

UMHLABUYALINGANA LOCAL MUNICIPALITY (KZ 271



ANNUAL PERFORMANCE REPORT 2013/14



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(THE MUNICIPAL
MANAGER



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1Glossary term

MIG	Municipal Infrastructure Grant
DBSA	Development Bank of South Africa
IDP	Integrated Development Plan
SDBIP	Service Delivery and Budget Implementation Plan
MSA	Municipal Systems Act
MFMA	Municipal Finance Management Act
GDS	Growth and Development Summit
COGTA	Corporate Governance and Traditional Affairs
EIA	Environmental Impact Assessment
DAEA	Department of Agriculture and Environmental Affairs
DSD	Department of Social Development
DOH	Department of Health



Chapter 1

Mayor's Forewords and Executive Summary



Municipal Vision

To be a people centered premier socio-economic development and environmental friendly service delivery municipality

MISSION

Creating an enabling environment and sustainable development which promotes quality of life.





MAYOR'S FOREWORD

Our duty as political principals of the municipality is to ensure meaningful contribution in the eradication of the three social ills namely: Poverty, unemployment and inequality in our municipal area. This can only be achieved through playing constructive oversight role over administration in their performance in the implementation of council approved service delivery budget and implementation plans.

As the Mayor of the Municipality, I take pride in presenting this annual report which reflects on the performance, both service delivery and budget, for the 2013/2014 financial year. In terms of Local government: municipal performance Regulations 2001 and 2006, it is a legislative requirement that we report on the institutional performance in terms of Regulation 2001. In accordance with the Council approved organizational scorecard annual targets, the municipality had set itself 67 targets. The overall performance as at the financial year end depicts a good



picture which indicates 78% as opposed to 59% during 2012/2013 financial year overall achievement of targets. This could not be achieved without cooperation between the current political leadership and dedicated administration. I am hopeful that as we approach the end of our financial year we will maintain this performance or even improve it for the better for the benefit of the current and future generations of uMhlabuyalingana.

Finally, I would like to take this opportunity to thank the members of the public who are continuously supportive and understanding in all aspects with one intention, to have a better future for all.

.....

Cllr. T.S Mkhombo

Mayor UMhlabuyalingana



EXECUTIVE SUMMARY





MUNICIPAL MANAGER OVERVIEW.

The Local Government: Municipal Performance Regulations 2006 requires that all Section 56 and 57 Managers performance must be monitored on regular bases. This monitoring process provides early warning signs on issues pertaining to performance for the purposes of establishing adequate and responsive corrective measures. This regulation has however been extended, through the council adopted performance management policy and procedure manual, to managers below section 56 and all other staff to ensure a cohesive and collaborative front in the achievement of the council set targets. It must further be noted that the institutional performance is influenced by three key aspects, namely; Leadership, Service and budget performance and governance, as they appear in the Dash board report.

Taking into cognizance the above I am pleased to report that the municipality through its different departments has performed enormously in attempt to archive its mandate in accordance with MFMA, Act No: 56 of 2003 and Municipal Systems Act, NO: 32 of 2001.

.....

Mr. S E Bukhosini

Municipal Manager



MUNICIPAL
FUNCTIONS,
POPULATION AND
ENVIRONMENTAL
OVERVIEW



1.1 Municipal Managers assessment on arrears on municipal taxes and services

In terms of section 121 (1) (e) of the Municipal Finance Management Act 56. Of 2003, the accounting officer is required to perform an assessment of any arrears on municipal taxes and services charges

Umhlabuyalingana municipality only charge municipal property rate tax and property rentals to Business, Government, Ingonyama trust, IEC and agriculture. The municipal property rate tax is based on the General Valuation roll that was developed by the municipality in 2008 for implementation in 2009 to 2013 and the municipality applied for one year extension ending in June 2014 financial year. The council resolved not to levy rate on the residential properties until such time that the council is convinced that areas for residential is properly zoned by the municipality. The total value for the valuation roll amount to R 949 901 504, which is constituted by 672 properties on the consolidated Valuation at 30 June 2014

The total debtors for 30 June 2014 amount to R 15 649 850 which show an increase of R 6 604 214 when is it compared to the previous year debtors that amounted to R 9 045 636 which reflect 58% increase in debtors.

On the assessment conducted it appeared that increase of debtors is coursed by non-payment of rated amount by other category of properties and in the financial year 2014 that was no rebate for asset phasing-in. The categories of properties were as follows:-

Category of properties	2014	2013
Business and Commercial	5 249 374	2 925 134
Agricultural	102 892	0
Ingonyama Trust	8 673 676	4 068 438
Government	1 618 946	2 052 065
IEC	4 961	0

The corrective measure to remedy the current poor collection rate will be the implementation of the New General Valuation roll which have the correct information, and will be to educate



the property owners of the process followed by the municipality for the implementation of the property rate. The municipality will also ensure that correct information in the form of statement is submitted timely and accurate to customers. Management will ensure adherence to policies and legislation to recover the money's owed to the municipality.

The reference is detailed clear on the attached Annual Financial Statement for 2014 financial year.

1.2 Municipal overview

UMhlabuyalingana Municipality is one of the five local municipalities under UMkhanyakude District municipality, it is located in northern east of KwaZulu -Natal along the border with Mozambique on the north, the Indian Ocean on the east, Jozini Municipality on the west and the Big Five False Bay Municipality on the south. This municipality is predominantly rural, with the population size of 156 736 people who are spread among the 17 municipal wards and four traditional council areas which include amongst The Tembe Traditional council, The Mashabane traditional Council, The Mabaso Traditional Council and Mbila (Zikhali) Traditional Council . This municipality is one of the presidential node which is within a privation trap of triple challenges, this owe to the apartheid legacy of being a punishment area for government official and as a result it was deliberately left undeveloped for such reason however this area has huge development potential, this owes to the natural biodiversity and vast agriculture land and because of its unspoilt natural resources, culture, heritage and indigenous knowledge base, this area has become a world renowned tourism attraction, a world destination and a gateway to SADC.

According to the Statistics South Africa 2011 census, this municipality covers an area of 3621 km² with a population of 156 736 people and average household size of 5 people per household,. The Municipality has a rural character with 99% of the municipality classified as rural, and consist of 17 ward as per the demarcation board. Nearly 60 % of the municipal area



falls under traditional authority ownership, with the remaining 40% consisting of commercial farms and conservation areas.

1.3 DEMOGRAPHY

According to 2011 census UMhlabuyalingana municipality is a home for 156736 people distributed in 17 wards less than 4 traditional council, bellow is the population profile.

1.3.1 Population Profile

Municipality	Total population		Population growth rate (1996-2001)	Total population	Population growth rate (2001-2011)
	1996	2001		2011	
KZN271: UMhlabuyalingana	128 616	142 565	2,1	156 736	0,9

The Umhlabuyalingana municipality consists of a predominantly African population (99%+), with the White, Coloured and Indian/Asian population contributing less than 1% of the UMhlabuyalingana population. Only 3% of the economically active population within the Municipality earns more than R 1600 per month.

The alarming fact is that 47% of the economically active population (out of a total of 52%) receives either no income, or less than R1 600 per month.

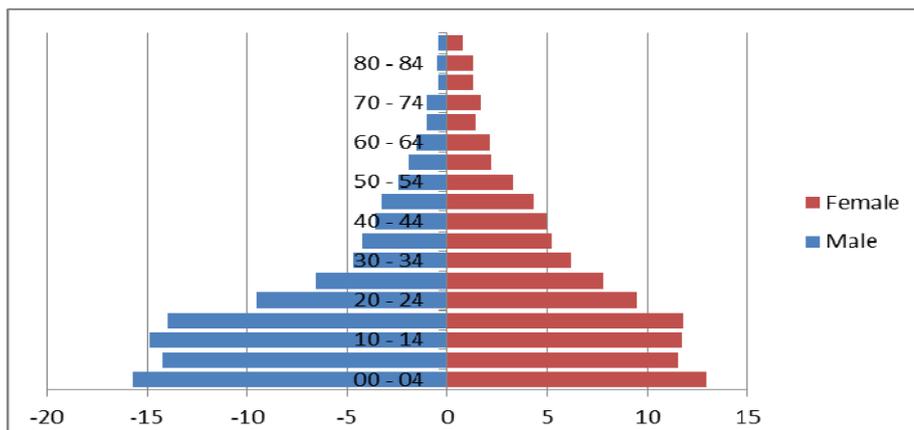
Out of the total population, 18% has had no formal education, 57% did not complete grade 12, and only 8% obtained a grade 12 or higher education. Of the 8% with grade 12 or higher, 2% of the municipality's population obtained a tertiary education.



The Umhlabuyalingana municipality’s economic base depends largely on tertiary services, with community services accounting for about 70% of the municipality’s GDP.

Agricultural production contributes about 20%, while the secondary sector consisting of manufacturing, electricity/gas/water supply contributes 10% to the GDP of the Municipality

1.3.2 AGE COMPOSITION



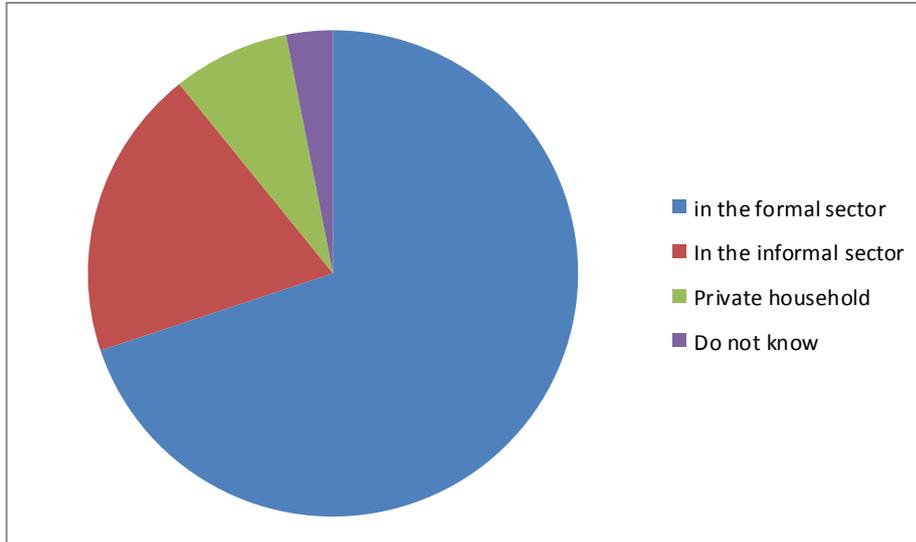
Source: Stats SA: Census 2011

The population of UMhlabuyalingana is very young with more 57% falling under the 20 year age category and 34% officially defined as youth (15-53 years). This has a huge implication for service delivery, education and job creation in the municipality which has to be prioritized on account of such a young population.



