans addressed	Mitigation plans carried forward to 2014-2015
35	112	47 (42%)	65 (58%)

2.7. ANTI-CORRUPTION AND FRAUD

Harry Gwala District Municipality does not have an anti-corruption and fraud prevention strategy. However, there is a budget set aside to develop it in the 2013/2014 financial year.

2.8. SUPPLY CHAIN MANAGEMENT

2.8.1. Procedural issues

- The Supply Chain Management Policy was adopted and is currently being implemented.
- The procedure manual is in place and currently implemented.
- A compliance checklist has been developed and is currently being implemented.
- The fixed assets policy was adopted and is currently being implemented.
- Bid Committees are fully functional.

2.8.2. Components within Supply Chain Management

Supply Chain Management has six components namely:

- i. Demand Management
- ii. Acquisition Management
- iii. Logistics Management
- iv. Disposal Management
- v. Risk Management
- vi. Performance Management

i. Demand Management

- (a) Include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for, timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
- (b) Take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;

- (c) Provide for the compilation of the required specifications to ensure that its needs are met; and
- (d) Undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

ii. Acquisition Management

- (a) That goods and services are procured by the municipality in accordance with authorized processes only;
- (b) That expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
- (c) That the threshold values for the different procurement processes are complied with; and
- (d) That bid documentation, evaluation and adjudication criteria, and general conditions of a contract are in accordance with any applicable legislation.

iii. Logistics Management

- (a) The monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- (b) The setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- (c) The placing of manual or electronic orders for all acquisitions other than those from petty cash;
- (d) Before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- (e) Regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- (f) Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

iv. Disposal Management

- a) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act

- b) Disposal can be done in the following method:
- Transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
 - Transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
 - Selling the asset; or
 - Destroying the asset.

v. Risk Management

Risk management includes:

- a) The identification of risks on a case-by-case basis;
- b) The allocation of risks to the party best suited to manage such risks;
- c) Acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
- d) The management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
- e) The assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

vi. Performance Management

- a) The performance Management system involves the entire supply chain's ability to meet end-customer needs through product availability and responsive on-time delivery.
- b) Supply chain performance crosses both functional lines.

2.9. BY-LAWS

The water services by-laws were developed and they were gazzeted in 2007. The Water Services Act 1998 provides that By-laws should be reviewed annually. The department conducted the review of the by-laws in this financial year and some workshops for public participation were conducted.

Revised	Public Participation conducted prior to adoption of by-laws (Y/N)	Dates of Public Participation	By-Laws Gazetted (Y/N)	Date of Publication
Water and Sanitation by-laws	Y	Done on monthly bases	N	Not Yet

2. 10 WEBSITES

Type of Document	Posted to the municipal website (Y/N)	Comments
The current annual and adjustments budgets, all budget-related documents and policies	Y	N/A
The previous annual report	Y	N/A
All service delivery agreements	Y	N/A
All performance agreements for section 57 managers	Y	N/A
All long-term borrowing contracts;	Y	N/A
All supply chain management contracts above a prescribed value	Y	N/A
An information statement containing a list of assets over a prescribed value that have been disposed of	N	N/A
Contracts having future budgetary implications	Y	N/A
Public-private partnership agreements listed in section 120 of the MFMA	N/A	N/A
All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA	Y	N/A

HGDM has drafted policies that will ensure full compliance with the requirement of section 75 of the MFMA.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Harry Gwala District Municipality did not conduct the Customer Satisfaction Survey in the 2013/2014 financial year to ascertain the level of satisfaction by community on service delivery. However, in the 2014/2015 financial a budget has been put aside to execute this exercise.

2.12 ALL MUNICIPAL OVERSIGHT COMMITTEES

The Municipal Structures Act, 117 of 1998 prescribes the methodology for the establishment of Municipal Council Committees. Further, the Local Government Municipal Systems Act no.32 of 2000 amongst other issues provides the framework for core planning, Performance Management and Human Resources Management.

A. TERMS OF REFERENCE OF THE FINANCE AND CORPORATE SERVICES COMMITTEE

i. Functions and Scope of Mandate for the Committee

The Finance and Corporate Services Committee assists the Executive Committee to promote a safe, healthy and enabling environment. The Committee is responsible for research, planning and recommendation of best methods and strategies with respect to the following functions of the Municipal Council and advising the Executive Committee on all policy matters while ensuring appropriate systems and procedures.

- Receive reports and evaluate progress on Human Resources, Administrative and Communication issues.
- Make recommendations on legislation and policies relating to Human Resources, Administrative Finance and Communication matters.
- Matters related to the job evaluation and grading of staff.
- Performance Management that is cascaded to employees below Section 56 Managers.
- Implementation of new structures and strategies.
- Ensuring that administrative systems and processes of Harry Gwala District Municipality are in line with National principles e.g Batho Pele principles.
- Deliberate on all finance related matters.
- Deliberate on Communication matters.

- Assist the Executive Committee in the allocation if applicable, the distribution of grants made to the District Municipality such as LGSETA grants.
- Monitoring of Workplace Skills Plan and all other related programmes.
- Assist the Executive Committee in water tariffs related matters by developing revenue enhancement strategy.
- Policy decisions relating to:
 - The recruitment, selection and appointment of persons as staff members.
 - The monitoring, measuring and evaluation of staff performance.
 - The dismissal and retrenchment of staff.
 - Conditions of service for employees.
 - Labour Relations matters.
 - Human Resources Development.
 - Transformation and diversity management.
- Any other matters related to:
 - General Administration
 - Security Services
 - Organisational Development
 - Committees Management an Administration
 - Registry Services
 - Information Communication Technology Management
 - Communication

ii. Delegated Authority/Powers of the Committee

The Finance and Corporate Services Committee shall have delegated powers with respect to the following, which maybe extended or amended by the Executive Committee at any given point.

- Participating in National and Provincial development programmes
- Formulating policies and procedures in respect of its legislative functions and considering all matters of a policy nature.
- Assist the Executive Committee to maximize the effectiveness of the administrative capacity of the Municipality.
- Review conditions of employment and related staff matters as directed by South African Local Government Association.
- Consider any Human Resources, Administrative or Finance related matters requiring provision of funds additional to those provided for in the budget and recommend to the Executive Committee.

iii. Administrative Functions

- The Committee shall advise the Executive Committee on all fiscal and other strategies designed to promote development and sound management of social community issues.
- The Committee shall set its annual calendar of meetings and programmes.
- The Committee shall oversee the implementation of resolutions taken by the Executive Committee with respect to its functions.
- The Committee shall receive secretarial support from the Corporate Services Department.
- Guidance, support and deliberations on reports will be led by the Executive Director: Corporate Services and the Chief Financial Officer.

B. TERMS OF REFERENCE OF THE SOCIAL SERVICES AND DEVELOPMENT PLANNING COMMITTEE

i. Functions and Scope of Mandate for The Committee

The Social Services and Development Planning Committee assists the Executive Committee to promote a safe, healthy and enabling environment. The Committee is responsible for undertaking research, planning and recommendation of best methods and strategies with respect to the following functions of the Municipal Council, in each case advising the Executive Committee:

- Social Development strategies for all sectors of the District community, including but not limited to Senior Citizens, Youth, Women (Gender issues), children and people with disabilities.
- Environmental Health System: the planning and development of a system and mechanisms to implement an effective and efficient environmental health system.
- Sports and Recreation, Heritage, Arts and Culture: coordinating and initiating programmes and projects aimed at developing the skills, knowledge, talent and participating in social regeneration of all sectors of the community.
- Disaster Management: planning and local economic including disaster mitigation i.e. put measures in place to deal with disaster should it happen.
- The Committee approves development applications.
- The Committee works in promoting Tourism within the District.
- Establishment of poverty alleviation initiatives
- The Committee monitors progress and use of land after transfer.
- Revitalisation of declining towns.
- Encouragement of livable and sustainable human settlements.
- Development of sector plans and monitor that sector plans are undertaken.

- Undertaking any other related functions, which may be requested by the Executive Committee.
- Receive reports and evaluate progress.

ii. Delegated Authority/Powers of the Committee

The Committee has delegated powers with respect to the following, which may be extended or amended by the Executive Committee at any given point:

- Participating in National and Provincial Social Development Programmes.
- The Committee shall consider supporting indigent families for burial services of their family members.
- Referral of any matter falling within its delegated authority to the Executive Committee or any Committee for consideration in the first instance.
- Requesting that an item be deliberated on in a joint session with another Municipal Council Committee.
- Formulating policies and procedures in respect of its legislative functions and considering all matters of a policy nature incidental to the terms of reference.
- And other authority delegated to it by the Executive Committee, notwithstanding that a request may be made for a delegation to be authorized.

iii. Administrative Functions

- The Committee shall advise the Executive Committee on all fiscal and other strategies designed to promote development and sound management of social community issues.
- The Committee shall set its annual calendar for meetings and programmes, which shall be advertised in the print or broadcast media.
- The Committee shall oversee the implementation of resolutions taken by the Executive Committee with respect to relevant functions.
- The Committee shall receive secretarial support services from the Corporate Services Department.
- Guidance, support and deliberations on reports will be led by the Executive Director: Economic and Community Services.

C. TERMS OF REFERENCE OF THE INFRASTRUCTURE COMMITTEE

i. Functions and Scope of Mandate of the Committee

The object of the Infrastructure Committee is to assist the Executive Committee to promote service delivery within the District Municipality. The Committee shall be responsible for undertaking research, planning and recommendation of best methods and strategies with respect to the following functions of the Municipal Council, in each case advising the Executive Committee. The functions of the Infrastructure Committee are tabulated as follows:

- Bulk electricity supply which includes for the purposes of such supply, the transmission, distribution and where applicable the generation of electricity.
- Bulk sewage reticulation infrastructure (including bulk water reticulation and domestic waste water) and solid waste disposal.
- Solid Waste disposal infrastructure relating to the determination of waste disposal strategy. Establishment operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities.
- Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole.
- Any other municipal public works allocated to the municipality.
- The Infrastructure Committee shall advise the Executive Committee on all fiscal and other incentives designed to promote infrastructure development.
- Overseeing of the implementation of infrastructure projects.
- Prioritization of infrastructure development projects and recommend to the Executive Committee.
- Support administration in community liaison issues relevant to infrastructure development.
- Represent Council on seminars/ workshops related to Infrastructure development.
- The Committee must recommend the provision/approval of funds for unforeseen infrastructural improvements.
- Overseeing the implementation of projects and support committees relevant to community development.

ii. Delegated Authority/ Powers of the Committee

The Committee shall have delegated powers with respect to the following which may be extended or amended by the Executive Committee at any given point:

- The Infrastructure Services Committee may perform any duties and exercise any powers delegated to it by the executive committee.
- The Infrastructure Services Committee shall report to the Executive Committee in accordance with the directions of the Executive Committee.
- Participating in National and Provincial infrastructure related development programmes.
- Requesting that an item be deliberated on in a joint session with another Municipal Council Committee.
- Formulating policies and procedures in respect of its legislative functions and considering all matters of a policy nature.
- Combine priority lists of infrastructural projects for approval by the Executive Committee.
- On site inspection of projects on the ground.
- Monitor implementation of projects.
- Receive and evaluate progress reports of infrastructure projects.
- Nominate delegates to attend seminars, conferences and summits.

iii. Administrative Functions

- The Committee shall advise the Executive Committee on all fiscal and other strategies designed to promote development and sound management of projects.
- The Committee shall set its annual calendar for meetings and programmes, which shall be advertised in the print or broadcast media.
- The Committee shall oversee the implementation of resolutions taken by the Executive Committee with respect to relevant functions.
- The Committee shall receive secretarial support services from the Corporate Services Department.
- Administration and giving advise and guidance will be led by the Executive Director: Infrastructure Services.

D. TERMS OF REFERENCE OF THE WATER AND SANITATION COMMITTEE

i. Functions and Scope of Mandate

The Water and Sanitation Committee in performing its duties must identify and develop criteria in terms of which progress in the implementation of water and sanitation strategies, programs and services it recommended to the Executive Committee can be evaluated, including key performance indicators which are specific to the Municipality and common to local government and water sector in general. The functions and scope of the committee include the following:

- Provide to the Executive Committee, recommendations on legislation and policies relating to the following functions:
 - 1) Water;
 - 2) Sanitation;
 - 3) Ensure that all Safety issues relating to the above are adhered to;
 - 4) Legislative compliance; and
 - 5) Receive progress reports on the issues mentioned above and evaluate progress.
- Responsible for assisting the Executive Committee in the co-ordination of functions pertaining to its portfolio.
- Considering reports from the designated officials for the portfolio or other functionary and submit its recommendations on such issues to the Executive Committee
- Perform any duties and exercise any powers delegated to it by the Executive Committee
- May sub-delegate any duty or power delegated to it by the Executive Committee to any Political Office Bearer or the Municipal Manager
- May within the limits of any Policy Directives of the Executive Committee and adopted Integrated Development Plan issue policy directives to any Political Office Bearer or the Municipal Manager to whom discretion has been sub-delegated by it for the exercise of any power by such person under such sub-delegation

- Assist the Executive Committee in promoting a safe and healthy environment by advising the Executive Committee on the following:
 - All policies and by-laws for the water and sanitation services
 - The review of those bylaws, regulations, rules and tariffs that regulate and arise out of matters within the Terms of Reference of the Committee and the proposal of amendments and additions thereto.
- Appoint from within its membership a sub-committee with powers to coopt such other members as the sub-committee deems fit, to consider and report to the committee on any matter falling within its terms of reference
- Consider all matters of a policy nature incidental to the terms of reference
- Recommend to the Executive Committee strategies, programs and services to address water and sanitation needs through the water services development plan and integrated development plan; taking into account any applicable national and provincial development strategies;
- Recommend or determine the best methods, including partnership and other approaches, to deliver water and sanitation services, programs and services to the maximum benefit of the community
- Oversee random water quality testing undertaken within the district municipality
- Evaluate progress against the key performance indicators, which include provision of water and sanitation
- Monitor water services administration
- Oversee the provision of water and basic sanitation services to the community in a sustainable manner, in compliance with Section 3 of the Water Services Act
- Make recommendations to the Executive Committee about provision of water services to areas outside the district municipality
- Report to the Executive Committee on all decisions and resolutions taken by it
- Where necessary, make a request to the district municipality for financial, technical and administrative support services for unforeseen water development services, planning and provision related matters.

ii. Delegated Authority/ Powers of the Committee

The Committee shall have delegated powers with respect to the following, which may be extended or amended by the Executive Committee

- Participating in National and Provincial water and sanitation programs.
- Referral of any matter falling within its delegated authority to the Executive Committee for consideration in the first instance.
- Requesting that an item be deliberated in a joint session with another Municipal Council Committee.
- Formulating policies and procedures in respect of its legislative functions and considering all matters of a policy nature incidental to the terms of reference

- Any other authority delegated to it by the Executive Committee, notwithstanding that a request may be made for a delegation to be authorized

iii. Administrative Functions

- The Committee shall advise the Executive Committee on all fiscal and other strategies designed to promote development and sound management of water and sanitation issues
- The Committee shall set its annual calendar for meetings and programs
- The Committee shall oversee the implementation of resolutions taken by the Executive Committee with respect to relevant functions
- The Committee shall receive secretarial support services from the Corporate Services Department.
- The Executive Director: Water Services shall give direction, guidance, support and reports to the Committee.