1.3.3 Levels of Economic Activity

Size and Structure of the Local Economy



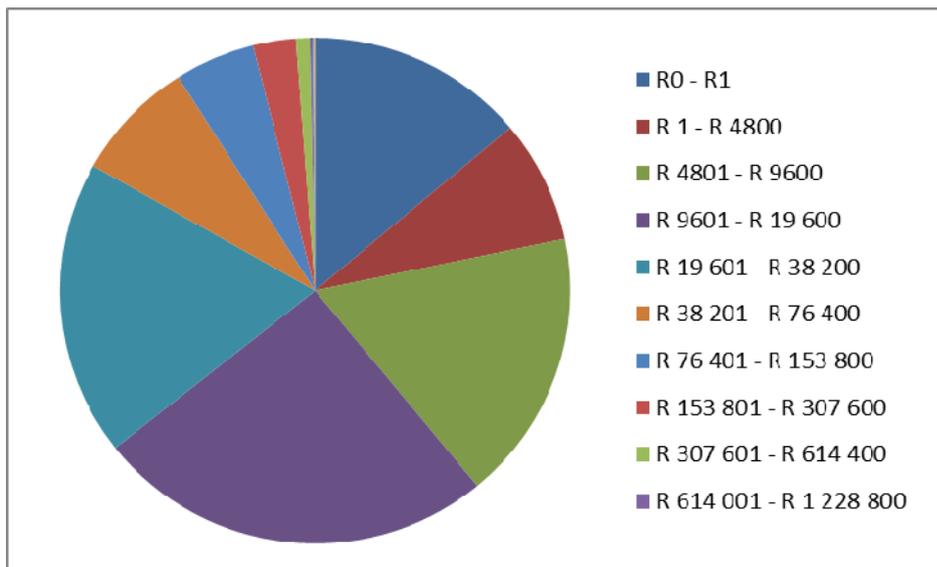
Source: Stats SA: Census 2011

According to UMhlabuyalingana Municipality draft Local Economic Development Plan the municipal area has a poorly developed economy characterized by heavy reliance on community services. This occurs mainly in the form of civil servants and service delivery programs of the national, provincial and local government structures, and is the same throughout the district. Informal trading activities located mainly in Manguzi, Mbazwana, Sikhemelele, etc serves as a main economic activity in the area, but there has also been remarkable growth in the retail and business services.



1.3.4 ANNUAL HOUSEHOLD INCOME

Household income levels in the municipality are extremely low, with almost half (44.9%) the number of households earning no income. The majority of the population survives on around R500 a month. Representation reduces significantly as income brackets increase. There is a relatively high dependence on social grants.



Source: Stats SA: Census 2011

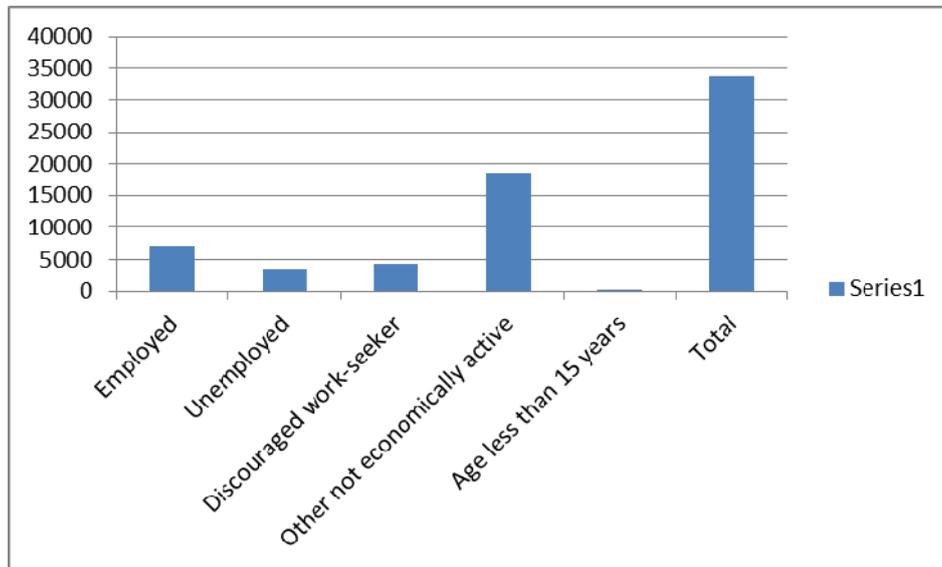
It is also clear that given the low employment levels in the area, the majority of households are dependent on social welfare grants. These low levels of income are indicative of the high levels of poverty found in the Umhlabuyalingana and the urgent need to create income generating activities.

1.3.5 Employment profile

An extremely high percentage of the population is not economically active. This also means a high dependency ratios exist on household heads with low income levels. Despite the



diversified nature of the local economy, unemployment in the municipal area is of concern as only 13% of the total labour force is employed. Unemployment rate is currently estimated at 22% while 65% of the total labour force is not economically active.



Source: Stats: Census 2011

The classification of employment with regard to industry is difficult since 95.1% of the local economy could be classified as undetermined. The majority of the employed that can be classified, work in the community and government sector services. The majority of the employed population is paid employees. Self-employed people account for less than 1% of the employed population. This indicates poor levels of entrepreneurship within the municipality.

For those who are employed, the majority occupy semi and unskilled positions, with a small handful in skilled employment. This indicates the fact that the area has high levels of dependency on the few people that are employed. The low levels of education also limit the ability of local people to be employed. This also points to the levels of poverty in the area.



SERVICE DELIVERY OVERVIEW



1.4 Municipal performance assessment by accounting officer of the municipality.

In accordance with the Local Government: PMS Regulations 2001 and 2006 the municipality is obliged to perform the organizational and individual (Municipal Manager and the Managers directly reporting to the Municipal Manager) Performance Management System to evaluate the performance of the municipality and its administration for a pre- determined period. It is in this context that this report has been prepared to appraise the stakeholders about progress made to date in relation to the set targets as well as challenges experienced and the remedial action that have been put in place as corrective measures in cases where the set targets have not been achieved accordingly.

This annual report provides a comprehensive analysis of the institutional performance which entails institutional performance and the related financial performance and status of the municipality as at the end of the financial year 2013/2014. According to the information collated from different departments within the municipality (Technical Services, Corporate Services, Community Services, Finance & Management) it has been confirmed that out of the 67 targets which were pre-set 52 targets were successfully achieved and this has been translated to 78% overall performance of the municipality during the financial year 2013/ 2014). In comparison with the financial year 2012/2013 there is lot of improvement as during the financial year 2012/13 the average percentage was 59% which means that there is an improvement regarding the service delivery performance in the municipality.

We still looking forward to the improvement of service delivery by putting more control measure and ensure as per audit action in response to previous years Audit findings as a result the service delivery performance management system has been structured such that it also reflects the co-relation between the achievement of the targets, service delivery as well as the institutional, financial performance and position. It is on the basis of this that we can confidently adduce evidence which confirms the co-relation between the service delivery and expenditure provided for through the finance performance report included in this report..



In conclusion, in line with section 52(d) of the MFMA, UMhlabuyalingana is therefore presenting this report with the express intention to articulate to both the council and the public the extent to which the municipality has performed in the financial year.

1.5 Service delivery overview

In accordance with local government: municipal performance regulation 2001 and 2006, this report seek to enlightened the beneficiaries of UMhlabuyalingana Municipality as well as it role player, and it stakeholders about it performance in relation with service delivery, as set out in the organizational score card, whereas regulation, 2006 deals with individual performance. This report will however concentrate on institutionally/ organizational performance as required in terms of regulation 2001. In addition to the above this report provides a snapshot view in respect of service delivery that relates to other sector department.

1.6 COMMUNITY SERVICES DEPARTMENT

Community services is implemented under the service delivery key performance area, as per IDP informed strategic focus this unit amongst other intervention areas focused on youth and social services programme, waste management, sports, disaster , libraries, parks and public space and protection services. For this financial year this department had 33 targets. Out of these 33 targets it managed to achieve 28 which translate to 85% which is above the set standard of 60 minimum percentages.

1.7 CORPORATE SERVICES

Corporate department consist of section which includes amongst, human resources, council support, information technology and registry section. For effective service delivery there are policies in place this includes HR Policy. For the 2013/14 financial year this department set itself 11 targets and managed to achieve 10 which translate to 91 percent.

1.8 FINANCE MANAGEMENT

This department falls under the Financial Viability and Financial Management, to ensure effectiveness of this department the following policy are in place: banking, cash management, and investment policy,



Budget Policy, credit control and Debt Policy, fixed asset management policy, rates policy, virement policy, SCM Policy, fraud prevention and anticorruption policy and Traffic policy.

For the 2013/14 financial year this department had 21 target, achieved 21 which translate to 100%

1.9 PLANNING LED AND INFRASTRUCTURE DEPARTMENT (TECHNICAL)

The technical report fall under the basic service delivery and infrastructure development KPA, it is a well-known fact that UMhlabuyalingana Municipality is predominantly 99.9% rural municipality wherein scars and bruises of apartheid era are still visible. To date, we currently have a backblock inadequate infrastructure department. For the 2013/2014 financial year UMhlabuyalingana municipality, in term of IDP informed organizational score card set itself 18 targets under this KPA, Taking into account the council approved and prioritized projects, this department out of 18 managed to achieve 13 with translate 72. %. This includes LED key performance area which is aimed building up the economic capacity of UMhlabuyalingana area to improve its economic future and the quality of life for all.

DEPARTMENT	QUARTERLY TARGETS	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	PERCENTAGE
CORPORATE SERVICES	11	10	1	91%
TECHNICAL SERVICES	18	13	5	72%
FINANCE	21	21	0	100%
COMMUNITY SERVICES	33	28	5	85%
ORGANISATION	67	52	15	78%



1.10 AUDITOR GENERAL REPORT

For the financial year under review, **annexure B** depict the financial statements of the municipality were fairly presented and the municipality has sustained and obtained an unqualified audit opinion.

However, there are matters of emphasis raised by Auditor General that the municipality has to attend to. **Annexure C** depicts the Action plan has been developed to address those issues raised in 2013/14 financial year. The implementation of the Action plan will be monitored on a monthly basis through a review of Internal Audit. The commitment is made by all involved, including political leadership, the administration and other structures such as Municipal public account committee (MPAC), and Audit Committee to improve systems at the municipality.

1.11 STATUTORY ANNUAL REPORT PROCESS

NO	ACTIVITY	TIME FRAME
1.	Consideration of next financial year's Budget and IDP process plan. Except for	JULY
2.	the legislative content, the process plan should confirm in-year reporting formats	
3.	to ensure that reporting and monitoring feeds seamlessly into the Annual Report	
4.	process at the end of the Budget/IDP implementation period	
5.	Implementation and monitoring of approved Budget and IDP commences (In-	
6.	year financial reporting).	
7.	Finalise the 4th quarter Report for previous financial year	August
8.	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
9.	Municipal entities submit draft annual reports to MM	
10.	Audit/Performance committee considers draft Annual Report of municipality and	
11.	entities (where relevant)	September – October
12.	Mayor tables the unaudited Annual Report	November
13.	Municipality submits draft Annual Report including consolidated annual financial	
14.	statements and performance report to Auditor General	
15.	Annual Performance Report as submitted to Auditor	

	General to be provided as	
16.	input to the IDP Analysis Phase	December
17.	Auditor General audits Annual Report including consolidated Annual Financial	
18.	Statements and Performance data	
19.	Municipalities receive and start to address the Auditor General's comments	January



CHAPTER 2

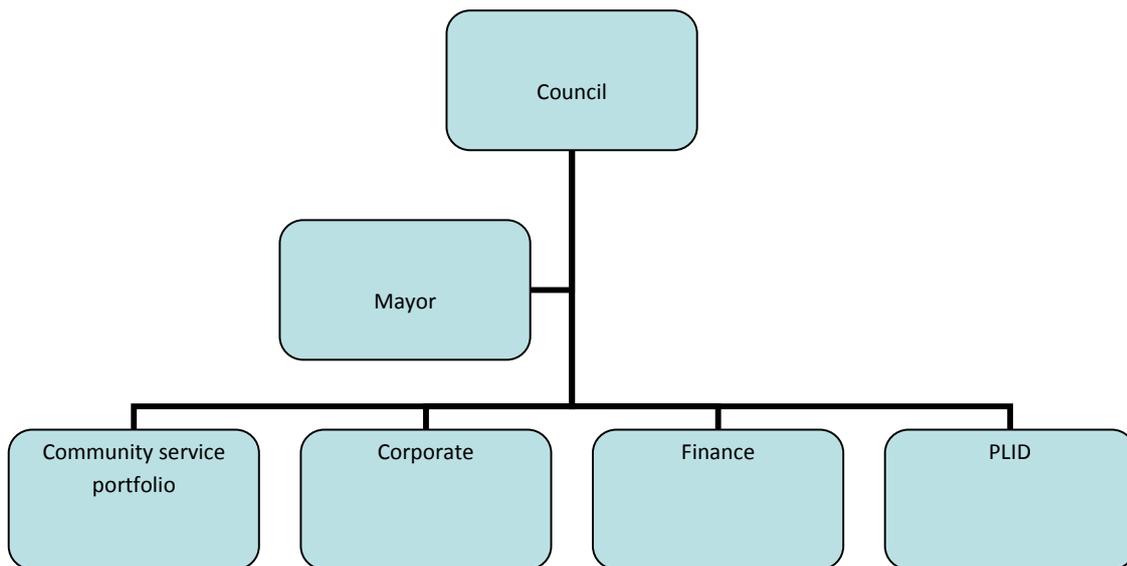
GOVERNANCE



2.1.1 GOVERNANCE STRUCTURE

2.1.1 Municipality political governance structure

UMhlabuyalingana Municipality political governance structure consists of Council; the Mayor and Council and portfolios.



In addition, the Council is constituted by 3 political parties in a form of public representation, which is as follows:

Political Party	Number of Representatives/ Councilors
African National Congress	22
National Freedom Party	4
Inkatha Freedom Party	8



EXCO PHOTO



Mayor – Cllr T.S.
Mkhombo



Deputy Mayor – Cllr
N.M. Nxumalo



Speaker - Cllr N.S.
Mthembu



Cllr M.J. Ntsele



Cllr B.T. Tembe



Cllr S.N. Mthethwa



Cllr T.A.X. Zikhali



UMHLABUYALINGANA MUNICIPAL COUNCIL



Cllr K.O. Tembe
Ward 01



Cllr N.M. Nxumalo
Ward 02



Cllr B.N. Ntsele
Ward 3



Cllr Q.I. Nhlozi
Ward 04



Cllr J.S. Mkhabela
Ward 05



Cllr M.R. Mthembu
Ward 06



Cllr D.M. Mhlongo
Ward 07



Cllr B.H. Ngubane
Ward 08



Cllr T.M. Gumede
Ward 09



Cllr C.B. Mahlangu
Ward 10



Cllr S.N. Mthethwa
Ward 11



Cllr N.S. Mthembu
Ward 12



Cllr J.B. Gwala – Ward 13



Cllr N.L. Mlambo –
Ward 14



Cllr N.C. Mdletshe –
Ward 15



Cllr E.G. Mhlongo
Ward 16



Cllr S.N. Tembe –
Ward 17



Cllr T.S. Mkhombo
(Mayor)



Cllr S.P. Mthethwa



Cllr BT Tembe



Cllr F.G. Mlambo



Cllr N.R. Mthethwa



Cllr S.K. Phyffer



Cllr M.J. Ntsele



Cllr S.X. Mabika



Cllr R.N. Mthembu



Cllr T.F. Zikhali



Cllr T.A. Fakude



Cllr T.A.X. Zikhali



Cllr Biyela



Cllr G.A. Mathenjwa



Cllr G.N. Gumede



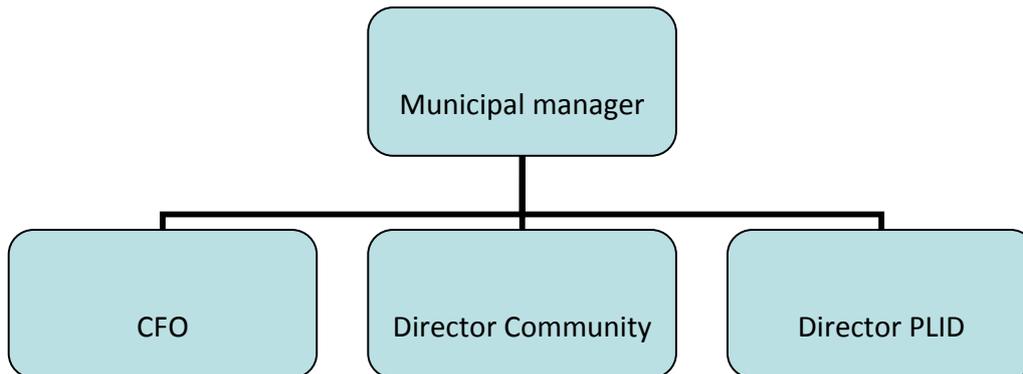
Cllr L.T. Nsele

Cllr Mavundla



2.1.2 Administrative Governance Structure

The administrative Governance of UMhlabuyalingana Municipality during the 2013/2014 financial year comprised of the Municipal Manager and three (3) Directors as well as a staff of 240 including the EPWP workers. The structure below illustrates the administrative governance of the municipality financial year:



2.2 Intergovernmental Relations

2.2.1 Intergovernmental Relations

Service delivery matters that are cross-cutting involving other spheres of government are dealt with at the IDP Representative Forum. This forum included the municipal representatives, traditional leadership, government department, NGO, CBO, development agencies and private sector.

2.3 Public Accountability and Participation

2.3.1 Public Meetings

The Municipality consults with the public through the following mechanisms: Mayoral Izimbizo, IDP and Budget Roadshows, Mayoral Radio slots at a local radio station, Ward Committees and meetings with Amakhosi



2.3.2 IDP Participation and Alignment

UMhlabuyalingana Municipality has established an IDP Representative Forum to ensure community and stakeholder participation in the process of IDP. IDP co-ordination and alignment is achieved through the Local and District IDP Representative Forum as well as the UMkhanyakude Planners Forum.

2.4 Corporate Governance

The Municipality has established the Municipal Public Accounts Committee (MPAC), a system to deal with complaints and has ensured that Clean Audit remains a standing item in the Council agenda.

2.4.1 Risk Management

The need for risk management is to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the municipality's service delivery capacity. It is an appropriate proactive way of managing risks and to successfully achieve the municipality's goals and strategic objective.

Responsibility for the risk management resides mostly with line management in all departments however every employee is responsible for risk management. The risk management unit has played its role by conducting risk assessment workshops with management with an aim of ensuring that management understands the importance of managing risks for the benefit of the municipality. The municipality has put in place mechanisms to identify and assess risks and developed specific mitigating strategies, plans or actions. The risks are recorded in the risk register and are continuously monitored and reviewed by the Risk Management unit by the Risk Management committee. The role of the committee is to guide the development and implementation of Risk Management and to review and monitor Risk Management processes and outputs quarterly.

2.4.2 Anti-corruption and fraud

An anti-corruption and fraud policy exist and all relevant stakeholders including officials and councilors attended work shop on this subject matter.

2.4.3 Supply Chain Management

UMhlabuyalingana municipality has established supply chain management unit and all supply chain management bid committees have been established and are operational.



2.4.4 By-laws

The municipality has developed property rate by-laws which was gazetted and has developed informal trading by-laws which has not been

2.4.5 Websites

The municipal website is in place and operational.

2.4.6 Public Satisfaction on Municipal Services

The municipality has developed a system to deal with complaints. Ward Committee feedback has also been embraced as one of the systems to deal with community challenges and complaints.

2.4.7 Municipal oversight committees

The Municipal Council together with the Municipal Public Accounts Committee plays the role of oversight committee.