E. STANDING COMMITTEE ON PUBLIC ACCOUNTS

Council established a municipal SCOPA by Council Resolution to oversee the expenditure of public funds in order to ensure the efficient and effective utilization of council resources and to enhance the political accountability of Council. The primary purpose of the municipal SCOPA is to assist Council in holding the executive and the municipal administration to account.

i. Functions and Powers

- SCOPA may examine the following documents:
 - Audit Report on annual financial statements of the Municipality
 - Any reports issued by the Auditor- General on the affairs of the Harry Gwala District Municipality.
 - The Annual report of the Municipality.
 - The Mayor’s quarterly report on the implementation of the budget and the financial state of affairs of the municipality;
 - Any other financial statement or reports referred to SCOPA by the Council.
 - Any information relating to personnel; books of account, records, assets and liabilities of the Council.
 - Relevant information that may be required for the purpose of fulfilling its mandate.
- SCOPA may report on or make recommendations in relation to any of the reports or financial statements which it may examine.

- In its examination (mentioned in 2) SCOPA must take into account previous statements and reports and consider the degree to which previously identified shortcomings have been rectified. The committee must report to Council on its findings.
- The committee shall initiate and develop the annual Oversight report on the Municipality's Annual Report.
- The committee may initiate, direct and supervise investigations referred to it and render an opinion on such recommendations.
- SCOPA may consider any Audit Committee recommendations referred to it and render an opinion on such recommendations.
- The committee may request or invite members of the public to attend any meeting of the Committee in terms of s.16(1) of the Municipal Systems Act, to assist it with the performance of its function
- SCOPA may co-opt advisory members or experts to advise the committee in its deliberations, provided that such persons may not vote on any matter

ii. Membership

SCOPA consists of five Councillors to be appointed by the Speaker as directed by the Council. The Council may, by the resolution remove from office one or more of the members of the Committee. If all the members of the committee are removed, a new election of members must be held.

SCOPA may co-opt not more than 5 advisory members who are not Councillors on the basis of their knowledge and experience in matters pertaining to the above terms of reference.

iii. Chairperson

The Council must elect the Chairperson of the committee from amongst the ordinary members of SCOPA and such office bearer must hold office for a term ending when the next Council is elected.

The committee must elect from amongst its ordinary members a deputy Chairperson and such office bearer must hold office for a term ending when the next council is elected.

iv. Quorum and Decision Making

A majority of the Committee constitutes a quorum for a meeting of the Committee. A question before the committee is decided if there is agreement amongst at least the majority of the members present at the meeting. If on any question there is an equality of votes, the members presiding must exercise a casting vote in addition to that member's vote as a member. Meeting of the committee must be conducted in accordance with the Standing Rules of Order of Council and any dispute arising from an interpretation of such rules must be to the Speaker of the Council whose decision in the matter shall be final.

v. Meetings

The committee must meet at least bi-monthly as directed by the Speaker of the Council after consultation with the chairperson of the committee; subject to the condition that any cancellation/ postponement of a meeting is approved by the Speaker. The committee may determine its own procedure for the conducting of meetings.

vi. Relationship and Other Structures

SCOPA may liaise with:

- The Municipal Manager
- The Mayor;
- The internal Audit Unit of the Municipality
- The Audit Committee
- The person designated by the Auditor General to audit the financial statements of the municipality
- Other committees of the Harry Gwala Municipal Council; and
- Heads of Departments

SCOPA exercises an oversight role over the executive and the Administration with regard to matters falling within its area of competence. In keeping with good governance, an oversight committee cannot report to EXCO. SCOPA accordingly reports and makes recommendations to Council via the Speaker.

vii. Administration Support

Administration support to the Committee will be provided by the *Director of Corporate Service*.

Chapter 3 – Service Delivery Performance (Performance Report Part I)

Chapter 3 focuses on service delivery on a service-by-service basis. It considers municipal performance derived from IDP objectives, translated into the SDBIP and presents data on Community needs and resource deployment. The service delivery issues are structured, captured and reflected under the priorities contained in the IDP in order to allow easy comparisons on achievements against budget and SDBIP. Refer Annexure B.

The municipality is currently planning for six regional schemes that are meant to address the current imbalances between supply and demand due to stand-alone rudimentary schemes such as boreholes, protected springs etc.

This move will further the issue of water quality since water from these regional schemes will be purified in bulk to meet the blue drop requirement.

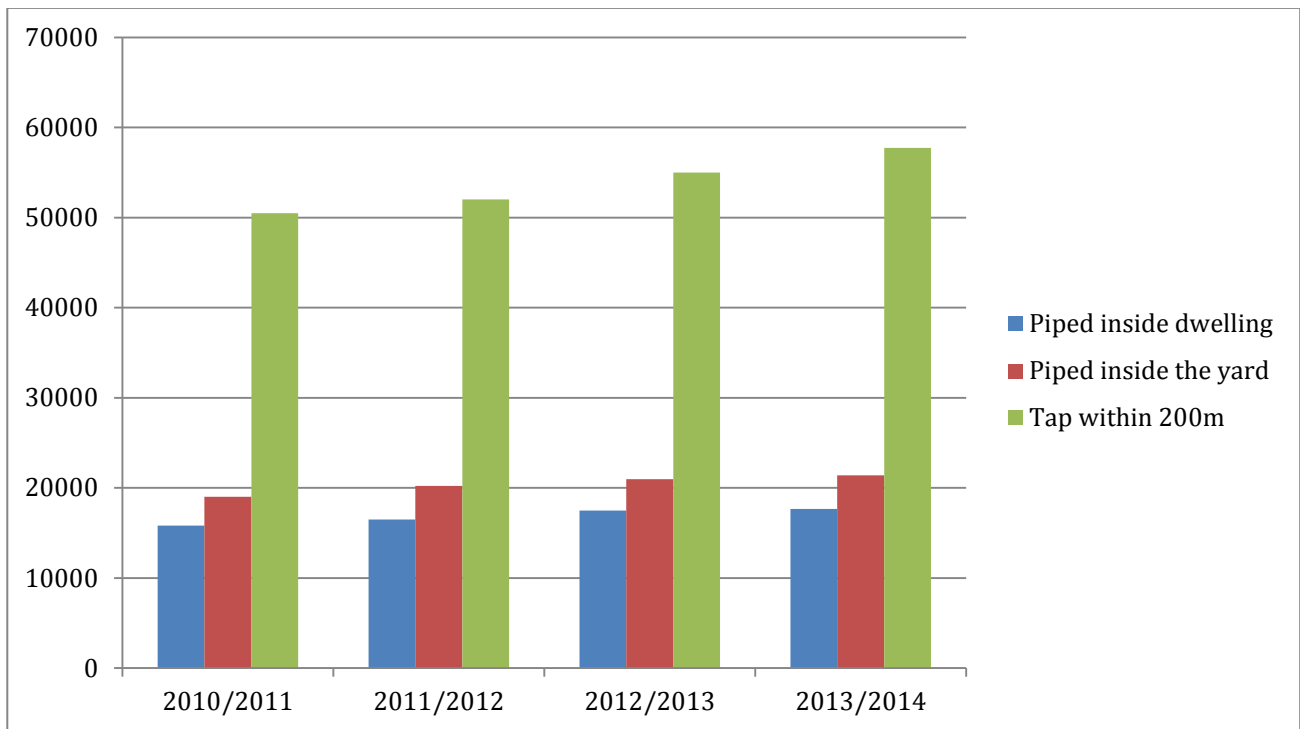
LOCAL MUNICIPALITY	STORAGE (m ³)	AGRICULTURE	FORESTRY	WATER SUPPLY SERVICE	INDUSTRY & MINING
		(m ³ /annum)	(m ³ /annum)	(m ³ /annum)	(m ³ /annum)
Ingwe	10 429 480	25 431 501	23 779 273	1 164 574	126 250
KwaSani	26 084 800	39 110 381	7 655 851	1 921 575	128 600
Greater Kokstad	1 280 227 400	33 340 523	2 726 074	8 066 571	36 792
Ubhulebezw e	8 906 520	17 016 054	15 686 612	2 220 115	0
Umzimkhulu	306 050	1 627 700	18 993 921	3 491 225	18 250
Totals	1 325 954 250	116 526 159	68 841 731	16 864 060	309 892

It is evident from the above table that the Agricultural sector is consuming high volumes of water from existing resources as compared to the provision of water for human consumption. The Industry and Mining sectors are consuming the least.

The water service delivery levels are as follows:

Water (above min level)	2010/2011	2011/2012	2012/2013	2013/2014
piped water inside dwelling	15 825	16 515	17 500	17 675
piped water inside yard (but not in dwelling)	19 023	20 214	20 967	21386
Using public tap (within 200m from dwelling)	50 481	52 000	55 000	57750
other water supply (within 200m from dwelling)				
min service level and above sub-total	66306	67825	70825	73 658
min service level and above percentage	59.18%	60.53%	63.20%	65.57%
<i>Water (below min level)</i>				
Using public tap (more than 200m from dwelling)				
other water supply (more than 200m from dwelling)	45751	44232	41232	39 269
no water supply				
below minimum service level sub-total	45751	44232	41232	39 269
below minimum service level percentage	40.82%	39.47%	36.80%	35.04%
total number of households (including informal settlements)	112057	112057	112057	112057
<i>Formal Settlements</i>				
Total Households	96232	96232	96232	96232
Households below minimum service levels	45751	44232	41232	39 269
Proportion of households below minimum service levels	47.54%	45.96%	42.85%	40.80%
<i>Informal Settlements</i>				
Total Households	0	0	0	0
Households below minimum service levels	0	0	0	0
Proportion of households below minimum service levels	0	0	0	0

Access to water bar graph



Employees: Water Services

Job Level	FY 2012/13	F/Y 2013-2014		
	No. of Employees	No. of Funded Posts	No. of Employees	No. of Vacancies
Grade A 1-3	78	0	74	2
Grade B 1-5	40	1	42	10
Grade C 1-5	21	4	25	1
Grade D 1-5	16	0	16	5
Grade E 1-2	2	0	2	1
No grade	1	0	1	0
Total	158	5	160	19

Financial Performance Year 2013-2014: Water Services

Details	FY 2012/13	F/Y 2013-2014			
	Actual	Original Budget	Adjustment Budge	Actual	Variance Budget
Total Operational Revenue	207 906 078	56 748 262	48 957 226	53 250 712	-4 293 486
Expenditure:					
Employees	9 897 589	44 984 628	44 984 628	44 334 974	649 654
Repairs and Maintenance	0				
Other	20 667 980	13 822 662	18 945 765	20 679 967	-1 734 202
Total Operational Expenditure	30 565 569	58 807 290	63 930 393	65 014 941	-1 084 548
Net Operational Expenditure	177 340 509	-2 059 028	-14 973 147	-11 764 229	-3 208 928

Capital Expenditure Year 2013-2014: Water and Sanitation Services

This report aims at summarizing the utilization of the 2013/14 Municipal Infrastructure Grant (MIG) funding to the Harry Gwala District Municipality. The objective of the MIG funding is to expedite service delivery to Municipalities that have backlogs in order to reach the stated Millennium Development Goals. The 2013/2014 MIG allocation was R173, 618,000.00. This report sets out to show the level of usage and implementation of the MIG funds in the year 2013/2014 and also to show the impact of the funding on the community as the beneficiaries.

Background:

Month	Total Monthly Payments
July 2013	R 182,505.10
August 2013	R11,592,804.97
September 2013	R 14,141,358.30
October 2013	R 24,803,637.72
November 2013	R 8,269,821,52
December 2013	R 38,692,128.74
January 2014	R 16,972,909.74
February 2014	R 7,738,010.45
March 2014	R 15,998,373.73
April 2014	R 9,628,725.57
May 2014	R 8,990,166.99
June 2014	R 16,607,557.17
<i>PMU Operational costs (2.014%) included in the monthly expenditure</i>	<i>R 3,496,000.00</i>
TOTAL	R173,618,000.00

Since the establishment of the PMU section in mid-2008, the MIG expenditure showed marked and tremendous improvement in Harry Gwala District Municipality. The table below shows the MIG expenditure performance in the last 4 years.

	2010/2011	2011/2012	2012/2013	2013/2014
MIG Budget	R113,585,178.00	R136,610,000.00	R165,717,000.00	R173,618,000.00
Expenditure	R113,585,178.00 (100%)	R136,610,000.00 (100%)	R165,717,000.00 (100%)	R173,618,000.00 (100%)

Expenditure Details:

The Table below shows the monthly expenditure from July 2013 to June 2014. Expenditure on PMU salaries was also taken from the MIG allocation.

Monthly MIG Expenditure

NB: The 100% expenditure of the MIG allocation was reached by 30th June 2014.

The following schedules show the extracts from the 2013/14 PMU Business Plan and the actual expenditure and status of projects executed in the 2013/14 financial year. **The expenditure shown and the physical progress is the actual current progress as end 30th June 2014.**

2013/2014 WATER AND SANITATION PROJECTS:

Project Description	Type	2013/2014 (R)	2014/2015 (R)	2015/2016 (R)
Enhlanhleni/KwaPitela Water Project		262,757.31	1,000,000.00	0
Underberg Wastewater Works	Multi-year	918,324.64	0	0
Underberg Bulk Water Supply Upgrade Phase 2	Multi-year	0	4,580,053.00	9,906,766.47
Mqatsheni Stepmore Water Supply Project	Multi-year	1,472,636.02	0	9,000,000.00
Ebovini/ Emazabekweni Community Water Supply		100,856.17	0	0
Riverside Wastewater Works		38,216.32	0	0
Mahwaqa Water Supply		573,161.54		
Pakkies Ext Phase 2		848,017.28	856,315.00	0
Makhoba Housing Water Project	Multi-year	5,907,827.49	4,170,979.00	0
Franklin Bulk Water and Sewer Upgrade		439,538.78	0	0
Horseshoe Sanitation Project - New	Multi-year	4,342,172.26	10,689,070.00	15,000,000.00

Greater Kokstad Water Conservation and Demand Management		0	0	0
Kokstad Rudimentary Water Projects		0	214,129.00	0
Khukhulela Water Supply	Multi-year	2,728,238.98	3,425,287.00	8,065,370.00
Sisonke District Disaster Management Centre	Multi-year	1,636,227.19	7,252,399.00	
Greater Kilimon Water Supply Project	Multi-year	4,031,127.65	9,683,501.00	10,000,000.00
Greater Nomandlovu Water Supply Scheme		7,492,393.54	13,477,216.00	5,425,970.00
Ingwe Households Sanitation Project	Multi-year	11,521,316.42	7,000,000.00	4,500,000.00
Bulwer to Nkelabantwana and Nkumba Water Project	Multi-year	2,353,865.81	7,593,686.00	0
Greater Mbhulelweni Water Supply Project	Multi-year	0	3,000,000.00	10,000,000.00
Mangwaneni Water Supply Project		4,675,478.32	2,685,519.00	0
Ubuhlebezwe Sanitation backlog eradication	Multi-year	11,453,129.44	4,000,000.00	4,000,000.00
Hlokozi Water Project		4,492,087.90	0	0
Ixopo - Marianthal Water Supply Project	Multi-year	6,202,959.01	9,240,199.00	8,048,255.58
Highflats Town Bulk Water Supply Scheme	Multi-year	0	0	11,196,799.05
Umkhunya Water Supply Project	Multi-year	1,920,000.00		10,000,000.00
Ithubalethu Water Supply	Multi-year	7,016,284.89	8,691,523.00	14,798,593.00
Ncakubana Water Supply Project		0	5,832,164.00	2,500,000.00
Chibini Water Supply Project	Multi-year	17,029,593.84	5,363,371.00	15,000,000.00
Ufafa Water Supply Project	Multi-year	216,837.48	13,264,164.00	15,000,000.00
Santombe Water Supply Project	Multi-year	22,610,270.34	20,647,708.00	10,000,000.00
Greater Umzimkulu Sanitation Project	Multi-year	15,864,981.19	2,955,307.00	5,000,000.00
Greater Summerfield Water Project	Multi-year	2,376,693.07	10,000,000.00	10,000,000.00
Umzimkulu Sewer Upgrade Phase 2	Multi-year	2,343,061.86	7,000,000.00	0
Sisonke District Municipality		12,438,310.08	0	0

Rural Rainwater Harvesting Programme				
Umzimkhulu Bulk Water Supply		0	1,772,346.00	
KwaTshaka Rural Water Supply Schemes		1,499,108.71	1,487,496.00	0
KwaMey/Theekloof Water Supply	Multi-year	2,936,479.47	18,000,000.00	15,000,000.00
Bulwer Dam Emergency Intervention - Water Supply Scheme	Multi-year	12,380,047.00	0	0

Project Description	Type	2013/2014	2014/2015	2015/2016
PMU operational costs	Annual	3,496,000.00	3,145,568.00	3,292,245.88
TOTAL project Amount 2013/14 to 2015/16	Annual	170,122,000.00	183,882,432.00	192,441,754.10
DORA allocation 2013/14 – 2015/2016		173,618,000.00	187,028,000.00	195,734,000.00

Comments on the performance of water services

The progress on Project implementation is summarized below. Projects completion was affected in some instances by lack of capacity of service providers but the PMU addressed these challenges in order to complete the projects. Projects were implemented within the MIG framework. Consulting engineers were used for the design and supervision of the projects, and only CIDB registered Contractors were used in the construction process and the Municipality PMU monitored the service providers during implementation.

The projects had local community involvement in the following manner:

- A Community Liaison Officer (CLO) was employed and involved in all projects
- The Councillors for the particular area was actively involved in the Project Steering Committee and was represented at meetings by the CLO
- Local labour was employed for project implementation

Name of the project	Project Description	Capacity(Scope of work)	Total Approved Project Budget R	Total Cumulative Expenditure R	Physical progress (30 June 2014)	Remarks
Santombe Water Supply Project -Phase 3	New reservoirs, pumping station and bulk water pipelines	4*2m ^l reservoirs + 1 m ^l reservoir 18 km rising main pipelines	66,198,348.00	53,311,282.40	Construction in progress (70%)	Multi-year project
Underberg Wastewater Works (AFA)	New Sewerage treatment works	Sewerage treatment works	91,348,623.00	2,337,268.88	Design Stage	
Umkhunya Water Supply Schemes	Increase the capacity of the existing treatment plant	8Ml/day	161,364,597.51	3,541,511.67	Design stage	Multi-year project
Franklin Bulk Water & Sewerage Upgrade (AFA)	Elevated Tank, pump station and 2,2km rising main pipeline	40kl elevated tower, 2,2km clear water pipe	13,470,770.02	11,257,757.62	Completed	
Enhlanhleni/KwaPitela Water Project	Installation of rising main pipeline and concrete reservoir	100kl concrete reservoir, 400m rising main pipeline	5,970,012.00	2,436,398.00	Tender stage (appointment of contractor)	
Ebovini/Emazabekweni Community Water Supply	Installation of bulk water pipelines, pump station, storage reservoirs	8773m ring mainlines 30 break pressure tanks	31,100,134.45	29,792,985.45	92% construction complete	

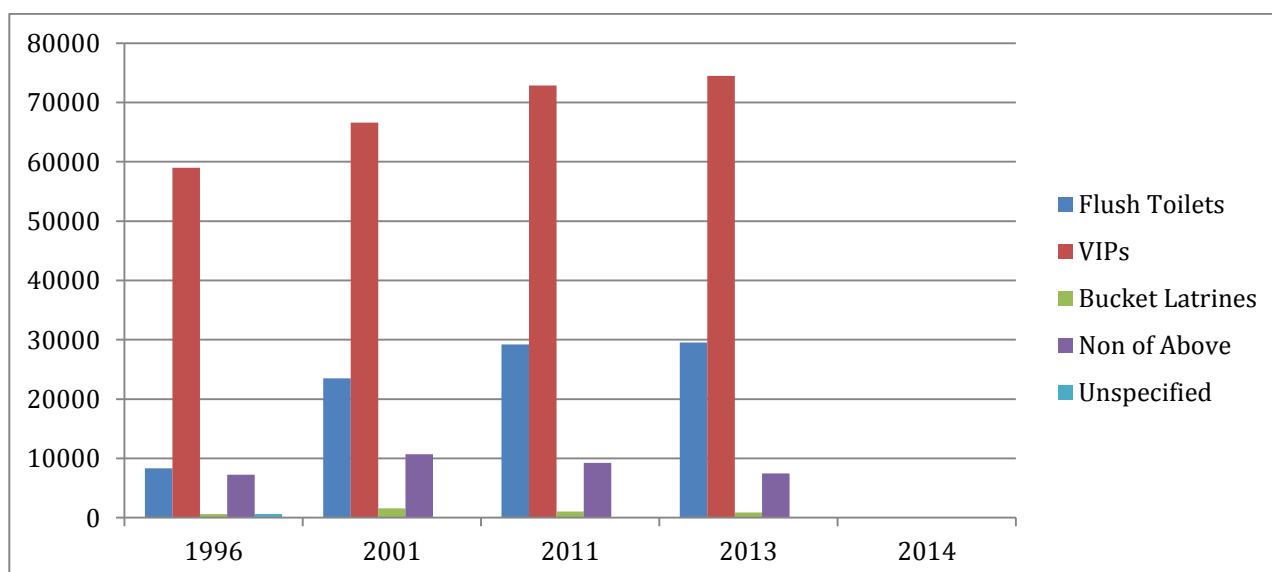
Introduction to Sanitation Provision

Water Services Development Plan (WSDP) is the umbrella framework for the provision of water and sanitation services plans. It addresses the full spectrum of water supply and sanitation services. Over and above that, HGDM ensures the alignment of policies, legislation and strategies. Some of the strategies outlined in a WSDP are free basic services strategy, water resources strategy and national water strategy.

Provision of Sanitation facilities at HGDM

Categories of Sanitation	1996	2001	2011	2013-2014
Flush toilet (connected to sewerage and with septic tanks)	8301	23477	29177	29501
Pit latrine (Ventilated)	58992	66594	72840	74 455
Bucket latrine	614	1582	1052	890
None of the above	7251	10696	9214	7437
Unspecified	561	-	-	
TOTAL			112283	112283

Access to Sanitation bar graph (in relation to years)



Employees: Sanitation Services

Job Level	FY 2012/13	F/Y 2013-2014		
	No. of Employees	No. of Funded Posts	No. of Employees	No. of Vacancies
Grade A 1-3	15	1	16	3
Grade B 1-5	8	1	9	1
Grade C 1-5	2	1	3	1
Grade D 1-5	4	0	4	1
Grade E 1-2	0	0	0	0
No grade	0	0	0	0
Total	29	3	32	6

Financial Performance Year 2013-2014: Sanitation Services

Details	FY 2012/13	F/Y 2013-2014			
	Actual	Original Budget	Adjustment Budget	Actual	Variance Budget
Total Operational Revenue	239 709 176	198 853 000	254 024 999	153 727 027	100 297 972
Expenditure:					
Employees	4 893 302	8 539 212	7 528 905	8 595 606	-1 066 701
Repairs and Maintenance	43 860	0	499 460	208 590	290 870
Other	67 128 540	2 449 262	48 006 813	75 064 758	-27 057 945
Total Operational Expenditure	72 065 702	11 038 474	56 035 178	83 868 954	-27 833 776
Net Operational Expenditure	167 643 475	187 814 526	197 989 821	69 858 073	128 131 748

COMPONENT A: FINANCIAL SERVICES

During 2013-2014, debt recovery was handled as follows:

SERVICES	ACTUAL ACCOUNTS BILLED IN 1213	% PROPORTION OF ACCOUNTS VALUE BILLED THAT WERE COLLECTED
Water B	R3 813 416.38	2.91%
Water C	R29 884 197.98	66.81%
Sanitation	R13 105 906.41	48.62%

Employee: Financial Services

Job Level	FY 2012/13	F/Y 2013/14		
	No. of Employees	No. of Funded Posts	No. of Employees	No. of Vacancies
Grade A 1-3	0	0	0	0
Grade B 1-5	26	2	28	0
Grade C 1-5	13	1	14	3
Grade D 1-5	8	0	8	5
Grade E 1-2	3	0	2	1
Total	50	3	52	9

Financial Performance Year 2013-2014: Financial Performance

DETAILS	FY 2011/12	F/Y 2013-2014			
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
Total Operational Revenue	233 189 929	265 811 262	295 576 877	284 099158	11 477 719
Expenditure:					
Employees	8 076 165	96 614 838	100 999 432	102 197 129	1 198 000
Repairs And Maintenance	0	0	0	0	0
Other	39 479 474	66 763 295	137 045 265	170 887 555	-33 842 290
Total Operational Expenditure	47 555 639	163 378 295	238 044 697	273 084 684	-32 644 290
Net Operational Expenditure	185 634 290	102 433 129	57 532 180	11 014 474	44 122 009

COMPONENT C: CORPORATE SERVICES

Employees: Human Resource Services

Job Level	FY 2012/13	F/Y 2013-2014		
	No. of Employees	No. of Funded Posts	No. of Employees	No. of Vacancies
Grade A 1-3	10	0	10	1
Grade B 1-5	8	0	8	0
Grade C 1-5	17	0	17	1
Grade D 1-5	11	2	11	5
Grade E 1-2	3	0	3	3
No grade	2	0	2	0
Total	51	2	51	10

Financial Performance Year 2013-2014: Human Resource Services

DETAILS	FY 2012/13	F/Y 2013-2014			
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
Total Operational Revenue	R 0	R 0	R 290 557	R 43 525	R 247 032
Expenditure:					
Employees	R 2 827 704	R 1 099 818	R 1 099 818	R 2 255 384	-R 1 155 566
Repairs and Maintenance	R 0	R 0	R 0	R 0	R 0
Other	R 2 159 012	R 6 501 754	R 6 501 754	R 3 300 166	R 3 201 588
Total Operational Expenditure	R 4 986 716	R 7 601 572	R 7 601 572	R 5 555 549	-R 2 046 022
Net Operational Expenditure	-R 4 986 716	-R 7 601 572	-R 7 311 015	-R 5 512 024	-R 2 293 054

Comments on the Performance of Human Resources

The positions of all Section 56 Managers and that of the Municipal Manager have been filled in the 2013/14 financial year.

The vacancy rate in the municipality as per the approved organizational structure (2013/14) is depicted below:

● Total number of posts filled	343
● Vacant posts (funded)	49
● Frozen posts (unfunded)	437
● Total in structure	829

Human Resource Strategy / Plan

As the Harry Gwala District Municipality aims to consolidate the solid gains of the last five years and offer better quality services and performance such as exemplary political and administrative governance, it is crucial to build human resource capital to support the needs of the five year IDP.

The Harry Gwala District Municipality has a Human Resource Strategy / Plan, which aims to ensure that an organization has the right number of people, the right kind of people, in the right places, at the right time doing things that are economically most useful for the municipality. The Human Resource Strategy / Plan also deals with demands such as those posed by the implementation of the Skills Development Act, other labour legislation including programmes and policies related to the HIV/AIDS pandemic.

Skills Development

The HGDM has developed a Workplace Skills Plan to address the skills and competency needs of its employees and Councillors. The Workplace Skills Plan was submitted to the LGSETA on 30 June 2013.

The Harry Gwala District Municipality planned and implemented the following programmes for 2013/14:

- CPMD Training
- Advanced Computer training
- MFMP training
- Water Plant Operator training
- Accountancy
- Training for Environmental Health Practitioners
- PayDay training
- Accredited Councillor Training
- Minute taking and report writing
- Municipal Governance

Employment Equity

The Employment Equity profile of the HGDM was completed in the 2013/14 financial year leading to the development of an Employment Equity plan for the municipality.

Below is the current municipal employee profile in the Harry Gwala District Municipality:

- Africans: 95.60 %
- Coloureds: 3.53 %
- Indians: 0.29 %
- Whites 0.58 %
- People with Disabilities 1.54 %

COMMENTS ON THE INFORMATION COMMUNICATION AND TECHNOLOGY (ICT)

Due to the deteriorating ICT infrastructure, the Harry Gwala District Municipality upgraded its ICT infrastructure by installing a new server and buying software licenses. Employees and Councillors were migrated from the old server to the new server. This has enabled us to access speedily the internet, e-mail, etc. and also to meet the demands of the municipality. The municipality is currently busy with revamping of the website to ensure that the communities, government departments, etc. are able to access documentation which has been uploaded as prescribed by legislation.