2.4.7.1 AUDIT COMMITTEE

The e audit committee was established in the 2013/14 financial year in accordance with section 166 of the Municipal Finance Management Act. It is imperative to mention that the committee is also functioning as Performance Audit Committee since members are experience in performance Management system and due to the nature of the Municipality. The audit committee members were appointed by the municipal council in its meeting on the 27th of February 2014 and none of them are in the employ of the municipality. During the year under review the Audit Committee had five (5) meetings. However, it should be noted that as per Auditor General the Audit Committee should be assessed by the municipal council to ensure effectiveness of the committee of which it didn't happen. The municipality has already developed the checklist and will be implemented in the 2014/15 financial year. Names of the Audit Committee members are,

1. Mr. B Mabika
2. Ms PP Sithole
3. Ms ZP Khanyile

2.4.7.2 PERFORMANCE EVALUATION COMMITTEE

The performance evaluation committee which was appointed during the course of the year had managed to do an assessment in the performance of the whole 2013/14 financial year. The Mid- year assessment which was not done, was done at once at the year end.



2.4.7.3 INTERNAL AUDITORS

The municipality appointed Ntshidi & Associates as Internal Auditors 2013/14 for the next three years. The Internal Audit coverage plan for 2013/14 was approved by the Audit Committee and it has been implemented accordingly. The internal Audit has issued ten (10) reports to date and the reports were tabled to the Audit Committee. However, it should be noted that as per Auditor General the Internal Audit should be assessed by the Audit Committee of which it didn't happen. The municipality has already developed the checklist and will be implemented in the 2014/15 financial year.

2.4.7.4 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The municipality has an oversight committee which is the municipal public accounts committee and was established in 2011. As per the Municipal calendar the MPAC should meet at least four times a year. During the year under review, the MPAC had two (2) meetings. The training will be provided to ensure the committee functions effectively.



Chapter 3
Service Delivery
performance report
part 1



3.1 WASTE MANAGEMENT

UMhlabuyalingana is a rural local municipality; it is part of the family of five municipalities under UMkhanyakude District Municipality. In terms of the National Environmental Management: Waste Act 59 of 2008, UMhlabuyalingana doing its best to collect solid waste from 51 businesses and 31 households on weekly basis. These businesses and households are situated in and around the three towns of Umhlabuyalingana namely, Manguzi town, Mbazwana town and Skhemelele Town. The area of Umhlabuyalingana is also very sandy, this hampers our will and capacity to collect waste in all areas that we are expected to serve. In all the three towns we have put 2,5m² waste skips and 240L waste bins. We bought so far 1 waste truck which we use in the three towns for collection of refuse. We do the collection of refuse at least twice a week. The municipality has employed 113 general workers who are doing refuse collection in the three towns and, 1 waste truck driver. We also have 112 EPWP workers who are working in our three dumpsites. The municipality has three dumpsites, one of the three is registered,,ie, Manguzi Dumpsite, whilst the other two are under the process of registration. We have developed the Integrated Waste Management Plan, adopted and approved by council. Presently we are in the process of implementation of the IWMP.

3.2 HOUSING

Umhlabuyalingana is one of the five local municipalities located in the Umkhanyakude District Municipality (DC27) and is approximately 3 693 km². It has Mozambique along its northern boundary, the Indian Ocean to the east and the local municipalities of Jozini to the west and The Big 5 False Bay and KZDMA27 to the south. The urban areas include towns such as Mbazwana, Sodwana Bay and KwaNgwanase (Manguzi). Ingonyama Trust land which members of the Tembe, Mashabane, Mabaso and Zikhali traditional councils dominates the area of jurisdiction of the municipal area.

The municipality has no proclaimed township, with the municipal jurisdiction made up of 17 wards with little or no economic base. Most members of these communities are dependent on



subsistence agriculture or income from migrant workers. The municipality has evenly scattered spatial patterns.

3.2.1 POPULATION GROWTH TRENDS AND CHALLENGES

In the Stats SA, Census 2011 the population is 156 736 people, with an average household size of 5 people per household. As a gateway to Africa and as any border municipality, it has been noticed that there is a growing number of immigrants' in-fluxing the area. The alarming fact is that, it is not profound if all these immigrants have entered the country legally or not and as such could the numbers be quantified.

In addition, the area also has a tendency of accommodating the working class from other areas which also adds to the local population. Often these, reside on rented cottages and are always keen for more decent housing options.

The challenges connoted to this ranges from facts such as that socio-economic status of this area is way below average to the HIV-AIDS epidemic that also has a huge impact on the growth of the population. New settlements are emerging and seem to be bias as they host certain ethnic groups which is a huge segregation era threat.

3.2.2 INFORMAL SETTLEMENTS

It is often than not argued that this municipality has a challenge with informal settlements. By natural default the area of Umhlabuyalingana determined itself to be rural in character and as such 99% of the area is classified as rural. This is evident throughout the municipal area when you look at the housing typology and the dispersed rural settlements with poor road infrastructure that interlinks them.

Dwelling units made up of traditional material are still prevalent in the area however; the municipality does not consider these to be "informal settlements" and for a simple reason that these communities often have some form of land tenure rights to settle where they are. Basically, the issue of affording decent housing is the cause and some erect such houses by choice.



3.2.3 IDENTIFICATION OF LAND FOR FUTURE HOUSING DEVELOPMENT

The Local Municipality of Umhlabuyalingana area of jurisdiction spreads for approximately 3621 km² in land magnitude. In terms of land tenure, estimated at 60 % of the municipal area falls under Ingonyama Trust ownership with four tribal councils who are the custodians of the land, with the remaining 40% consisting of commercial farms and conservation areas.

Furthermore, what is often over-looked is the fact that most decent and modern houses are often erected without following due processes i.e. acquiring an approval of a building plan from the municipality in terms of the National Building Regulations and Building Standards act 103 of 1977 as amended. This also boils down to the fact that in such areas the culture of ensuring as to which areas are best suitable for locating housing was never practiced and brings along challenges in terms of installing infrastructure in some of these areas.

Generally speaking and on the basis of the above, in the context of Umhlabuyalingana it will be social incorrect to consider the municipality as having a challenge with informal settlements but will be technically correct to make such a statement.

3.2.4 CURRENT HOUSING PROJECTS

PROJECT NAME	PROJECT NO	UNITS	IMPLEMENTING AGENT	DEVELOPER	STATUS
Kwangwanase Phase One Rural Housing Project		2000	Inprodev Pty Ltd	Section 21 Company	Project To Be Completed In April 2012
Mbazwana Housing Project		500	Inprodev Pty Ltd	Section 21 Company	Project Completed/ Close Out Report
Mabaso Rural Housing Project Area A	K10020008	1256	Gumede Rural Development	Municipality	Project Completed/ Close Out Report
Mabaso Rural Housing Project Area B	K10020007	1244	Siyamthanda Projects	Municipality	Project Completed/ Close Out Report
Mashabane Rural Housing Project		1000	Teraplan And Associates	Municipality	Project under construction and progressing very well
Kwangwanase Phase Two Rural		1000	UmpHEME Development	Municipality	Planning



PROJECT NAME	PROJECT NO	UNITS	IMPLEMENTING AGENT	DEVELOPER	STATUS
Housing Project					
Kwambila Rural Housing Project		1000	Fezeka Business Services	Municipality	Planning

3.3 FREE BASIC SERVICE AND INDIGENT

With regards to the indigent support the municipality developed the indigent support policy which caters amongst other services the burial service. We help the needy families with coffin, transportation of the deceased, grocery depending on the need of the respective family. The councilors would offer the tents for church service during the funeral.

3.4 ROADS

The Umhlabuyalingana municipality is situated in the North Eastern part of KwaZulu-Natal. The Municipality has an area of 3621 km² and a population of 156 736 people, with an average household size of 5 people per household, according to the Statistics South Africa 2011 census. The municipality is one of five municipalities that constitute the Umkhanyakude district Municipality. The Municipality has a rural character with 99% of the municipality classified as rural, and consists of 17 wards. Nearly 60 % of the municipal area falls under traditional authority ownership, with the remaining 40% consisting of commercial farms and conservation areas.

The Umhlabuyalingana municipality has a total of 346 km of roads, and with exception of the road from Mbazwana to Manguzi (R22), the road network is poor to very poor condition, and is in dire need of upgrade. Most roads are sandy and difficult to drive on with a 4x2 vehicle. The municipality largely depends on grants for the implementation of Capital projects and due to financial constraints this municipality has a huge backlog on its local road demand but for the financial year 2013/2014 this municipality was able to address this by constructing a number of



gravel roads that are believe to create economic benefit for the people of UMhlabuyalingana, this includes, qongwana 1.2km road, mbubeni 4km road, Mlambula 5km road and Zangomeni Mngomezulu 5.0km road.

Tarred Road Infrastructure					
					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -2	0	3.7	0	0	0
Year -1	3.7	1.3	1	0	0
Year 0	6	0	0	0	3.7

Gravel Road Infrastructure				
				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -2	110	17	0	0
Year -1	130	20	1.3	105
Year 0	150	21	0	105

3.5 PLANNING

Municipal wide draft SDF and a LUMS for Mbazwana and Manguzi have currently been adopted by council. Enforcement of both these land use management tools to be enforced and a municipal wide scheme to be planned for to meet the pre-requisites of the KZN Planning and Development Act. Municipality is to provide the framework to guide the overall spatial distribution of current and desirable (future) land uses within the municipality

Application for Land Use Development			
Details	Formalisation of Township	Rezoning	Built Environment



	2012	2013	2012	2013	2012	2013
Planning applications received	0	0	0	0	1	7
Determination made in year of receipt	0	0	0	0	0	0
Applications Withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	0	0	0

3.8 LOCAL ECONOMIC DEVELOPMENT

3.8.1 INTRODUCTION TO ECONOMIC DEVELOPMENT

LED is one of the key errands that UMhlabuyalingana municipality engages on through a variety of packages. It remains factual that success of this initiative is mostly contingent to alliance level obtained from different stakeholders. The purpose of local economic development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation.