In August 2013, the Harry Gwala District Municipality approved Information Communication and Technology Security Policy and the Information Technology Governance Framework. Furthermore, roles and responsibilities for the Information Communication and Technology (ICT) Steering Committee were developed and the Committee members have been appointed.

The municipality will be developing the Disaster Recovery Plan (DRP) and Business Continuity Plan (BCP) as a Service Provider has been appointed to do the work.

Employees: ICT Services

Job Level	FY 2012/13	F/Y 2013-2014		
	No. of Employees	No. of Funded Posts	No. of Employees	No. of Vacancies
Grade A 1-3	0	0	0	0
Grade B 1-5	0	0	0	0
Grade C 1-5	0	0	0	0

Grade D 1-5	2	1	2	1
Grade E 1-2	0	0	0	0
No grade	0	0	0	0
Total	2	1	2	1

Financial Performance Year 2013-2014: ICT Services

DETAILS	FY 2012/13	F/Y 2013-2014			
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
Total Operational Revenue	R 0	R 0	R 677 967	R 0	R 677 967
Expenditure:					
Employees	R 6 195 676	R 10 919 881	R 10 919 881	R 6 682 697	R 4 237 184
Repairs and Maintenance	R 986 035	R 693 252	R 693 252	R 164 040	R 0
Other	R 17 017 469	R 22 802 942	R 22 802 942	R 26 205 482	-R 3 402 540
Total Operational Expenditure	R 24 199 180	R 34 416 075	R 34 416 075	R 33 052 219	R 1 363 856
Net Operational Expenditure	-R 24 199 180	- R 34 416 075	-R 33 738 108	-R 33 052 219	-R 685 889

COMPONENT D: SOCIAL, ECONOMIC, PLANNING AND DEVELOPMENT

Employees: Social Services and Development Planning

Job Level	FY 2012-13	F/Y 2013-2014		
	No. of Employees	No. of Funded Posts	No. of Employees	No. of Vacancies
Grade A 1-3	0	0	0	0
Grade B 1-5	1	0	1	0
Grade C 1-5	8	1	9	1
Grade D 1-5	10	1	11	2
Grade E 1-2	4	0	4	0
No grade	1	0	1	0
Total	24	2	26	3

Financial Performance Year 0: Social Services and Development Planning

DETAILS	FY 2012/13	F/Y 2013-2014			
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
Total Operational Revenue	8 470 539	R0	R0	R0	R0
Expenditure:					
Employees	12 878 455	R 16 809 010	R 16 809 010	R 15 200 156	R 1 608 854
Repairs and Maintenance					
Other	19 547 187	R 16 237 847	R 24 243 875	R 28 946 342	-R 4 702 467
Total Operational Expenditure	32 425 642	R 33 046 857	R 41 052 885	R 44 146 498	-R 3 093 622
Net Operational Expenditure	-61 874 587	R 33 046 857	R 41 052 885	R 44 146 498	-R 3 093 622

Comments on the Performance of Disaster Management

The Harry Gwala District Municipality has a fully functional disaster management unit as required by the Disaster Management Act (Act 57 of 2002). The Disaster Management Act obliges district municipalities to comply with the following:

- Establishment of the Disaster Management Center
- Establishment of the Disaster Management Advisory Forum
- Development of the Disaster Management Plan
- Development of the Disaster Management Framework
- Establishment of the Disaster Management Volunteer unit

ESTABLISHMENT OF THE DISASTER MANAGEMENT CENTER

The municipality is currently building the Disaster Management Center along the provincial road R56 in Morningside Ixopo. The project is nearing completion.

Whilst, the Disaster Management Center is being constructed, the Disaster Management Unit discharges its duties from the main office. A head of the Disaster Management Center was appointed with a staff complement of seven.

The Disaster Management unit conducts awareness campaigns as part of its initiatives to capacitate communities and to reduce their vulnerabilities during disaster incident and/ or disasters. During the financial year 2013/2014 about twelve community awareness campaigns were conducted. As part of mitigating and preventing the effects of fires, the municipality also procured fire beaters that are distributed within the district including to the disaster management volunteers for purposes of building a first line response to fires in case of fire occurrences.

Once again, as part of mitigating the effects of lightning in areas prone to the same, the disaster management unit installed two hundred and thirty one (231) lightning conductors.

The municipality also makes provision for budget to procure disaster relief in order to assist victims of disaster incidents and/ or disasters in case they occurred. Sponges, Emergency food parcels, plastic rolls, blankets and tents are procured with the disaster relief budget.

Although, there was no disaster declaration in the financial year 2013/2014, the municipality did experience disaster incidents around the district of which their effects were managed by the district municipality in collaboration with the sister local municipalities.

The municipality has also procured a Disaster Management Information and Communication System, which is a tool utilized for sharing of information amongst relevant disaster management organizations/stakeholders. Such system is also very helpful in expediting the assessments of disaster incidents and/or disasters and as well in keeping records of areas that are prone to disasters.

ESTABLISHMENT OF THE DISASTER MANAGEMENT ADVISORY FORUM

The above structure was launched in 2007 and has never looked back since. It is currently performing its duties fully and has seen again some of the its local municipalities also following suit by establishing their own Disaster Management Forums.

Although, time and again, inconsistency of members attending the forum turn to pose a challenge, the forum is working very hard to ensure that such a challenge is addressed.

The Forum sit four (4) times in the past financial year as required that, it sit on quarterly basis to discuss all issues pertaining to disaster management within the district.

DEVELOPMENT OF THE DISASTER MANAGEMENT PLAN

As required by the act, the municipality developed a disaster management plan that reviewed every three (3) years and the last review was in 2012. The Disaster Management Plan is a guiding document in terms of implementing projects required by the disaster management act. Enshrined in the plan is the risk assessment for the whole area of Harry Gwala and the risk prioritization.

Included in the plan once again are the risk reduction projects, that are implemented by the municipality.

DEVELOPMENT OF THE DISASTER MANAGEMENT FRAMEWORK

The municipality also developed the above framework as required by the disaster management act, which is a policy document articulating how the Harry Gwala District Municipality will go about implementing disaster management within its area of jurisdiction.

The last review of the framework was also in 2012.

ESTABLISHMENT OF THE DISASTER MANAGEMENT VOLUNTEER UNIT

The municipality in complying with the act and the volunteer regulations established a disaster management volunteer unit, of which it is keeping a data base for such volunteers. The municipality also pays a stipend to such volunteers based on task performed.

Comments on the Performance of Municipal Health Services

The Harry Gwala District Municipality was the first to transfer the service both from local municipality and provincial department of health in 2005 and 2012 respectively. Currently the service is provided at its optimal level although there are still challenges.

Within the unit, there are seven officials currently employed by the municipality which includes two Municipal Health Managers. Such a number is way below that expected to service the whole area of Harry Gwala in terms of the World Health Organization.

The municipality has made provision in its organogram for other posts but the challenge is that, they are currently not budgeted for due to financial constraints.

HEALTH AND HYGIENE AWARENESS CAMPAIGNS

The district municipality developed and approved a health and hygiene strategy that is implemented accordingly. Twelve health and hygiene awareness campaigns were conducted during the financial year 2013/ 2014. Such awareness campaigns promote personal hygiene and general housekeeping at a community level and other aspects associated with hygiene of the environment.

WATER QUALITY MONITORING

The Municipal Health Unit, was able to take and analyze two hundred water samples, in the financial year 2013/2014. Where water results indicated none compliance to the SANS 241, actions were taken to ensure that, compliance notices are served and where the community needed to be trained on safer ways of dealing with contaminated water that is done on regular basis or when a need arises.

POLICY ON PAUPER AND DESTITUTE BURIAL

The municipality developed and review on annual basis the above policy administered by the Municipal Health Services Unit for purposes of assisting local municipalities in dealing with issues of paupers and destitute burials.

STREET TRADERS WORKSHOPS

For purposes of protecting the public against unsafe food sold from the streets, the municipal health services unit conducted about sixteen (16) street traders' workshops throughout the financial year. The street traders are taught by different ways of displaying and covering their foodstuffs to prevent contamination and to ensure its safety all the time.

CLEANUP CAMPAIGNS

As part of promoting clean environment and beautification of the small towns within the area of jurisdiction of Harry Gwala, the municipality conducts cleanup campaigns and greenest municipality competition.

During the cleanup campaigns the community and school children are involved as part of instilling a culture to them that promote dumping litter where it belongs. There are also other different stakeholders that take part in such programmes.

MUNICIPAL HEALTH SERVICES FORUM

The Municipal Health Services Forum is a structure that is responsible of dealing with all municipal health issues. It sits once a quarter and has sit four (4) times in the financial year 2013/2014.

There are also other programmes performed by the unit, but of essence is that, it is performing its duties accordingly.

GREENEST MUNICIPALITY COMPETITIONS

The district municipality strives to promote a healthy and cleaner environment by having an annual greenest competition whereby all the local municipalities within the district are encouraged to channel more resources in waste management and thus ensuring that, the towns are cleaned every time and stay clean.

In the financial year 2013/2014, the overall winner of the competition was uBuhlebezwe Local Municipality.

INVESTIGATION OF COMMUNICABLE DISEASES FOOD AND CHEMICAL POISONING

One of the most important aspects dealt with by the Municipal Health Services, is that of investigating reported cases of diseases. During the financial year, there were diarrheal cases reported that were investigated.

In total the diarrheal cases were 6, and the following areas were affected Umzimkhulu, Ingwe and Ubuhlebezwe Local Municipalities

The cases were reported in uMzimkhulu at reitvlei hospital where two (2) children died as a result of the diarrhea.

Working together with the Department of Health within the district, the diarrheal outbreak was contained accordingly.

PUBLIC COMPLAINTS

The municipality also attend to different types of public health complaints that are attended to, investigated and resolved to ensure the safety of the public.

CHALLENGES

The challenges facing this unit are that, the municipality has got financial constraints and as a result it is unable to allocate adequate financial resources to ensure that, the unit receives adequate required personnel that will be aligned to the World Health Organization norm to provide a complimentary service.

Comments on the Performance in Air Pollution

The Harry Gwala District Municipality, designated Mrs. Bulelwa Mchunu in terms of section 14 (3) of the National Environmental Management: Air Quality Act (Act 39 of 2004) to be an air quality officer and she is currently doing a wonderful job on behalf of the municipality in so far as the Air Quality is concerned.

The National Environmental Management: Air Quality Act (Act 39 of 2004), section 8, requires municipalities and provinces to monitor ambient air quality.

In November 2013, the minister of Environmental Affairs, published the National Dust Control Regulations (Gazette no. 36974), in terms of section 53 to read with section 32 of the National Environmental Management: Air Quality Act (Act 39 of 2004).

The promulgation of such regulations is to attain baseline air quality data for areas where little air quality data exists. It will also assist in identifying problem areas where continuous air quality monitors can be installed.

In Harry Gwala District Municipality the Dust Bucket and Passive Sampling tools were installed within the Greater Kokstad Local Municipality in the following areas:

- Traffic Department Offices
- Kokstad College
- House No 3822, Joe Modise Street, Shayamoya
- Kokstad Primary

The tools will remain in the above areas for a period of one (1) year, where data will be collected on monthly basis by the Department of Agriculture and Environmental Affairs who will in turn share such information with the Harry Gwala District Municipality.

Comments on the Performance of LED

The Local Economic Development function was transferred to the Harry Gwala Economic Development Agency. Please see the Harry Gwala Economic Development Agency Annual Report attached as an addendum to this Annual Report.

COMPONENT F: EXECUTIVE AND COUNCIL

The employees and post numbers in the Office of the Municipal Manager are as follows, as at 30 June 2013:

Executive Committee

- Mayor X1
- Deputy Mayor X1
- Executive Committee members X3

Other Councillors

- Speaker
- Councillors who are directly and indirectly elected X20

Total Number of Councillors = 26

Staff Profile in the Office of the Mayor

Staff Profile	Status of Position
Director Strategic Support	Filled
Public Relations Officer	Filled
Executive Assistant	Filled
Driver: Mayoral Services	Filled
Protocol & Security Officer	Vacant
HIV/AIDS Co-ordinator	Filled
OSS Co-ordinator	Filled

Public sector information across all three spheres of government is required to improve service delivery across the public sector. Therefore, Public Service Regulations (2001), Chapter 1, Part III J.3: from 1 April 2001, require Annual Reports to include information on planning, service delivery, organisation, job evaluation, remuneration, benefits, personnel expenditure,

affirmative action, recruitment, promotions, termination of services, performance management, skills development, injury on duty, labour relations, leave and discharge due to ill-health, etc.

In order to measure the outcome of effective organisational development the following is highlighted:

- organisational structure enhancement;
- increased accountability;
- increased participation in problem solving, goal setting and new ideas; and
- identifying and development of skills needed to perform

In relation to the above, the content of this chapter include the following components:

- **Component A:** Introduction to the municipal workforce
- **Component B:** Managing the municipal workforce
- **Component C:** Capacitating the municipal workforce
- **Component D:** Managing the municipal workforce expenditure

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

A. COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The information cited hereunder is as per the approved Organisational structure, as at 30 June 2014.

EMPLOYEES					
Description	FY 2012/13	F/Y 2013-2014			
	No. of Employees	No. of Approved Posts	No. of Employees	No. of Vacancies	Vacancies (as a % of Total Posts)
Office of the Municipal Manager	15	17	6	3	17.64%
Budget & Treasury Services	30	71	52	7	9.86%
Water Services	186	529	193	23	4.35%
Corporate Services	28	59	40	4	6.78%
Social Services and Development Planning	25	55	30	3	5.45%
Infrastructure Services	34	34	18	0	0%
Total	296	765	339	40	44.08%

Vacancy Rate: 2013-2014			
Description	Total No. of Approved Posts	Vacancies	Vacancies (as a % of total posts per category)
Municipal Manager	1	0	0%
CFO	1	0	0%
s.57 Managers (excluding Finance)	1	0	0%
s.56 Managers (excluding Finance)	0	0	0%
s.56 Managers (Finance posts)	0	0	0%

Highly skilled supervision: levels 9-12 (excluding Finance)	74	37	50%
Highly skilled supervision: levels 9-12 (Finance posts)	17	6	35%

B. COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Section 67 of the MSA states that "A municipality, in accordance with applicable law and subject to any applicable collective agreement, must develop and adopt appropriate systems and procedures, consistent with any uniform standards prescribed in terms of section 72(I)(c), to ensure fair, efficient, effective and transparent personnel administration ..." This component cites the range of workforce management and progress made in the development of workforce policies and management practices during FY 2013-2014.