3.8.2 OBJECTIVES OF LED

The short term goal of the municipality is to provide financial, skills & capacity local businesses to help them create stability for their own businesses, and a long term objective is to provide sustainability for all small economic drivers in order to expand and create more job opportunities

Economic Activity by Sector			
Sector	Year -11/12	Year -12/13	Year -13/14
Agriculture	3	4	4
Tourism	1	1	1
SMME Support	2	1	2
Informal Trading	2	2	2



Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -11/12	3	144
Year -12/13	4	426
Year -13/14	7	1860
<i>Extended Public Works Programme including CWP</i>		

3.8.3 EMPLOYMENT CATERGORY

Adult Men	51
Adult Women	64
Youth Men	32
Youth Women	36
Disabled Persons	02

3.9 LIBRARIES AND COMMUNITY FACILITIES

UMhlabuyalingana Municipality has 1 main library, a satellite library, on these libraries the following services are provided.

3.9.1 Internet access to the Community

- This is the one of the top services, since we are in the rural areas. Community is in need of internet. For example Registration online via different universities, searching information, assignments, Result for students
- Looking for jobs and applying
- Enables student to do Projects
- Access emails



3.9.2. PROMOTIONS

Outreach programmes go out to schools doing because some schools are very far from the Library.

- Doing the service delivery to those schools.
- Doing competitions with schools to improve their reading and writing skills it has good impact because we have seen students improving in their grammar subjects and results through reading competitions we have with them

3.9.3. COMPUTER CLASSES

- Free services to the community to have basic background on computer skills and it also have a good impact to the community.

3.9.4. EMPLOYEES

NO	Position	NO	vacant position
1.	Librarian	1	0
2.	Librarian assistant -(Manguzi-1)(Mseleni-1)	2	0
3.	Cyber cadet	1	
4.	Vacant post -1 Library assistant	0	1

3.10 SECURITY AND SAFETY (TRAFIC DISASTER MANAGEMENT)

In line with the disaster management Act (Act no.57 of 2002) UMhlabuyalingana municipality is trying it best to ensure that disaster management is part of it priorities thus we have established the disaster management unit with well-trained personnel and has established the disaster forum to insure holistic approach toward the implementation of the all disaster management programs.



This municipality has also stabled a traffic control unit within community service department with well-trained experienced personnel. This unit has plans in place for day to day traffic management operation programme to ensure safe and security and to minimize roads acceded within UMhlabuyalingana municipal community area.

3.11 SPORT AND RECREATION

The municipality has built a number of sports fields such Zamazama, Manaba, Mseleni, and Mbazwana Stadium, some are sill under construction. The municipality has established the Local Sports Council which works in different wards to help the municipality in the development of sports. The municipality has supported the SAFA domestic males soccer Leagues in three wards namely wards 2,3, and 15. We have participated successfully in SALGA games providing the youth of Umhlabuyalingana with an opportunity to showcase their sports talent.

3.12 HUMAN RESOURCES SERVICES

Human resources as a component deals mainly with recruitment and selection which is staffing, human resources development, health and safety, maintaining health and sound employer-employee relations, human resources administration and benefits management. In 2013/2014 the focus of human resources was to strengthen the unit where post of Human Resources Officer was filled. This has assisted the municipality in ensuring that the unit is not viewed as a support unit only responsible for day to day data processing.

The priority and focus area is to pitch the function at a strategic level where the human resources will develop Human Resources Strategy, align to organizational objectives, through IDP and organizational scorecard on how to address human resources challenges and to strengthen human resources role and visibility within the organization.



3.12.1 HUMAN RESOURCES SERVICES POLICY OBJECTIVES

HUMAN RESOURCES SERVICES POLICY OBJECTIVES							
Service Objectives	Service Targets	Year 1		Year 2		Year 3	
		Target	Actual	Target	Actual	Target	Actual
To create and retain sufficient capacity for an effective administration	Fill-in the priority vacant posts as per the approved Organogram	5	5	2	2	2	2
Develop workplace skills Plan for efficient administration	Development of the work skills plan	Roll –out training programmes	Roll –out training programmes	Roll –out training programmes			
To keep records and create institutional memory.	Improve registry system.	Develop File Plan	1	Improve registry system	Develop a system to store and manage documents prepared by and on-behalf of the municipality	Develop a knowledge management system	



3.12.2 VACANCY RATE

VACANCY RATE		
DESIGNATIONS	TOTAL APPROVED POSTS	TOTAL VACANCIES
<i>Municipal Manager</i>	<i>1</i>	<i>0</i>
<i>CFO</i>	<i>1</i>	<i>0</i>
<i>Other Section 56 Managers</i>	<i>3</i>	<i>2</i>
<i>Managers</i>	<i>8</i>	<i>1</i>
<i>Traffic Officers</i>	<i>3</i>	<i>0</i>
<i>Firefighters</i>	<i>3</i>	<i>0</i>
<i>Officers</i>	<i>8</i>	<i>0</i>
<i>Clerical</i>	<i>16</i>	<i>2</i>
<i>Other</i>	<i>21</i>	<i>1</i>
TOTAL	64	6



3.12.3 TURNOVER RATE

<i>TURNOVER RATE</i>		
<i>YEAR</i>	<i>TOTAL APPOINTMENTS AS AT THE BEGINNING OF THE YEAR</i>	<i>TERMINATIONS DURING FINANCIAL YEAR</i>
<i>FY 2013/2014</i>	<i>79</i>	<i>9 = 11%</i>

3.13 Information and communication technology (ICT)

UMhlabuyalingana municipality has been using outsourced ICT Services and during 2013/14 financial year appointed IT personnel to ensure IT service management practice and culture *that is* stable and available including but not limited to Helpdesk Management, Change Management, Service Level Management, etc. for Effective implementation and management of IT governance. This includes the implementation of IT policies and supporting processes, Management and transparent reporting on IT related risks.

3.14 ORGANISATION DEVELOPMENT PERFORMANCE

NATIONAL KPA	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	ANNUAL TARGET	Demand	Baseline	Backblock	ANNAUL ACTUAL	REASONS FOR DEVIATION	PLANNED MEASURES FOR IMPROVEMENT
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	To provide the optimal institutional structure to render effective and efficient services	IDP's Adopted	Adopted IDP by council	Adopted IDP by June 2014	1	1	N/A	Target Achieved, 2014/15 IDP has been adopted by council on 30/05/14	N/A	N/A
		adoption of an annual report	Annual report adopted with council resolution	Council adopted annual report by 31 January 2014	1	1	0	Target achieved	N/A	N/A
		adoption of an IDP Document	Council resolution adopting 14/15 IDP	council Adopted council review (2014/15) IDP by 31 may 2014	1	1	0	Target achieved	N/A	N/A
		IDP community participation meeting	Number of meetings with attendance registers	4 meetings held by October 2013	4	4	0	Target achieved	N/A	N/A



	To provide the optimal institutional structure to render effective and efficient services	Number (as well as percentage) of critical posts filled	Number of critical posts filled by June 2014	2 critical posts filled by December 2013	2	2	0	Target achieved, Director corporate services, Director Community, Manager Internal Audit, Town Planner, SCM Manager	N/A	N/A
		Number of people from employment equity target groups employed in the three highest levels of management	Number of people from employment equity target groups employed in the three highest levels of management	5 people employed from employment equity target groups employed in the three highest levels of management by June 2014	5	5	0	Target Achieved, 3 people were employed, Director Corporate services, Director Community Services and Community Manager, town planner and Internal Auditor.	N/A	N/A
	Functional OPMS	Quarterly performance report submitted	Number of quarterly performance reports	4 quarterly performance reports by June 2014	4	4	0	Target achieved	N/A	N/A
		Performance review conducted	Number of performance reviews conducted	2 performance reviews conducted	2	1	1	Target not achieved since only 1 assessments conducted in July 2013.	Delays on appointment of PAC chair and audit committee	Implantation as per regulation
		skills Audit	No of skills	1 skills audit	1	1	0	Target achieved,	N/A	N/A



		Conducted	Audit Conducted	conducted by June 2014				the skills audit report has been submitted by the service provider		
		Develop Employee Assistance Programme	1 employee Assistance programme by June 2014	1 employee Assistance programme by September 2013	1	1	0	Target achieved, EAP was adopted by council	N/A	N/A
		Organogram	Council resolution	Council reviewed organogram by June 2014	1	1	0	Target achieved, organogram has been approved by council on 30/05/2014	N/A	N/A
		Local Labour Forum meetings	Number of Local Labour Forum meetings sited	6 LLF meetings held by June 2014	6	6	0	Target achieved, 6 LLF meeting were held in June 2014	N/A	N/A
		Portfolio committees meetings held	Number of portfolio Committee meetings	12 portfolio Committee meetings by June 2014	12	12	0	Target achieved, portfolio committee meeting held	N/A	N/A
		General staff meetings held	Number of General staff meetings	4 General staff meetings by June 2014	4	4	0	Target achieved 4 General staff meeting held	N/A	N/A
		Report on Public Safety	Number of reports on Public Safety	12 reports on Public Safety	12	12	0	Target achieved, 12 report on public safety	N/A	N/A



		Provision of Library services	Number of Reports on Library services provision	12 monthly Reports on Library services provision	12	12	0	Target achieved, 12 monthly report on Library	N/A	N/A
		Improved access to basic services	Number of consumer units with access to refuse removal at least once per week	51 consumer units with access to refuse removal by June 2014	51	51	0	Target achieved, weekly signed register on waste collection	N/A	N/A
		Midyear report submitted	Number of midyear report submitted	One midyear report by January 2014	1	1	0	Target achieved	N/A	N/A
		EXCO Resolutions approving SDBIP for 2013/14 and signed performance agreements	EXCO resolutions and acknowledgment letter from COGTA	EXCO approved SDBIP and signed performance by July 2013.	1	1	0	Target achieved	N/A	N/A
		submission of work place skills plan	Proof of submission	WSP Submitted to LG SETA by June 2014	1	1	1	Target achieved	N/A	N/A
		Municipal policies	Number of policies	12 review of municipal polices	12	12	0	Target achieved	n/a	n/a
		budget spent ON Work	Percentage	100% of budget spent on WPS	12	12	0	Target achieved	N/A	N/A



		place skills plan		by June 2014						
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT		Construction of Manguzi/Mbazwana Public Toilets	Public Toilets constructed /completed by June 2014	Construction of Manguzi Public Toilets	2	2	1	Target not achieved, but Manguzi/Skhemele is completed with engineers completion certificate	There were delays for Mbazwana site allocation approval	To engage all stakeholders to speed up progress and resolve site conflicts
		Construction of Cashiers Office	Cashier's office constructed by June 2014	Cashier's office complete by June 2014	1	0	1	Target not achieved, project has been placed on hold.	The project has been placed on hold due to poor responsive bidders	Project will resume in 2014/15 financial year.
		Construction of parking shelters	Parking shelters constructed by June 2014	Construction of parking shelters with engineer's completion certificate by June 2014	1	1	0	Target not achieved, project has been placed on hold	The project has been placed on hold due to poor responsive bidders	Project will resume in 2014/15 financial year.
		Construction of Sbhoweni community centre	Progress report Indicating 70% project completion	Construction of Sbhoweni community centre with engineer certificate	1	1	0	Target achieved, project completed with Engineers completion certificate	N/A	N/A
		Construction of 5.0 km of 8.5km	No. of gravel road with	Construction of 5.0 km of Zangomeni-	5km	5km	0.5km	Target achieved, project complete with Engineers	N/A	N/A



		Zangomeni-Mngomezulu Road	engineers certificate	Mngomezulu Road				completion certificate		
		Construction of 1.2 km Qongwane and Mntanenkosi road by June 2014	Qongwane and Mntanenkosi road construction	Qongwane road constructed by June 2014	1.2km	1.2km	0	Target achieved, project completed with engineers practical completion certificate	N/A	N/A
		Construction of 5 km of 11.5 km Manaba-Mlamula access road	Manaba-Mlamula access road construction	5 km Manaba-Mlamula access road construction	5km	9.8km	0	Target achieved, project was completed in May 2014.	N/A	N/A
		Construction of 4 km of 8.5km Mbubeni-Majola access road	Mbubeni-Majola access road construction	4 km Mbubeni-Majola access road	4km	4.3km	0	Target achieved, 84% project completion, currently processing the final layer	N/A	N/A
		Construction of Nyamazana Sports Fields as per priority Scheduled list	Construction of Nyamazana Sports Fields	Nyamazana Sports Fields	1	1	%	Target not achieved 10% completed, contractor was terminated due to slow progress	Contract was terminated due to slow progress and non-performance by the contractor	project will be complete in the 2014/15 financial year
		Mseleni electrification	350 household	Electrification of 350	350	362	0	Target achieved , awaiting ESKOM	N/A	N/A



			electrified	household				with an outage date		
		Procurement of 3 municipal vehicles	3 municipal vehicles procured with proof of purchase	3 vehicles procured by June 2014	3	3	0	Target achieved	N/A	N/A
		Developed waste management	Council approved waste management plan with action plan	Council approved waste management plan with action plan by June 2014	1	1	0	target achieved	N/A	N/A
		refuse removal	Waste management awareness campaign	4 awareness campaign by June 2014	1	1	0	target achieved	N/A	N/A
		Public safety services	Number of reports on public services safe	12 monthly reports on provision of public safety services	12	12	0	target achieved	N/A	N/A
LOCAL ECONOMIC DEVELOPMENT	To create an environment conducive for investment, economic growth and job	Number of wards where CWP has been implemented	Number of wards where CWP has been implemented	' (17) wards CWP implemented	17	17	0	Target achieved, CWP has been implemented in all wards	N/A	N/A



	creation									
		Reference committee meeting	Number reference committee held	Reference committee meeting by June 2014	4	4	0	Target achieved	N/A	N/A
		development of tourism guide hand book	Number of copies of the tourism guide hand book produced.	1000 copies of the tourism guide by June 2014	1000	0	1000	Target not achieved	Non responsive bidders	To be implemented in 2014/15 financial year.
		Training and registration of tourist guide	Number of trained tourist guide with certificate	50 trained tourist guide.	50	50	0	Target achieved	N/A	N/A
		Development of art gallery structural plan	Council resolution approving structural plan	Completed structural plan by June 2014	1	0	1	Target not achieved	Non responsive bidders	To be implemented in 2014/15 financial year.
			Feasibility study for manzamany ama and dapha community camp site	Feasibility study completed with report by June 2014	1	0	1	Target not achieved	Non responsive bidders	To be implemented in 2014/15 financial year.
		Number of graded	Graded tourism	5 graded tourism	5	0	5	Target not	Tourism establishme	To consult grading



		tourism establishments	establishments	established by June 2014				achieved	nt did not met required standard	council for further engagement.
		Tourism study tour	Number of study tours held/ conducted	One tourism study	1	1	0	Target achieved	N/A	N/A
		Development of structural plan reactional center	Council resolution approving structural plan	Structural plan completed by June 2014	1	0	1	Not achieved	Non responsive bidders	
		Educational training conducted for SMME	number educational training conducted	2 educational training conducted by June 2014	2	2	0	Target achieved	N/A	N/A
		Co-operative registration	Number co-op registered	10 co-op register by June 2014	10	10	0	Target archived	N/A	N/A
		SMME award hosting	Report on the SMME awards	SMME award by June 2014	1	0	1	Target not achieved	Delays on the establishment of business forum	To be implemented on the next financial year
		Indigenous nursery	Complete indigenous nursery	Complete indigenous nursery by June 2014	1	1	0	Target Achieved	N/A	N/A



	Extended Public Works Programme (EPWP)	Number of work opportunities created through LED development initiatives including Capital Projects	No. of jobs created	110 jobs created	110	112	0	Target achieved, 112 jobs had been created	N/A	N/A
GOOD GOVERNANCE, COMMUNITY PARTICIPATION AND WARD COMMITTEE SYSTEMS	To provide for an effective involvement of the public in municipal affairs	Number of ward committee management meetings held and percentage attendance by members	Number of ward committee management meetings held and percentage attendance by members	12 meeting per ward	12	7	5	Target not achieved, not all ward submitted their records.	Non-submission of ward committee records	Councilor engagement to ensure that meetings are held in ward level and documents are submitted to municipality
		Number of Ward committee meetings	Percentage of attendance by members per ward	Ward committee meetings	100%	58%	42%	Target not achieved	Poor submission of ward committee records	Councilor engagement to ensure that attendance is achieved and documents are submitted to municipality
		Number of complaints,	Number of complaints	12 monthly reports on	12	12	0	Target not achieved, no	Non-submission	Engage speaker



		queries and requests registered from the community and attended to (checklist for meetings needs against registered needs and turn-around time)	, queries and requests registered from the community and attended to (checklist for meetings needs against registered needs and turn-around time)	17 registers and reports per ward by June 2014				records were received	n of records	about non submission of the ward committee minutes together with attendance registers
		Distributed publications over a period of time	Number of distributed publications	4 Newsletters by June 2014	4	1	3	Target achieved, 1 newsletter has been distributed	Had delays in appointing service provider & unavailability of PRO	To appoint PRO
		Management and updating of ward profiles and database of indigent households	Number of updated ward profiles and database of indigent households	One updated database of indigent households by June 2014	1	1	0	Target Achieved, indigent register updated.	N/A	N/A



		HIV/AIDS PROGRAMME	4 Local Aids Council by June	4 Local Aids Council by June	4	4	0	Target achieved	N/A	N/A
		Established municipal public accounts committee	Established municipal public accounts committee	1 Oversight Report by June 2014	1	1	0	Target achieved, 1 oversight report issued	N/A	N/A
		Established internal audit	Established internal audit	4 Internal Audit Reports by June 2014	4	4	0	Target Achieved, 13 report issued by internal auditors	N/A	N/A
		Established Audit Committee	Established Audit Committee	4 Audit Committee reports tabled to council	4	2	2	Target Achieved, 2 Audit Committee report issued	Delay on appointment of audit committee members.	To be fully implemented on 2014/2015 financial year.
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT										
		Improve revenue collection	Council resolution	Adopted revenue enhancement strategy by June 2014	1	1	1	Target not achieved, draft Revenue enhancement strategy not adopted	Delay of input submission by other department	The revenue enhancement strategy will be approved in the first quarter of the new financial year(2014/2015)



		Draft Asset Register	Internal auditors report on municipal register by June 2014	Draft Asset Register by June 2014	1	1	0	Target achieved draft asset register completed	N/A	N/A
		Consideration of adjustment budget	Council resolution adopting adjustment budget	Approval of adjustment budget by council on the 25 th of January 2014	1	1	0	Target achieved the adjustment budget was approved as per plan.	N/A	N/A
		number of financial reports and reconciliation	number of financial reports and reconciliations	12 financial reports and reconciliations by June 2013	12	12	0	Target achieved, monthly reports	N/A	N/A
		Approved Annual Budget for 2014-2015	Council resolution approving annual Budget for 2014-2015	Approved Annual Budget for 2014-2015 by June 2014	1	1	0	Target Achieved, Council adopted 2014/15 Annual Budget	N/A	N/A
		GRAP - compliant AFS	Acknowledgment of receipt of AFS from AG	SUBMISSION OF AFS by 31 of August 2013 and timely response to AG queries	1	1	0	Target achieved, AFS will be ready in August 2014	N/A	GRAP AFS will be ready for submission in August 2014
		SCM Reports	MONTHLY Reports submitted to MANCO	12 SCM Reports of purchases above 100	12	12	0	Target achieved, SCM Reports	N/A	N/A



			and MM and proof from treasury of submission	thousand by 30 June 2014						
		All HODs to submit procurement need	Monthly procuring report submitted to MM	Procurement plan to be developed by 30 June 2014	12	12	0	Target achieved, procurement plan submitted	N/A	N/A
		Operation of bid committees	Management committee and MM approving deadlines for bid committees.	Approved timetable for bid committees by July 2013	1	1	0	Target achieved, time table submitted	N/A	N/A
		Reviewed financial policies	Resolution adopting finance policies	Approved and adopted policies by June 2014	6	6	0	Target achieved policies adopted	N/A	N/A



		Trained staff on financial management	Proof of attendance	All finance staff must have attended MFMA competence training by June 2014	12	12	0	Target achieved all Finance staff attended training	N/A	N/A
		Fully functioning IT System	Appointment letter and maintenance report	Appointment of IT Consultant, support and maintenance of website network by June 2014	1	1	0	Target achieved	N/A	N/A



Chapter 4

Organizational Development, performance



4.1 Introduction to municipal Personnel

UMhlabuyalingana Municipality is a deep rural municipality, which was negatively affected by the imbalances of the past as a result of high labour turnover and failure to retain skilled personnel. To address the gap the municipality has developed human resources strategy that is inclined with staff Employment attraction and retention. The information below reflects the municipal staff turnover:

4.1.1 Municipal Staff Turnover

Employment category	Number of staff employed	Male	Female	Number of vacancies	Skills Programme and Short Courses
Section 56/57 Managers, interns & internal auditor	12	4	1	1	9
Permanent	92				39
Contract employees	228				0
Councilors	34	28	6	0	34
Total	366				82



4.1.2 Employees exited from employment

Employment	Resigned	Male	Female	Number of vacancies
Section 57	1	0	1	1
Permanent	3	1	2	
Contract employees	5	2	3	0
Councilors	0	0	0	0
Total	9	3	6	1



4.2 HUMAN RESOURCES POLICIES AND PLANS

HUMAN RESOURCES POLICIES AND PLANS			
NO	NAME OF POLICY	COMPLETED	REVIEWED
1.	<i>Acting Allowance Policy</i>	Y	Y
2.	<i>Correction of poor work performance Policy</i>	Y	Y
3.	<i>Disciplinary Procedure Policy</i>	Y	Y
4.	<i>Employment Practice Policy</i>	Y	Y
5.	<i>Housing Scheme Policy</i>	Y	Y
6.	<i>Occupational Health and Safety Policy</i>	Y	Y
7.	<i>Relocation Policy</i>	Y	Y
8.	<i>Succession Planning and Career Pathing Policy</i>	Y	Y
9.	<i>Training and Development Policy</i>	Y	Y
10.	<i>Work Attendance and Punctuality Policy</i>	Y	Y
11.	<i>Motor Vehicle Usage Policy</i>	Y	Y
12.	<i>Benefits and Allowance Policy</i>	Y	Y



13.	<i>Internet and Email Policy</i>	Y	Y
14.	<i>Leave of Absence Policy</i>	Y	Y
15.	<i>Press and Media Policy</i>	Y	Y
16.	<i>Legal Indemnity Policy</i>	Y	Y
17.	<i>Termination of Employment Policy</i>	Y	Y
18.	<i>Overtime Policy</i>	Y	Y

4.3 CAPACITATING THE MUNICIPAL WORK FORCE

CAPACITY BUILDING AND TRAINING

In compliance to Section 168 of the Municipal Finance Management Act and Regulations thereof, the municipality has prioritised ensuring that officials acquire minimum competency levels as legislated. As a form of capacity building and strengthening leadership, the focus was in the management members and finance department. This has seen the municipality building capacity and improved performance in different functional areas.

As the municipality has been growing the focus was also on ensuring that the Traffic department is fully capacitated both in numbers and in availability of skills. The municipality is moving towards focusing on capacitating each focus area and ensure that IDP objectives are fulfilled.



The Information (Table) below reflects the Municipal Staff who attended the training (Skills Programme and short Courses: 2013/14 Financial Year):

<i>Job Title</i>	<i>Name of Training</i>	<i>Gender</i>
<i>Municipal Manager</i>	<i>CPMD</i>	<i>M</i>
<i>Chief Financial Officer</i>	<i>CPMD</i>	<i>M</i>
<i>Director: Technical Services</i>	<i>CPMD</i>	<i>M</i>
<i>Director: Community Services</i>	<i>CPMD</i>	<i>M</i>
<i>Finance Manager</i>	<i>CPMD</i>	<i>F</i>
<i>Traffic Protection Manager</i>	<i>CPMD</i>	<i>M</i>
<i>Internal Audit Manager</i>	<i>CPMD</i>	<i>F</i>
<i>Budget Officer</i>	<i>CPMD</i>	<i>M</i>
<i>Supply Chain Manager</i>	<i>CPMD</i>	<i>M</i>
<i>Finance Management Intern</i>	<i>CPMD</i>	<i>F</i>
<i>Finance Management Intern</i>	<i>CPMD</i>	<i>F</i>
<i>Finance Management Intern</i>	<i>CPMD</i>	<i>M</i>

<i>Job Title</i>	<i>Name of Training</i>	<i>Gender</i>
<i>Licensing Clerk</i>	<i>Examiner for Driving Licenses</i>	<i>F</i>
<i>Licensing Clerk</i>	<i>Examiner for Driving Licenses</i>	<i>F</i>
<i>Licensing Clerk</i>	<i>Examiner for Driving Licenses</i>	<i>F</i>
<i>Trainee Traffic Officer</i>	<i>Traffic Officer's Diploma</i>	<i>M</i>
<i>Trainee Traffic Officer</i>	<i>Traffic Officer's Diploma</i>	<i>M</i>
<i>Trainee Traffic Officer</i>	<i>Traffic Officer's Diploma</i>	<i>M</i>
<i>Trainee Traffic Officer</i>	<i>Traffic Officer's Diploma</i>	<i>M</i>
<i>Trainee Traffic Officer</i>	<i>Traffic Officer's Diploma</i>	<i>M</i>
<i>LED Officer</i>	<i>Project Management</i>	<i>M</i>
<i>Manager: Technical</i>	<i>Project Management</i>	<i>F</i>
<i>Technical Officer</i>	<i>Project Management</i>	<i>F</i>
<i>Fleet Management Controller</i>	<i>Diploma in Fleet Management</i>	<i>M</i>
<i>Human Resources Officer</i>	<i>Certificate in Payroll (Leave)</i>	<i>M</i>
<i>Human Resources Manager</i>	<i>Certificate in Payroll (Leave)</i>	<i>F</i>
<i>Technical Intern</i>	<i>Internship</i>	<i>F</i>
<i>Technical Intern</i>	<i>Internship</i>	<i>M</i>
<i>Municipal Manager</i>	<i>Training on Waste Management</i>	<i>M</i>
<i>Director: Community Services</i>	<i>Training on Waste Management</i>	<i>M</i>



<i>Manager: Community Services</i>	<i>Training on Waste Management</i>	<i>M</i>
<i>Community Liaison Officer</i>	<i>Training on Waste Management</i>	<i>F</i>
<i>Tourism/ LED Manager</i>	<i>Training on Waste Management</i>	<i>F</i>
<i>Fire Fighter</i>	<i>Fire Fighting</i>	<i>M</i>
<i>Fire Fighter</i>	<i>Fire Fighting</i>	<i>M</i>
<i>Fire Fighter</i>	<i>Fire Fighting</i>	<i>M</i>
<i>Secretary to Municipal Manager</i>	<i>Minutes Taking and Report Writing</i>	<i>F</i>
<i>Secretary to Mayor</i>	<i>Minutes Taking and Report Writing</i>	<i>M</i>

<i>Job Title</i>	<i>Name of Training</i>	<i>Gender</i>
<i>28 Councillors</i>	<i>Legislation and Municipal Policies</i>	<i>M</i>
<i>6 Councillors</i>	<i>Legislation and Municipal Policies</i>	<i>F</i>



Organogram

Organogram



Organogram



Organogram



Organogram



CHAPTER 5

FINANCIAL

PERFORMANCE



5. Financial Performance of the municipality

In accordance with the Council approved supplementary valuation roll and billing from the financial system, total billing for this financial year was R 14,523,210. The municipality used the same Valuation Roll as previous year. It is important to note that the categories for rates are residential Business, Agriculture government and Ingonyama Trust Board. However the ratable properties include business sites and Government departments and Ingonyama Trust Board land. The residential properties have been excluded due to inappropriate rebate of R 55 000.00 as opposed to the R 80 000.00 current cost of the RDP house. The total collection in this financial year was R 8,030,612.12 which translates to 55 % collection rate as opposed to the ideal 98% collection rate.

In analyzing the financial performance in accordance with section 121 of the MFMA, taking into account the debtors age analysis, it appeared that in the government rates R 4,661,467 was raised during the year. For business properties R 3,173,800 was raised during the year.

For the Ingonyama Trust Board R 6,695,213 was raised in the financial year. It is an undisputable fact that the collection rate is too low and undesirable, hence the heavy reliance on grants. There are a number of reasons which led to this situation including challenges in the billing system, unresolved issues relating to rates owed by Ingonyama Trust Board, imminent confusion around the issue of property rates versus lease fees paid to Ingonyama Trust Board and capacity challenges to enforce credit control in the municipality.

The municipality has approved through council resolution, not to charge interest on all overdue accounts due to challenges raised above.

The proposed way forward that management has adopted in an attempt to resolve the above issues include the development of the new valuation roll which will correct all the mistakes. The Terms of reference for the valuer were discussed with Ingonyama Trust Board to eliminate discrepancies in the information pertaining to the property information.

Finally there is a plan to develop a revenue enhance strategy to address the issue grant dependency in the municipality.

5.1 Conditional Grant Expenditure

During the current financial year the municipality has managed to spend a significant amount of National Grants i.e. MIG, MSIG, FMG and EPWP, except for the Electrification Grant. It is for this reason that the unspent portion for the current year is **R 3 034 111** and prior year was **R 4 913 242** which is a favorable movement in this financial year.



The failure to spend the entire grant for electrification was mainly due to extraneous circumstances of repeated cable theft, thus significantly causing adverse progress on the project, hence the disturbance on the project expenditure in the current financial year. The other non-expenditure relates to

Savings from provincial grants. Management is currently engaging with the relevant provincial departments to determine if the savings can be utilized for other service delivery oriented projects.

5.2 Provision

The Annual Financial Statements for this financial year reflect a provision for bad debt amounting to R 8 720 927, whereas in the prior year it was R8 037 721. The increase in the provision for bad debt can be attributed to reasons stated under debtor section below.



5.3 Debtors

There has been an increase in debtors by R 6 599 251 in this financial year, from 9 045 637 to 15 644 888. The municipality inherited large outstanding debts from previous year and the huge chunk is the balance of Ingonyama Trust.