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	% Complete	% Reviewed	Date Adopted by Council or Comment on Failure to Adopt
1	Acting in higher position	100%	N/A	Adopted on 30 June 2014
2	Annual leave policy	100%	N/A	Adopted on 30 June 2014
3	Bursary policy	100%	N/A	Adopted on 30 June 2014
4	Death in Service	100%	N/A	Adopted on 30 June 2014
5	Disciplinary & Grievance policy	100%	N/A	Adopted on 30 June 2014
6	Employee wellness policy	100%	N/A	Adopted on 30 June 2014
7	Experiential training policy	100%	N/A	Adopted on 30 June 2014
8	Family responsibility leave	100%	N/A	Adopted on 30 June 2014
9	HIV and AIDS policy	100%	N/A	Adopted on 30 June 2014
10	Induction policy	100%	N/A	Adopted on 30 June 2014
11	Integrated Employee H &W	100%	N/A	Adopted on 30 June 2014
12	Internal transfer policy	100%	N/A	Adopted on 30 June 2014
13	Internship policy	100%	N/A	Adopted on 30 June 2014
14	Learnership policy	100%	N/A	Adopted on 30 June 2014
15	Occupational health and safety policy	100%	N/A	Adopted on 30 June 2014
16	Overtime policy	100%	N/A	Adopted on 30 June 2014
17	Parental leave	100%	N/A	Adopted on 30 June 2014

18	Probation leave	100%	N/A	Adopted on 30 June 2014
19	Recruitment and selection policy	100%	N/A	Adopted on 30 June 2014
20	Scarce & Critical skill policy	100%	N/A	Adopted on 30 June 2014
21	Sexual harassment policy	100%	N/A	Adopted on 30 June 2014
22	Sick leave	100%	N/A	Adopted on 30 June 2014
23	Skills development policy	100%	N/A	Adopted on 30 June 2014
24	Staff appointment policy	100%	N/A	Adopted on 30 June 2014
25	Standby policy	100%	N/A	Adopted on 30 June 2014
26	Study leave policy	100%	N/A	Adopted on 30 June 2014
27	Subsidized motor vehicle scheme	100%	N/A	Adopted on 30 June 2014
28	Termination of service policy	100%	N/A	Adopted on 30 June 2014
29	Travel and subsistence policy	100%	N/A	Adopted on 30 June 2014
	Strategies/ Plans			
	HR Strategy/ Plan	100%	N/A	Adopted on 30 June 2014
	Employment Equity Plan	100%	N/A	Adopted on 30 June 2014

4.3 INJURIES, SICKNESS AND SUSPENSIONS

There were five days lost when four of our employees were injured at work. Those employees only required basic medical attention thus the first aiders utilised the provided first aid kits. Furthermore, there were 24 days lost when two of our employees were injured at work. Those employees had to be referred to a registered Medical Practitioner for assessment.

Steps taken to reduce injuries:

- a) The municipality conducted a wellness day where employees were encouraged about living healthy lifestyle so that they can be fully fit at work.
- b) The municipality has procured signs which included warning signs, they were installed in different offices.
- c) The municipality has done a risk assessment which was basically to identify hazards and associated risks, management recommendations were made so to minimise risk
- d) The municipality has provided Employee Protective Clothing for those hazards that employees are exposed to which cannot be eliminated.

Number and Cost of Injuries on Duty				
Type of Injury	Injury Leave Taken (Days)	No. of Employees Using Injury Leave	% Proportion of Employees Using Sick Leave	Average Injury Leave per Employee
Required basic medical attention only	5	4	80%	1.25
Temporary disablement	24	1	4%	24
Permanent disablement	0	0	0%	0
Fatal	0	0	0%	0
Total	29	5	84%	25.25

Number of days and Cost of sick leave (excluding Injuries on Duty)				
Salary band	Total Sick Leave Days	No. of employees using sick leave	Total no. of employees in post	Average sick leave per employee (Days)
Lower skilled (Levels 1-2)	285	19	119	2.42
Skilled (Levels 3-5)	233	23	103	2.26
Highly skilled production (Levels 6-8)	126	25	42	3.00
Highly skilled supervision (Levels 9-12)	258	38	41	6.29
Senior management (Levels 13-15)	54	8	28	1.93
MM and s.57	1	1	6	0.17
Total	957	114	339	2.83

It should be noted that the “*Total Number of Employees in Post*” refers to the number of employees in post at the beginning of the FY 2013-2014.

Number and Period of Suspensions				
Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or Status of case and reasons why not finalized	Date finalized
Filing Clerk	CHARGE ONE-GROSS NEGLIGENCE CHARGE TWO-THEFT/MISAPPROPRIATION OF MUNICIPAL MONEY CHARGE THREE-DISHONESTY CHARGE FOUR-GROSS DISHONESTY	01 April 2014	Scheduled hearing date was the 01 st July 2014	01 July 2014
Sub-Accountant	CHARGE ONE MISCONDUCT CHARGE TWO-GROSS DISHONESTY	01 April 2014	Schedule hearing date was on the 02 July 2014	02 July 2014

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of alleged misconduct and Rand value of any loss to Harry Gwala DM	Disciplinary action taken	Date finalized
Filing Clerk	CHARGE ONE-GROSS NEGLIGENCE CHARGE TWO-THEFT/MISAPPROPRIATION OF MUNICIPAL MONEY CHARGE THREE-DISHONESTY CHARGE FOUR-GROSS DISHONESTY RAND VALUE LOSS TO HARRY GWALA R253 572,12	01 April 2014	Scheduled hearing date was the 01 st July 2014
Sub-Accountant	CHARGE ONE MISCONDUCT CHARGE TWO-GROSS DISHONESTY RAND VALUE LOSS TO HARRY GWALA R253 572,12	01 April 2014	Schedule hearing date was on the 02 July 2014

4.4 PERFORMANCE REWARDS

Performance Rewards by Gender					
Designations	Gender	Total No. of Employees in Group	No. of Beneficiaries	Expenditure on Rewards FY2013/14 (R'000)	% Proportion of Beneficiaries Within Group
Lower skilled (Levels 1-2)	Female	0	0	0	0
	Male	0	0	0	0
Skilled (Levels 3-5)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled production (Levels 6-	Female	0	0	0	0
	Male	0	0	0	0

8)					
Highly skilled supervision (Levels 9-12)	Female	0	0	0	0
	Male	0	0	0	0
Senior management (Levels 13-15)	Female	0	0	0	0
	Male	0	0	0	0
MM and s.57	Female	0	0	0	0
	Male	0	0	0	0
Total		0	0	0	0

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Section 68 of the MSA requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

4.5 SKILLS DEVELOPMENT AND TRAINING

In accordance with the National Treasury: Local Government: MFMA Competency Regulations, progress in the HGDM financial competency development is as follows:

Financial Competency Development: Progress Report						
Description	A. Total no. of official employed by HGDM	B. Total no. of official employed by HGDM Entities	Consolidated Total (A+B)	Consolidated competency assessments completed for A & B	Consolidated no. of officials whose performance agreements comply with Reg. 16	Consolidated no. of officials who meet prescribed competency levels
Financial Officials						
Accounting officer	1	1	2	1	2	1
Chief financial officer	1	1	2	0	2	0
Senior managers	4	2	6	2	6	2
Any other officials	14	0	14	4	-----	4
Supply Chain Management Officials						
Heads of SCM unit	1	0	1	1	-----	0
SCM senior managers	0	0	0	0	-----	0
Total	21	4	25	8	10	7

Skills Development Expenditure (R'000)										
	Original Budget & Actual Expenditure on Skills Development									
Management level	Gender	Emplo yees as @ begin ning of FY13/ 14	Learner ships		Skills Programmes & Other short Courses		Other Forms of Training		Total	
		No.	Original Budget	Act ual	Origin al Budget	Actual	Origina l Budget	Actual	Original Budget	Actual
MM & s57	Female	2	100 000	98 000					100 000	98 000
	Male	4	150 000	147 000					150 000	147 000
Legislators, senior officials and managers	Female	20			50 000	60 000		49000	50 000	109 000
	Male	18			50 000	79 000		98000	50 000	177 000
Professionals	Female	9			10500 0	92 000			105 000	92 000
	Male	11			90 000	72 000			90 000	72 000
Technicians and associate professionals	Female	13								
	Male	12								
Clerks	Female			60 000	12500 0	137000			125000	197 000
	Male	23		15 000	10300 0	103 000			99 000	118 000
Service and sales workers	Female									
	Male									
Plant and machine	Female	4					10 000		10 000	

operators and assemblers											
	Male	22					50 000		50 000		
Elementary occupations	Female	39					60 000	54000	60 000	54 000	
	Male	91					90 000	7000	90 000	78 000	
Sub-total	Female	127		60 000	28000	28000	16800	20100	448000	550 000	
	Male	219		15 000	23900	254 000	28700	323 000	526000	1592000	
Total		346		75 000	51900	543000	45500	52400	974000	142000	
Total budget for training and development 2013/2014								R2, 448 625.00			
% and R value of municipal salaries (original budget) allocated for workplace skills plan											

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

Harry Gwala District Municipality conducts its training through the Work Place Skills Plan. In the 2013/ 2014 financial the whole training budget was utilized, it is worth noting that the current budget is inadequate to train the affected staff.

4.6 EMPLOYEE EXPENDITURE

Number of employees whose salaries were increased due to positions being upgraded		
Designations	Gender	Total No. of Employees
Lower skilled (Levels 1-2)	Female	None
	Male	None
Skilled (Levels 3-5)	Female	None
	Male	None
Highly skilled production (Levels 6-8)	Female	None
	Male	None
Highly skilled supervision (Levels 9-12)	Female	None
	Male	None
Senior management (Levels 13-15)	Female	None
	Male	None
MM and s.57	Female	None
	Male	None
Total		None

Employees whose salary levels exceed the grade determined by job evaluation				
Occupation	No. of employees	Date of appointment	No. appointed	Reason for appointment when no established post exists
N/A	N/A	N/A	N/A	N/A

Job evaluation process is currently underway thus the table above is not applicable.

Employees appointed to posts not approved

Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exists
N/A	N/A	N/A	N/A	N/A

The HGDM Organisational structure was approved after engagement of the employer and employee representatives. There are no positions that were upgraded in the 2013-2014 financial year because the municipality is waiting for the job evaluation processes to resume.

Chapter 5 Financial Performance

Financial Performance of Operational Services

Description	2012/13	Budget Year 2013/14				
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Original Variance	Adjustment Variance
R thousands						
Expenditure - Standard						
Governance and administration	100 756	121 481	130 147	89 198	27%	31%
Executive and council	415 ¹²	18 956	18 718	17 441	8%	7%
Budget and treasury office	930 ⁵⁴	63 431	66 283	33 149	48%	50%
Corporate services	411 ³³	39 094	45 146	38 608	1%	14%
Economic and environmental services	122	45 047	48 030	44 146	2%	8%
Planning and development	122 ³⁵	33 047	34 262	28 699	0%	16%
Environmental protection	–	12 000	13 768	15 448	29%	12%
Trading services	140 192	88 467	158 754	139 740	0%	12%
Water	630 ³⁴	78 651	101 232	65 015	17%	36%
Waste water management	105 562	9 816	57 522	74 725	661%	30%
Total Expenditure - Standard	276 070	254 996	336 932	273 085	793%	216%

Grants Performance

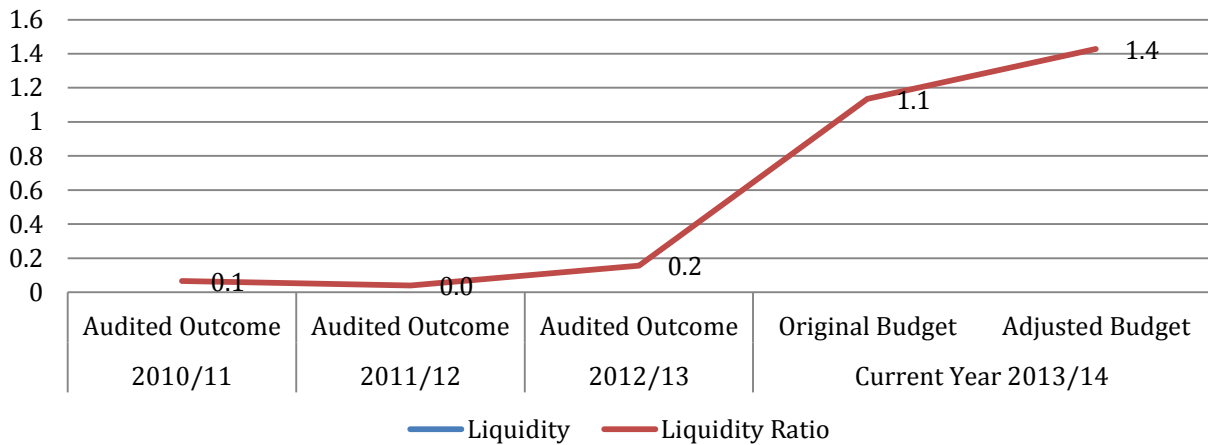
Description	2012/13	Budget Year 2013/14				
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Original Budget %	Adjustments Budget %
RECEIPTS:						
–						
Operating Transfers and Grants						
National Government:	200	220 310	220 310	700	99%	99%
Local Government Equitable Share	556 ²⁰³	216 056	216 056	056 ²¹⁶	100%	100%
Finance Management	250 ¹	1 250	1 250	250 ¹	100%	100%
Municipal Systems Improvement	000 ¹	890	890	890	100%	100%
WATER SERVICES OPERATING SUBSIDY GRANT	618 ⁹	–	–	–	0%	0%
WATER SERVICES OPERATING SUBSIDY	–	300	300	690 ²	11%	11%
Rural Transport Services and Infrastructure Grant	776 ¹	1 814	1 814	814 ¹	100%	100%
Provincial Government:	600	253	297	794	7%	8%
Infrastructure Sport Facilities		253	253	–	0%	0%
District Growth Development Summit	400				0%	0%
Accredited Councillors Training	200				0%	0%

Ig seta				44	177	3	0%	0%
Disaster management Cogta					000		0%	0%
Cogta ubuhlebezwe-Water Infra					617		0%	0%
Total Operating Transfers and Grants	800	217	220 563	220 607	494	226	97%	97%

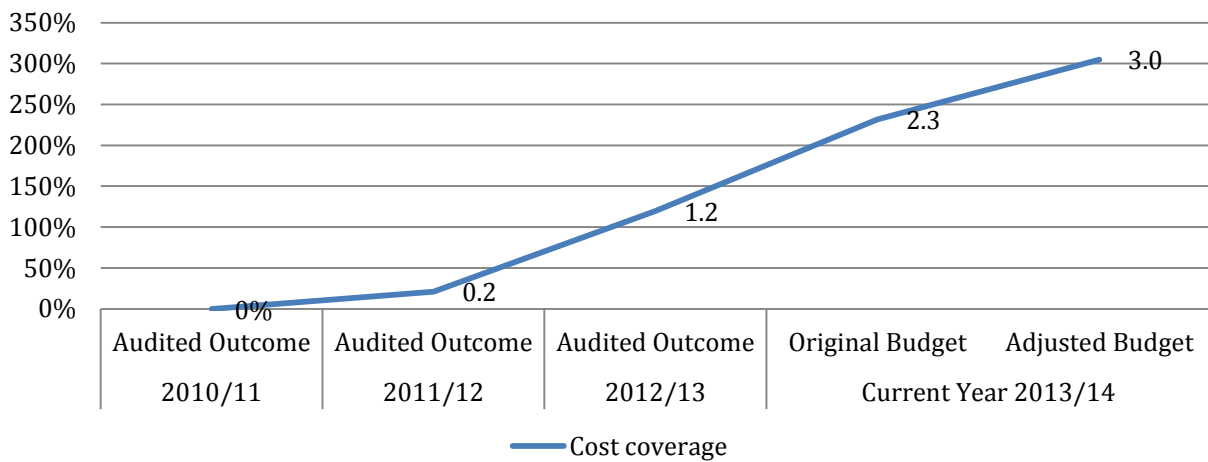
Grants Received from Sources Other Than DORA

Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget			YearTD actual	Budget Variance %	Adjustment Variance %	
R thousands									
RECEIPTS:									
Provincial Government:	600	253	297			794	3		
Infrastructure Sport Facilities		253	253	-	100%		0%		
District Growth Development Summit	400								
Accredited Councillors Training	200								
Ig seta				44		177	3	0%	0%
Disaster management Cogta						000		0%	0%
Cogta ubuhlebezwe-Water Infra						617		0%	0%
Total Operating Transfers and Grants	217 800	220 563	220 607			494	226	97%	97%
Provincial Government:	21 420	-	3 617			-	0%	0%	
ACIP Grant	620	-	-			-		0%	0%
Massification	20 800	-	-			-		0%	0%
Disaster Management Grant			3 000					0%	0%
Ubhlebezwe Grant			617					0%	0%
Total Capital Transfers and Grants	195 233	210 486	236 103			827	238	88%	99%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	413 033	431 049	456 710			321	465	93%	98%

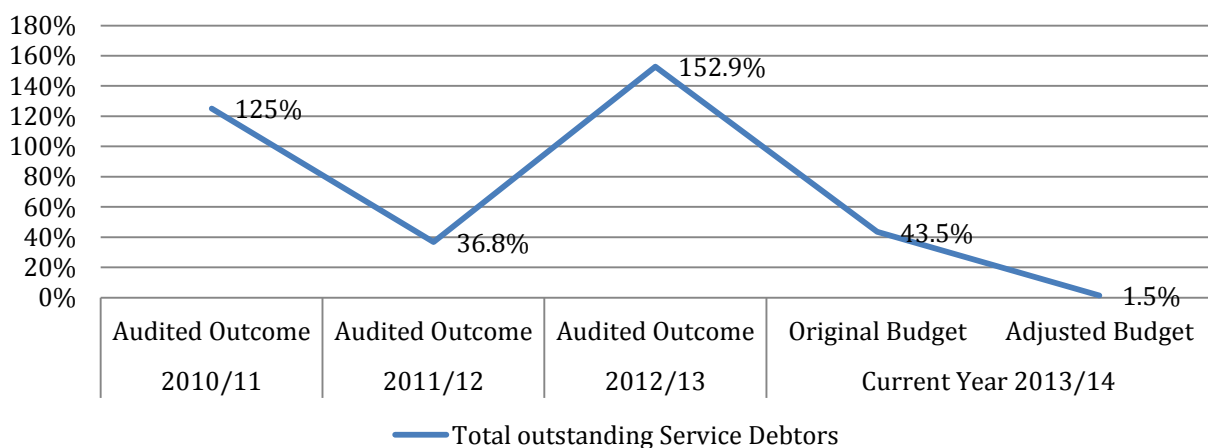
Liquidity Ratio



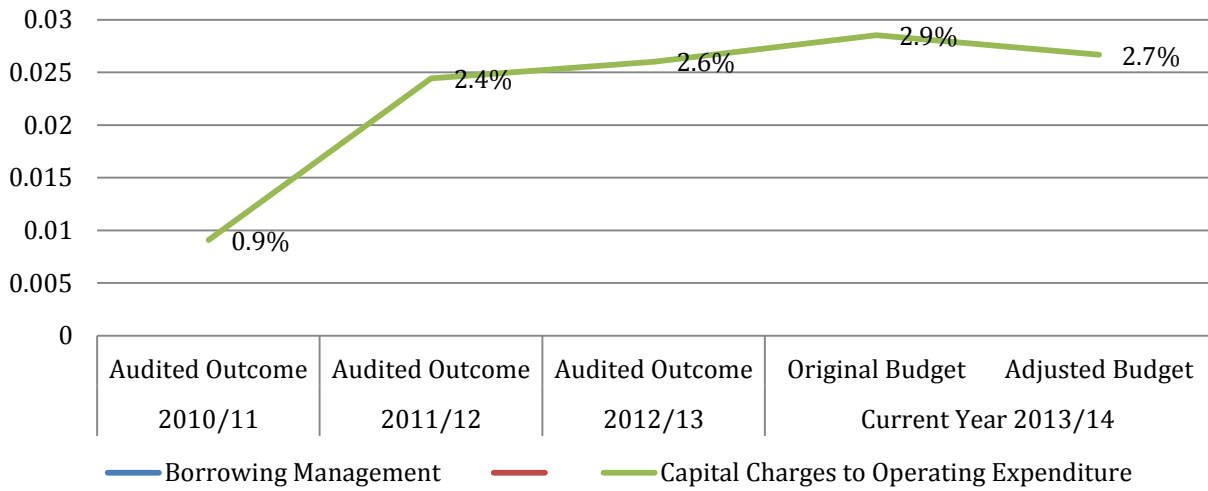
Cost coverage



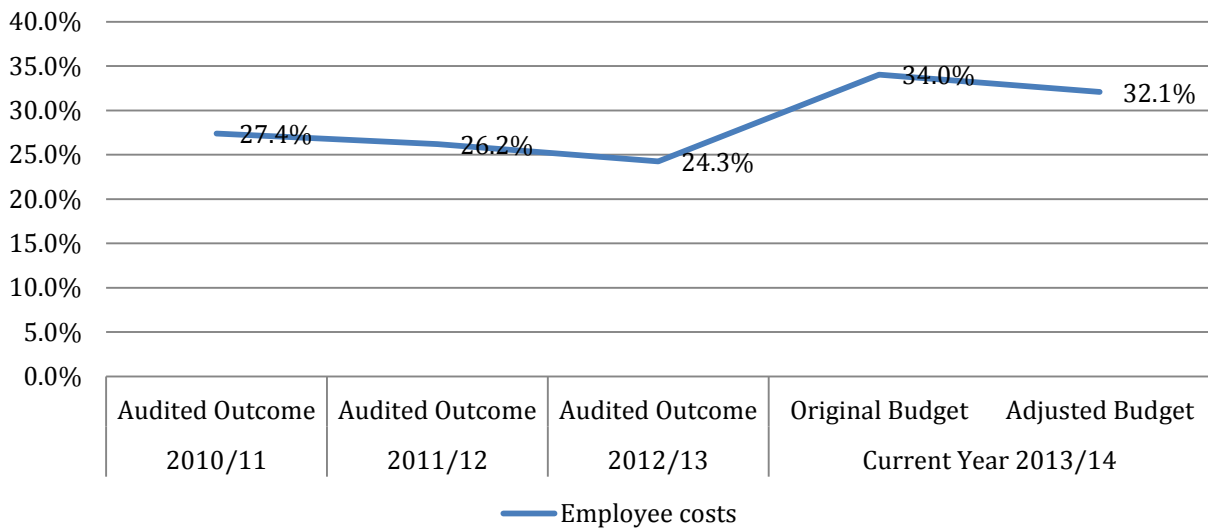
Total outstanding Service Debtors



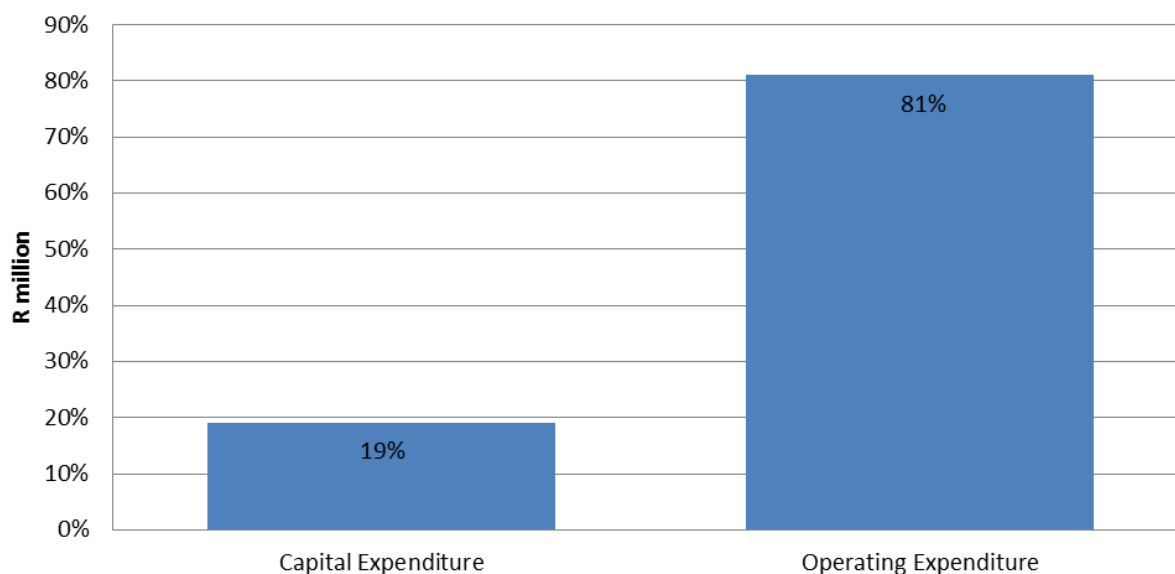
Capital Charges to Operating Expenditure



Employee costs



Capital Expenditure: 2013/14



Capital Expenditure - Sources of Finance

Vote Description	2012/13	Budget Year 2013/14				
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YTD variance	YTD variance %
R thousands						
Multi-Year expenditure appropriation						
Vote 2 - Finance	136	130	200	-	(200)	-100%
Vote 3 - Corporate Services	368	3 256	2 433	3 580	1 148	47%
Vote 4 - Economic & Community Services	-	-	409	-	(409)	-100%
Vote 5 - Infrastructure Services	147 884	223 248	205 332	217 938	12 606	6%
Vote 6 - Water Services	-	600	2 122	-	(2 122)	-100%
Total Capital Multi-year expenditure	148 388	227 234	210 496	221 518	11 022	5%
Total Capital Expenditure	148 388	227 234	210 496	221 518	11 022	5%
Capital Expenditure - Standard Classification						
Governance and administration	504	3 386	2 633	3 580	948	36%
Budget and treasury office	136	130	200	-	(200)	-100%
Corporate services	368	3 256	2 433	3 580	1 148	47%
Community and public safety	-	-	409	-	(409)	-100%
Community and social services			409		(409)	-100%
Trading services	147 884	223 848	207 454	217 938	10 484	5%
Water		600	2 122	-	(2 122)	-100%
Waste water management	147 884	223 248	205 332	217 938	12 606	6%
Total Capital Expenditure - Standard Classification	148 388	227 234	210 496	221 518	11 022	5%
Funded by:						
National Government	128 865	210 486	183 268	207 647	24 379	13%
Provincial Government	19 523	-	3 617	10 866	7 249	200%

Transfers recognised - capital	148 388	210 486	186 885	218 512	31 628 (20)	17%
Internally generated funds		16 748	23 611	3 006	606)	-87%
Total Capital Funding	148 388	227 234	210 496	221 518	11 022	5%

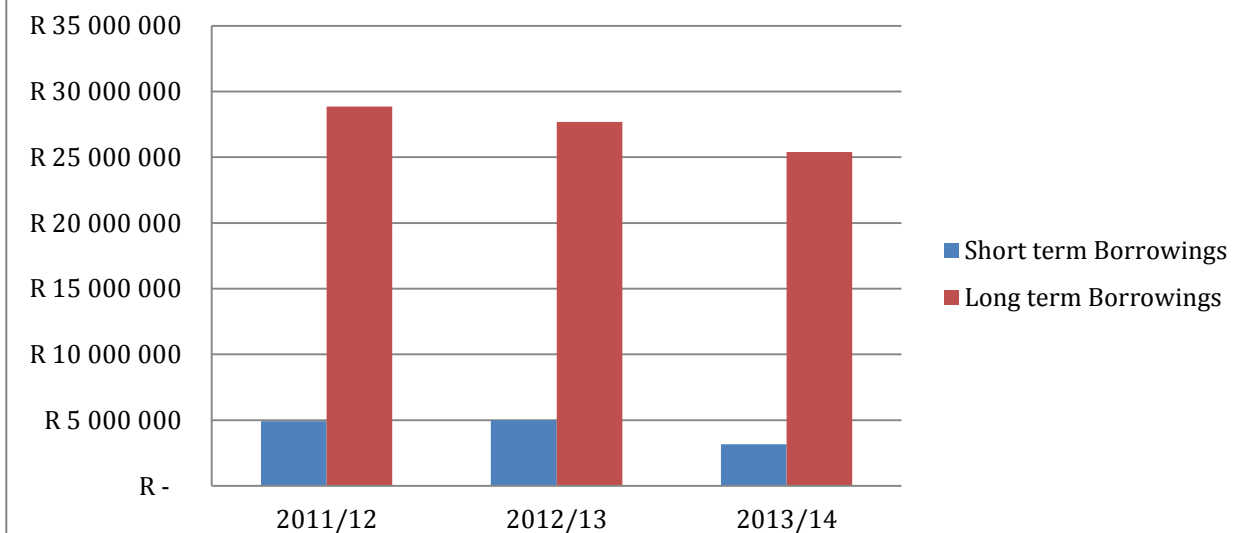
Cash Flow Outcomes

Description	2012/13	Budget Year 2013/14			
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual
R thousands					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Ratepayers and other	30 752	30 424	30 424	5 668	37 504
Government - operating	231 660	220 563	220 607	3	226 896
Government - capital	168 745	210 486	236 103	-	241 937
Interest	2 456	2 000	2 500	540	8 620
Payments					
Suppliers and employees	(264 286)	(194 417)	(261 997)	(18 865)	(278 261)
Finance charges	(1 768)	(3 500) (12)	(3 521) (13)	(1 326)	(2 867)
Transfers and Grants	-	000)	768)	(3 990)	(17 453)
NET CASH FROM/(USED) OPERATING ACTIVITIES	167 559	253 556	210 347	(17 970)	216 375
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Payments					
Capital assets	(148 471)	(226 772)	(168 236)	(7 291)	(211 085)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(148 471)	(226 772)	(168 236)	(7 291)	(211 085)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Increase (decrease) in consumer deposits		12	125	-	-
Payments					
Repayment of borrowing	(2 652)	(2 494)	(5 462)	(1 136)	(3 405)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(2 652)	(2 482)	(5 337)	(1 136)	(3 405)
NET INCREASE/ (DECREASE) IN CASH HELD	16 436	24 303	36 774	(26 398)	1 886
Cash/cash equivalents at beginning:	3 535	30 000	20 186		20 186
Cash/cash equivalents at month/year end:	19 970	54 303	56 960		22 072

Actual Borrowings

Description	2011/12	2012/13	2013/14
R thousand			
Municipality			
Short Term Loan	4 911	4 995	3 174
Total Current liabilities - Borrowing	4 911	4 995	3 174
Non current liabilities - Borrowing			
Long Term Borrowing	28 842	27 685	25 384
Total Non current liabilities - Borrowing	28 842	27 685	25 384

Actual Borrowings



Capital Grants

Description	2012/13	Budget Year 2013/14				
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Original Budget %	Adjustments Budget %
R thousands						
Capital Transfers and Grants						
National Government:	173 813	210 486	232 486	238 827	88%	88%
Municipal Infrastructure Grant (MIG)	165 717	173 618	173 618	174 508	99%	99%
Regional Bulk Infrastructure	302	15 429	37 429	42 881	36%	36%
ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT	–	5 000	5 000	5 000	100%	100%
MUNICIPAL WATER INFRASTRUCTURE GRANT	–	13 700	13 700	13 700	100%	100%
Expanded public works programme incentive	4 594	2 739	2 739	2 739	100%	100%

grant						
Farmers Market	3 200	-	-	-	0%	0%
Provincial Government:	21 420	-	3 617	-	0%	0%
<i>ACIP Grant</i>	620	-	-	-	0%	0%
Massification	20 800	-	-	-	0%	0%
<i>Disaster Management Grant</i>			3 000		0%	0%
<i>Ubuhlebezwe Grant</i>			617		0%	0%
Total Capital Transfers and Grants	195 233	210 486	236 103	238 827	88%	88%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	413 033	431 049	456 710	465 321	93%	93%

DRAFT

Chapter 6 Auditor General Audit Findings

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

COMPONENT B: AUDITOR-GENERAL OPINION YEAR (2013-2014)

DRAFT

GLOSSARY OF TERMS AND ABBREVIATIONS

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	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.
Activities	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".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	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.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
AR	Annual Report
Baseline	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.
Basic municipal service	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.
BDS	Blue Drop Status
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
DBSA	Development Bank of Southern Africa
Distribution indicators	The distribution of capacity to deliver services.
DMA	District Management Area
DoT	Department of Transport
DWA	Department of Water Affairs
EXCO	Executive Committee
F/Y	Financial Year

Financial Statements	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.
GAMAP	Generally Accepted Municipal Accounting Practice
GDS	Green Drop Status
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally
GRAP	Generally Recognized Accounting Practice
HR	Human Resources
IGR	Inter-Governmental Relations
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authority
MDG	Millennium Development Goals
MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act, 32 of 2000
MTAS	Municipal Turn Around Strategy
NTP	National Transferee Programme
PMS	Performance Management System
RPMS	Regulatory Performance Management Systems
SDL	Skills Development Levy
HGDM	Harry Gwala District Municipality
VAT	Value Added Tax
WSDP	Water Services Development Plan
WSMP	Water Services Master Plan
WSP	Workplace Skills Plan

APPENDICES

Appendix A – Councillors, Committee Allocation and Council Attendance

Appendix B – Committees And Committee Purposes

Appendix C –Third Tier Administrative Structure

Appendix D – Functions of Municipality / Entity

Appendix E –Audit, Risk and Performance Management Committee Report

Appendix F – Collection Performance

Appendix G - Declaration of Returns Not Made in Due Time Under MFMA S71

Appendix H - Declaration of Loans Made by the Municipality

Appendix I - Conditional Grant Received Excluding MIG

Appendix J – Service Backlogs Experienced By The Community Where Another Sphere of Government is Responsible for Service Provision

Appendix K - Report of the AG on Harry Gwala District Municipality Final Audit

Appendix L - Harry Gwala District Municipality Action Plan Audit Report

Appendix M – Annual Performance Scorecard

Appendix N- Assessment by the Accounting Officer on performance against measurable objectives for revenue sources for each collection from each revenue and for each vote.

APPENDIX A: COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

**HARRY GWALA DISTRICT MUNICIPALITY COMMITTEES
COUNCIL**

COUNCILLOR	POSITION
1. Cllr. M Ndobe	Mayor
2. Cllr. NH Duma	Deputy Mayor
3. Cllr. CM Ngcobo	Speaker
4. Cllr. NB Mngadi	Member
5. Cllr. BP Nzimande	Member
6. Cllr. ZS Nyide	Member
7. Cllr. BP Kleinbooi	Member
8. Cllr. SB Bhengu	Member
9. Cllr. JL Kotting	Member
10. Cllr. KS Madlala	Member
11. Cllr. VP Majozi	Member
12. Cllr. JS Msiya	Member
13. Cllr. MW Tshibase	Member
14. Cllr. CB Kunene	Member
15. Cllr. V Mhatu	Member
16. Cllr. ME Mkhize	Member
17. Cllr. M Nondabula	Member
18. Cllr. SD Radebe	Member
19. Cllr. XR Tshazi	Member
20. Cllr. BW Dlamini	Member
21. Cllr. SJ Bhengu	Member
22. Cllr. SS Mavuma	Member
23. Cllr. B Thabethe	Member
24. Cllr. AT Sondzaba	Member
25. Cllr. GP Nzimande	Member
26. Cllr. EM Nzimande	Member

NAME OF PORTFOLIO COMMITTEE: Water and Sanitation Committee Meeting

NB: MEETINGS ARE FROM JULY 2013 TO JULY 2014

Councillor's Name	Number of meetings attended	Meeting/s not attended	Percentage regarding attendance
CB Kunene	10		100%
SS Mavuma	9	2	82%
B Thabethe	9	2	82%
AT Sondzaba	8	3	73%
GP Nzimande	9	2	82%

NAME OF PORTFOLIO COMMITTEE Infrastructure Services Committee Meeting

NB: MEETINGS ARE FROM JULY 2013 TO JULY 2014

Councillor's Name	Number of meetings attended	Meeting/s not attended	Percentage regarding attendance
SB Bhengu	11		100%
VP Majozi	6	5	55%
JS Msiya	7	4	64%
MW Tshibase	10	1	91%

NAME OF PORTFOLIO COMMITTEE: Finance and Corporate Services
Committee Meeting

NB: MEETINGS ARE FROM JULY 2013 TO JULY 2014

Councillor's Name	Number of meetings attended	Meeting/s not attended	Percentage regarding attendance
ME Ndobe	9		100%
EM Nzimande	6	3	67%
N Mngadi	6	3	67%
BP Kleinbooi	7	2	78%
Z Nyide	7	2	78%
WB Dlamini	5		100%

NAME OF PORTFOLIO COMMITTEE: Social Services and Development
Planning Committee Meeting

NB: MEETINGS ARE FROM JULY 2013 TO JULY 2014

Councillor's Name	Number of meetings attended	Meeting/s not attended	Percentage regarding attendance
NH Duma	10		100%
X Tshazi	8	2	80%
M Nondabula	6	4	60%
V Mhatu	7	3	70%

NAME OF PORTFOLIO COMMITTEE: Municipal Public Accounts Committee Meeting

NB: MEETINGS ARE FROM JULY 2013 TO JULY 2014

Councillor's Name	Number of meetings attended	Meeting/s not attended	Percentage regarding attendance
SS Mavuma	7		100%
B Thabethe	5	2	71%
EMM Nzimande	5	1	83%
AT Sondzaba	7		100%

NAME OF MEETING: Council Meeting

NB: MEETINGS ARE FROM JULY 2013 TO JULY 2014

Councillor's Name	Number of meetings attended	Meeting/s not attended	Percentage regarding attendance
CM Ngcobo	8	1	89%
ME Ndobe	9		100%
NH Duma	7	2	78%
SB Bhengu	9		100%
CB Kunene	6	3	67%
SS Mavuma	9		100%
NB Mngadi	7	2	78%
BP Nzimande	2	4	33%
ZS Nyide	5	4	56%
BP Kleinbooi	8	1	89%
VP Majozi	5	4	56%

Councillor's Name	Number of meetings attended	Meeting/s not attended	Percentage regarding attendance
JS Msiya	3	6	33%
MW Tshibase	6	3	67%
V Mhatu	6	3	67%
M Nondabula	7	2	78%
XR Tshazi	4	5	44%
W B Dlamini	8	1	89%
B Thabethe	7	2	78%
AT Sondzaba	8	1	89%
GP Nzimande	7	2	78%
EM Nzimande	5	2	71%

DRAFT

<p>Finance and Corporate Services Committee</p>	<ul style="list-style-type: none"> • Receive reports and evaluate progress on Human Resources, Administrative and Communication issues. • Make recommendations on legislation and policies relating to Human Resources, Administrative Finance and Communication matters. • Matters related to the job evaluation and grading of staff. • Performance Management that is cascaded to employees below Section 56 Managers. • Implementation of new structures and strategies. • Ensuring that administrative systems and processes of Harry Gwala District Municipality are in line with National principles e.g Batho Pele principles. • Deliberate on all finance related matters. • Deliberate on Communication matters. • Assist the Executive Committee in the allocation if applicable, the distribution of grants made to the District Municipality such as LGSETA grants. • Monitoring of Workplace Skills Plan and all other related programmes. • Assist the Executive Committee in water tariffs related matters by developing revenue enhancement strategy. • Policy decisions relating to: <ul style="list-style-type: none"> - The recruitment, selection and appointment of persons as staff members. - The monitoring, measuring
---	--

	<p>and evaluation of staff performance.</p> <ul style="list-style-type: none"> - The dismissal and retrenchment of staff. - Conditions of service for employees. - Labour Relations matters. - Human Resources Development. - Transformation and diversity management.
<p>Social Services and Development Planning</p>	<ul style="list-style-type: none"> • Social Development strategies for all sectors of the District community, including but not limited to Senior Citizens, Youth, Women (Gender issues), children and people with disabilities. • Environmental Health System: the planning and development of a system and mechanisms to implement an effective and efficient environmental health system. • Sports and Recreation, Heritage, Arts and Culture: coordinating and initiating programmes and projects aimed at developing the skills, knowledge, talent and participating in social regeneration of all sectors of the community. • Disaster Management: planning and local economic including disaster mitigation i.e. put measures in place to deal with disaster should it happen. • The Committee approves development applications. • The Committee works in promoting Tourism within the

	<p>District.</p> <ul style="list-style-type: none"> • Establishment of poverty alleviation initiatives • The Committee monitors progress and use of land after transfer. • Revitalisation of declining towns. • Encouragement of livable and sustainable human settlements. • Development of sector plans and monitor that sector plans are undertaken. • Undertaking any other related functions, which may be requested by the Executive Committee. • Receive reports and evaluate progress.
<p>Infrastructure Committee</p>	<ul style="list-style-type: none"> • Bulk electricity supply which includes for the purposes of such supply, the transmission, distribution and where applicable the generation of electricity. • Bulk sewage reticulation infrastructure (including bulk water reticulation and domestic waste water) and solid waste disposal. • Solid Waste disposal infrastructure relating to the determination of waste disposal strategy. Establishment operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities. • Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole. • Any other municipal public works allocated to the municipality. • The Infrastructure Committee shall advise the Executive Committee on

	<p>all fiscal and other incentives designed to promote infrastructure development.</p> <ul style="list-style-type: none"> • Overseeing of the implementation of infrastructure projects. • Prioritization of infrastructure development projects and recommend to the Executive Committee. • Support administration in community liaison issues relevant to infrastructure development. • Represent Council on seminars/ workshops related to Infrastructure development. • The Committee must recommend the provision/approval of funds for unforeseen infrastructural improvements. • Overseeing the implementation of projects and support committees relevant to community development.
<p>Water Services Committee</p>	<ul style="list-style-type: none"> • Provide to the Executive Committee, recommendations on legislation and policies relating to the following functions: <ol style="list-style-type: none"> 1) Water; 2) Sanitation; 3) Ensure that all Safety issues relating to the above are adhered to; 4) Legislative compliance; and 5) Receive progress reports on the issues mentioned above and evaluate progress. • Responsible for assisting the Executive Committee in the co-ordination of functions pertaining to its portfolio. • Considering reports from the

	<p>designated officials for the portfolio or other functionary and submit its recommendations on such issues to the Executive Committee</p> <ul style="list-style-type: none"> • Perform any duties and exercise any powers delegated to it by the Executive Committee • May sub-delegate any duty or power delegated to it by the Executive Committee to any Political Office Bearer or the Municipal Manager • May within the limits of any Policy Directives of the Executive Committee and adopted Integrated Development Plan issue policy directives to any Political Office Bearer or the Municipal Manager to whom discretion has been sub-delegated by it for the exercise of any power by such person under such sub-delegation • Assist the Executive Committee in promoting a safe and healthy environment by advising the Executive Committee on the following: <ul style="list-style-type: none"> – All policies and by-laws for the water and sanitation services – The review of those bylaws, regulations, rules and tariffs that regulate and arise out of matters within the Terms of Reference of the Committee and the proposal of amendments and additions thereto. • Appoint from within its membership a sub-committee with powers to coopt such other
--	--

	<p>members as the sub-committee deems fit, to consider and report to the committee on any matter falling within its terms of reference</p> <ul style="list-style-type: none">• Consider all matters of a policy nature incidental to the terms of reference• Recommend to the Executive Committee strategies, programs and services to address water and sanitation needs through the water services development plan and integrated development plan; taking into account any applicable national and provincial development strategies;• Recommend or determine the best methods, including partnership and other approaches, to deliver water and sanitation services, programs and services to the maximum benefit of the community• Oversee random water quality testing undertaken within the district municipality• Evaluate progress against the key performance indicators, which include provision of water and sanitation• Monitor water services administration• Oversee the provision of water and basic sanitation services to the community in a sustainable manner, in compliance with Section 3 of the Water Services Act• Make recommendations to the Executive Committee about provision of water services to
--	---

	<p>areas outside the district municipality</p> <ul style="list-style-type: none"> • Report to the Executive Committee on all decisions and resolutions taken by it • Where necessary, make a request to the district municipality for financial, technical and administrative support services for unforeseen water development services, planning and provision related matters.
<p>Standing Committee on Municipal Accounts</p>	<ul style="list-style-type: none"> • Provide to the Executive Committee, recommendations on legislation and policies relating to the following functions: <ol style="list-style-type: none"> 1) Water; 2) Sanitation; 3) Ensure that all Safety issues relating to the above are adhered to; 4) Legislative compliance; and 5) Receive progress reports on the issues mentioned above and evaluate progress. • Responsible for assisting the Executive Committee in the co-ordination of functions pertaining to its portfolio. • Considering reports from the designated officials for the portfolio or other functionary and submit its recommendations on such issues to the Executive Committee • Perform any duties and exercise any powers delegated to it by the Executive Committee • May sub-delegate any duty or

	<p>power delegated to it by the Executive Committee to any Political Office Bearer or the Municipal Manager</p> <ul style="list-style-type: none">• May within the limits of any Policy Directives of the Executive Committee and adopted Integrated Development Plan issue policy directives to any Political Office Bearer or the Municipal Manager to whom discretion has been sub-delegated by it for the exercise of any power by such person under such sub-delegation• Assist the Executive Committee in promoting a safe and healthy environment by advising the Executive Committee on the following:<ul style="list-style-type: none">– All policies and by-laws for the water and sanitation services– The review of those bylaws, regulations, rules and tariffs that regulate and arise out of matters within the Terms of Reference of the Committee and the proposal of amendments and additions thereto.• Appoint from within its membership a sub-committee with powers to coopt such other members as the sub-committee deems fit, to consider and report to the committee on any matter falling within its terms of reference• Consider all matters of a policy nature incidental to the terms of reference• Recommend to the Executive Committee strategies, programs
--	--

	<p>and services to address water and sanitation needs through the water services development plan and integrated development plan; taking into account any applicable national and provincial development strategies;</p> <ul style="list-style-type: none"> • Recommend or determine the best methods, including partnership and other approaches, to deliver water and sanitation services, programs and services to the maximum benefit of the community • Oversee random water quality testing undertaken within the district municipality • Evaluate progress against the key performance indicators, which include provision of water and sanitation • Monitor water services administration • Oversee the provision of water and basic sanitation services to the community in a sustainable manner, in compliance with Section 3 of the Water Services Act • Make recommendations to the Executive Committee about provision of water services to areas outside the district municipality • Report to the Executive Committee on all decisions and resolutions taken by it <p>Where necessary, make a request to the district municipality for financial, technical and administrative support services for unforeseen water</p>
--	---

	development services, planning and provision related matters.

APPENDIX C: THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Administrative Structure		
	Directorate	Director/Manager (Title and name)
Corporate Services	ED: Corporate Services	Ms. N. Lungwengwe
Human Resource Management	Director: HR	Mrs. P. Cele
Administration	Director: Administration	Mr. T. Ndaba
Social Services	ED: Social and Development Planning	Mrs. N. Dlamini
IDP / PMS	Director: IDP / PMS	Mr. Z. Mtolo
Special Programmes	Director: Special Programmes	Mr. R. Langa
Social Services	Director: Social Services	Mr. W. Dlamini
Water & Sanitation	ED: Water & Sanitation	Mr. N. Biyase
Operations and Maintenance	Director: O & M	Vacant
Design and Planning	Director: Design & Planning	Mr. S. Ngcobo
Governance	Director: Governance	Mrs. N. Zondi
Infrastructure	ED: Infrastructure	Mr. B. Makwakwa
Project Management Unit	Director: Project Management Unit	Mr. D. Mzolo
Municipal Works	Director: Municipal Works	Mr. T. Makhanya
Professional Services	Director: Professional Services	Vacant
Budget and Treasury Office	ED: Budget and Treasury Office	Mr M Mkatu
Supply Chain Management	Director: SCM	Ms. T. Dandala
Income and Expenditure	Director: Income & Expenditure	Mr. P. Luthuli
Budgeting and Reporting / Accounting Support / Financial Systems	Director: Budgeting and Reporting / Accounting Support / Financial Systems	Vacant

APPENDIX D: FUNCTIONS OF MUNICIPAL / ENTITY

Municipal Functions	Function applicable to Municipality Y/N	Function applicable to Entity Y/N
Air pollution	N	
Firefighting services	N	
Local tourism	Y	
Municipal planning	Y	
Municipal health services	Y	
Water and sanitation services	Y	
Cemeteries, funeral parlours and crematoria	N	
Cleansing	N	
Control of public nuisances	N	
Markets	N	
Municipal abattoirs	N	
Municipal parks and recreation	N	
Municipal roads	Y	
Public places	N	
Noise pollution	N	
Refuse removal, refuse dumps and solid waste disposal	N	

NO	PROJECTS	2013-14 Budget	START DATE	END DATE
1.	GREATER KHILIMONI WATER SUPPLY	R 10 000 000	03 May 2013	31 July 2014
2.	KWANOMANDLOVU WATER PROJECT	R 8 000 000	18 February 2013	21 February 2014
3.	BULWER TOWN EMERGENCY INTERVENTION	R 14 000 000	04 February 2013	31 June 2014
4.	Hlokozi Water Project	R 6 500 000	01 February 2013	30 May 2014
5.	Santombe/Mnqumeni Water Supply	R 24 524 350	12 August 2013	15 August 2014
6.	THUBALETHU WATER SUPPLY	R 11 000 000	14 February 2013	30 April 2014
7.	CHIBINI WATER SUPPLY	R 2 000 000	06 May 2013	14 August 2014
8.	HORSESHOE SANITATION PROJECT-NEW	R 6 066 935	10 April 2013	30 October 2013

APPENDIX E: DISCLOSURES OF FINANCIAL INTERESTS

Period 1 July to 30 June		
Position	Name	Description of Financial interest
Mayor	Cllr ME Ndobe	N/A
Member of Executive Committee	Cllr N H Duma	N/A
Member of Executive Committee	Cllr K S Madlala	N/A
Member of Executive Committee	Cllr S B Bhengu	N/A
Member of Executive Committee	Cllr S B Kunene	N/A
Municipal Manager	Mrs N Dlamini	N/A
Chief Financial Officer	Mr M Mkatu	N/A
Section 57 officials	Mr B Makwakwa Mr N Biyase Ms N Lungwengwe	Yes N/A N/A

--	--	--

APPENDIX F: CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 2013-2014

INGWE LM WATER AND SANITATION PROJECTS

PROJECT NAME	WARDS	WORK COMPLETED (Y/N)
INGWE HOUSEHOLD SANITATION PROJECT	ALL	Y
MBHULELWENI WATER SUPPLY (PHASE 1)	8	Y
GREATER KHILIMONI (Reservoir)	1	y
MANGWANENI WATER SUPPLY (Reticulation & bulk line)	7	y
KWANOMANDLOVU WATER PROJECT (Reservoir)	11	y
KHUKHULELA WATER (Reticulation)	2	y
BULWER TO NKELABANTWANA AND NKUMBA WATER SUPPLY	9 &10	N
BULWER DONNYBROOK WATER SUPPLY	5,9	N
BULWER TOWN EMERGENCY INTERVENTION	9	Y

UMZIMKHULU LM WATER AND SANITATION PROJECTS

PROJECT NAME	WARDS	WORK COMPLETED (Y/N)
GREATER UMZIMKHULU SANITATION PROJECT	16	Y
SANTOMBE/MNQUMENI WATER SUPPLY PROJECT	14	N
GREATER SUMMERFIELD WATER PROJECT	15	N
UMZIMKHULU SEWER UPGRADE PHASE 2	16	N
KWATSHAKA RURAL WATER SUPPLY (MACHUNWINI)	16	N
KWAMEYI/TEEKLOOF WATER SUPPLY (PHASE 1)	20	Y
SISONKE DISTRICT MUNICIPALITY RAINWATER HARVESTING	ALL	Y
GREATER PANINKUKHU WATER SUPPLY SCHEME	18	N
REFURBISHMENT OF LOURDES WATER SCHEME	6	N
REFURBISHMENT OF UMFULAMHLE	7	N
IBISI HOUSING PROJECT (SEWER BULK)	11	Y
CLYDESDALE WATER PROJECT	17	N

UBUHLEBEZWE LM WATER AND SANITATION PROJECTS

PROJECT NAME	WARDS	WORK COMPLETED (Y/N)
UBUHLEBEZWE SANITATION BACKLOG PROJECT	ALL	Y

HLOKOZI WATER PROJECT	6 & 8	Y
IXOPO-MARIATHAL WATER SUPPLY PROJECT (PHASE 1)	3 & 4	Y
ITHUBALETHU WATER SUPPLY (PHASE 1)	3 & 4	Y
NCAKUBANA WATER SUPPLY PROJECT	1	N
CHIBINI WATER SUPPLY PROJECT (PHASE 1)	3 & 4	Y
RUDIMENTARY PROGRAMME	ALL	Y
MKHUNYA WATER PROJECT	5	N

KWASANI LM WATER AND SANITATION PROJECTS

PROJECT NAME	WARDS	WORK COMPLETED (Y/N)
KWAPITELA WATER PROJECT	2	N
UNDERBERG SANITATION	3	N
UNDERBERG BULK WATER SUPPLY UPGRADE PHASE 2	3	N
MQATSHENI STEPMORE WATER SUPPLY	1	N

GREATER KOKSTAD LM WATER AND SANITATION PROJECTS

PROJECT NAME	WARDS	WORK COMPLETED (Y/N)
MAKHOBHA HOUSING WATER PROJECT	2	N
FRANKLIN BULK WATER AND SEWER UPGRADE	2	Y
HORSESHOE SANITATION PROJECT (5	1	Y
KOKSTAD RUDIMENTARY WATER PROJECTS	ALL	NO
PAKKIES EXT PHASE 2	6	N

APPENDIX G: RECOMMENDATION OF THE MUNICIPAL AUDIT COMMITTEE

1. Background

The Audit and Performance Audit Committee is pleased to present their 2nd quarter report for the financial year ending 30 June 2014.

The Audit and Performance Audit Committee consists of two independent members. The majority of persons serving on the Audit Committee are financially literate and their diverse skills and experience in the public sector assist in the effective monitoring of risk, internal controls and governance processes.

The function of the Audit and Performance Audit Committee is primarily to assist the Council in discharging its responsibilities relative to the Municipal Finance Management Act (MFMA). The Audit and Performance Audit Committee operates under written terms of reference approved by the Council.

2. Audit and Performance Audit Committee members and attendance

During this period the Audit and Performance Audit Committee consisted of the following members:

Names	Role	Meetings held	Meetings attended	Date appointed
Mr H Mpungose	Chairperson	5	5	February 2012
Ms Z Matsikiza	Member	5	3	February 2012

3. Vacancies

Two vacancies on this committee have not been filled yet. The Audit and Performance Audit Committee was informed that attempts to fill it through advertising were not successful. We therefore request the Council to allow Management & the Audit and Performance Audit Committee to head hunt a suitable candidate.

The District Municipality and COGTA are represented by any official at the SDA meetings. We recommend that this shortcoming should be corrected.

4. Internal Audit

4.1. Status of Internal Audit projects

With the exception of IT audit work planned to be undertaken during the current financial year we anticipate that all work planned for 2013/2014 will be concluded by the month of August 2014. Provincial Treasury has been requested to assist with the execution of IT General Controls and IT systems review assignments.

4.2. Significant matters previously reported by Internal Audit Unit

We have noted improvement in the following areas previously reported by the Internal Audit Unit and we commend management for their efforts to improve the Municipality's financial position:

Department	Finding	Comment
Finance	The unspent conditional grants are not cash backed	Although the cash & cash equivalents exceed the unspent grants this is temporary. We urge management and council to work harder to bring this matter to a sustainable position.
Finance	Poor liquidity status (ratios)	This situation has improved from the previous year. As at 31 Dec 2013 the Municipality had a net current asset position.

NB: our comments on this matter are based on audited results

5. Implementation of the Action Plan – Matters raised by the Auditor – General

At this stage of the financial year the plan to correct matters raised by the Auditor General should be substantially implemented. We expect to obtain an update on the progress of the implementation of this plan by the 31 March 2014.

Again we hereby advise the MPAC and other oversight structures to be aggressive in ensuring that the matters identified by the Auditor General are addressed before the end of the financial year.

6. IT Risk Management, Governance and Operations

We have not done any assessment on the IT section yet. Our assessment will be reported to Council in the third quarter report.

7. Evaluation of Financial Reports

We would like to bring to the attention of the Council that the 2nd quarterly financial report was submitted to the Auditor General prior to review by the Audit Committee. This deprives the internal audit and the committee the opportunity to execute our responsibility accordingly, however based on our review of the financial reports our comments are as follows:

- Revenue – With the exception of Revenue from water services which was 7% less than budgeted, no other exceptions were noted.
- Expenditure – Depreciation, asset and debt impairment (approximately R15m) were not factored into these financial reports as at 31 December 2013.
- Debtors – 31.5% of debtors book were over 90 Days due at 31 December 2013.
- CAPEX – an analysis of the spending rate indicates that overspending is eminent if measures are not taken to contain the spending within the budget.

- Unauthorized, Wasteful and Irregular expenditure – the current year expenditure for each category was not reflected on the financial statements presented to the audit committee.

8. Performance Information

The performance reports and assessments are still not prepared or done timely. This also deprives the internal audit and the committee the opportunity to execute their responsibility accordingly.

A lot of improvement is required in this area to ensure that the Municipality is fully compliant with legislation.

9. Other Significant Matters

9.1. Reliance on the consultants/lack of transfer of skills

We are still awaiting a formal response from Management on the plan in place to ensure that transfer of skill takes place.

The committee hereby unreservedly affirms its commitment to serving and supporting the Council in the execution of its mandate.

Hopewell Mpungose B.Comm, Hons BCompt, CA(SA),RA
Chairperson

24 March 2014

2013-2014 ANNUAL PERFORMANCE REPORT

VOLUME II: ANNUAL FINANCIAL STATEMENTS

DRAFT