5.4 Cash and Cash equivalent

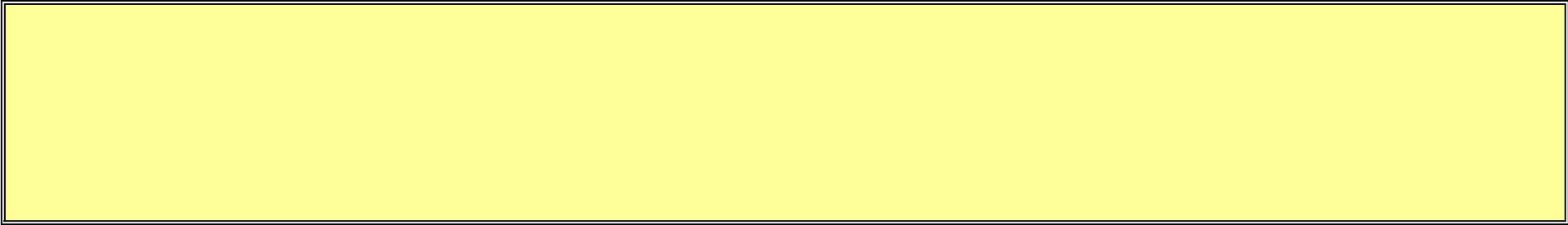
In the current financial year the closing balance was R71 049 569, whereas it was R 59 755 818 in the last financial year. This is a reflection of the good financial standing of the institution, especially when service delivery has not been compromised as we have recorded a 100% expenditure on MIG funding. The significant balance is as a result of good financial management including investment of monies not useable in a particular period, i.e. quarterly cash flow projections. In addition, there has been limited spending on non- core activities. It is on this premise that we can confidently pronounce liquidity of the municipality in that our unspent grants are 100% cash backed.

5.5 COMMENTS ON THE ANNUAL REPORT PROCESS:

At the beginning of every financial year, the UMhlabuyalingana Municipality prepares an integrated process plan which incorporates all key municipal process including the IDP, Budget, Performance and Sector Plans. The purpose of this plan is to co-ordinate synchronized roll out of municipal processes and ensures alignment of activities at various stages.

At the time of the preparation of this draft annual report the annual financial statements (AFS) had not been audited. The draft Annual financial statements had however been prepared, submitted to Internal Auditors and Audit committee for review. The draft AFS are attached to this report as **Annexure**





The Statement of Financial Position at 30 June 2014 indicates an increase in Net Assets, and an increase in both Non-current Liabilities and Current Liabilities.

The increase in Net Assets is ascribed primarily to the increase in Accumulated Surplus as a result of the surplus generated on the operating account. The increase in Non-current Liabilities is primarily as a result of the increases in Long-service Benefits. The increase in Current Liabilities is primarily as a result of the increase in Creditors.

5.6 OPERATING RESULTS

Details of the operating results per segmental classification of expenditure are included in Appendix "D".

Details of the operating results per segmental classification of expenditure are included in Appendix "D", whilst operational results per category of expenditure, together with an explanation of significant variances of more than 10% from budget, are included in the statement of budget vs. actual.

The services offered by UMhlabuyalingana Local Municipality can generally be classified as Rates and General, Economic and Trading Services and are discussed in more detail below. The refuse service is provided by the municipality through the appointment of service provider for refuse collection.

The overall operating results for the year ended 30 June 2014 are as follows:

DETA ILS	Actual 2013/14 R	Actual 2012/13 R	Movement		
Income:					
Opening surplus / (deficit)	245 139 905	204 369 892	40 770 013		
Operating income for the year	127 901 187	120 704 637	7 196 550		
Appropriations for the year	-	-	-		
Expenditure:					
Operating expenditure for the year	87 131 173	55 605 383	31 525 790		
Sundry transfers	-				
Closing surplus / (deficit)	40 770 013	65 098 254	(24 328 241)		



5.7 Waste Management Services:

Refuse removal is the only service offered by the municipality and these services were provided through the appointment of the service provider, and no much revenue was recognised from these service charges, the municipality will ensure the collection is adhered to through public participation.

DETAILS	Actual 2013/14 R	Actual 2013/14 R	Percentage Variance %	Budgeted 2013/14 R	Variance actual/ budgeted %
Income	76 443	-	N/a	75 778	-
Expenditure	3 421 053	-	N/a	3 421 053	-
Surplus / (Deficit)	(3 344 610)	-	N/a	(3 345 275)	-
Surplus / (Deficit) as % of total income	-	-			

Variance from 2013/14 actual:

Variance is not defined since the waste collection started this year.



Variance from 2013/14 budget:

Variance is not defined since the waste collection started this year.

5.8 Electricity Services:

Electricity is not the function of the local municipality it the function of Eskom

DETAILS	Actual 2013/14 R	Actual 2012/13 R	Percentage Variance %	Budgeted 2013/14 R	Variance actual/ budgeted %
Income	-	-	-	-	-
Expenditure	-	-	-	-	-

Variance from 2013/14 actual:

The 0, 00% increases on last year's actual revenue is primarily as a result of less properties being for conservancy tank services. The 0, 00% increases on last year's actual expenditure is primarily as a result of increased departmental charge outs to other services.



Variance from 2013/14 budget:

The 0, 00% decreases on the reporting year's budget is primarily as a result of less properties being billed for sanitation charges. The 0, 00% decreases on the reporting year's budget is primarily as a result of additional repairs and maintenance work being carried out on sanitation infrastructure.

5.9 Water Services:

Water services is the function of the District Municipality (UMkhanyakude District Municipality)

DETAILS	Actual 2013/14	Actual 2012/13	Percentage Variance	Budgeted 2013/14	Variance actual/ budgeted
	R	R	%	R	%
Income	-	-	-	-	-
Expenditure	-	-	-	-	-
Surplus / (Deficit)	-	-	-	-	-
Surplus / (Deficit) as % of total income	-	-		-	



	-	-		-	
--	---	---	--	---	--

Variance from 2013/14 actual:

The 0,00% decrease on last year's actual revenue is primarily as a result of more grant income being allocated towards basic services. The 0,00% decrease on last year's actual expenditure is primarily as a result of increased grant expenditure and unforeseen maintenance expenditure as a result of floods experienced.

Variance from 2013/14 budget:

The 0,00% decrease on the reporting years budget is primarily as a result of a drop in water consumption. The 0,00% decrease on the reporting year's budget is primarily as a result of additional repairs and maintenance work being carried out on water infrastructure and additional bulk water purchases.

Source of funding as a percentage of Total Capital Expenditure:

DETAILS	2014	2013
Capital Replacement Reserve	-	-
External Loans	-	-
Grants and Subsidies	95.00%	90.00%



Public Contributions	-	-
Own Funds (Accumulated Surplus)	-	-
	95.00%	90.00%

Capital Assets are funded to a great extent from grants and subsidies as the municipality does not have the financial resources to finance infrastructure capital expenditure from its own funds.

6 RECONCILIATION OF BUDGET TO ACTUAL

6.1 Operating Budget:

DETAILS	2014	2013
<i>Variance per Category:</i>		
Budgeted surplus before appropriations		
Revenue	(127 901 187)	(120 704 637)
Expenditure variances:		
Employee Related Costs	22 140 383	15 372 874



Remuneration of Councillors	8 646 950	7 541 917
Loss on disposal of PPE	178 657	
Depreciation and Amortisation	10 766 879	6 844 060
Impairment Assets and Assets written-off	686 713	4 775 779
Repairs and Maintenance	4 538 300	2 775 772
Interest Paid	107 959	156 374
Contracted Services	56 474	81 047
Provision for rehabilitation of landfill sites	683 206	250 249
General Expenses	35 867 591	18 337 146
Leave expense	393 384	471 228
Provision impairment of debtors & traffic fines	1 400 193	22 651
Actual surplus before appropriations	(40 770 013)	(65 098 254)

Details of the results per segmental classification of capital expenditure are included in Appendix "C", together with a cryptic explanation of significant variances of more than 10% from budget, are included in Appendix "E (2)"

5.2 ACCUMULATED SURPLUS



The balance of the Accumulated Surplus as at 30 June 2014 R 245 139 905 (30 June 2013: R) and R 204 369 892 added up as follows:

Capital Replacement Reserve	
Capitalisation Reserve	-
Donations and Public Contributions Reserve	-
Capital Contributions from Government	204 369 892
Accumulated Surplus	40 770 013
	<hr/>
	245 139 905
	<hr/> <hr/>

6. LONG-TERM LIABILITIES

The outstanding amount of Long-term Liabilities as at 30 June 2014 is R 25 704 (30 June 2013: R 207 027).

Loans to the amount of R0 (2013/14: R0) was taken up during the financial year to enable the municipality to finance part of its capital requirements for the year. The long term liabilities are applicable to finance leases.

7 NON-CURRENT PROVISIONS

Non-current Provisions amounted R 9 521 914 as at 30 June 2014 (30 June 2013: R 8 931 290) and is made up as follows:



Provision for Cleaning of Illegal Dumping	-
	-
Provision for Long-term Service	800 987
Provision for Rehabilitation of Land-fill Sites	8 720 927
	<hr/>
	9 521 914
	<hr/> <hr/>

These provisions are made in order to enable the municipality to be in a position to fulfil its known legal obligations when they become due and payable.

Refer to Note 10 for more detail.

8 CURRENT LIABILITIES

Current Liabilities amounted R 12 238 463 as at 30 June 2014 (30 June 2012: R 12 994 840) and is made up as follows:

Consumer Deposits	Note N/A	-
Provisions	Note N/A	-
Payables	Note 8	7 771 515
Unspent Conditional Grants and Receipts	Note 9	3 034 111
VAT Payable	Note N/A	-
Short-term Loans	Note N/A	-



Employee related	Note 16	1 333 082
Bank Overdraft	Note 7	-
Current Portion of Long-term Liabilities	Note 27	99 755
		<hr/>
		12 238 463
		<hr/> <hr/>

Current Liabilities are those liabilities of the municipality due and payable in the short-term (less than 12 months). There is no known reason as to why the municipality will not be able to meet its obligations.

Refer to the indicated Notes for more detail.

9 PROPERTY, PLANT AND EQUIPMENT

The net value of Property, Plant and Equipment was R182 295 363 as at 30 June 2014 (30 June 2013: R 154 504 988).

Refer to Note 1 and Appendices "B, C and E (2)" for more detail.

10 INTANGIBLE ASSETS

The net value of Intangible Assets were R 462 924 as at 30 June 2014 (30 June 2013: R 546 265).



Intangible Assets are assets which cannot physically be identified and verified and are in respect of computer software obtained by the municipality in order to be able to fulfil its duties as far as service delivery is concerned.

Refer to Note 2 and Appendix "B" for more detail.

11 INVESTMENT PROPERTY

Investment property is not applicable to UMhlabuyalingana Local Municipality

Investment Property is property held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of operations.

12 HERITAGE ASSETS

Heritage asset is the new GRAP standard that has been effected for application, the municipality has no heritage assets

Heritage Assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.



13 NON-CURRENT INVESTMENTS

The municipality held Investments to the value of R0 as at 30 June 2014 (30 June 2013: R0).

The bulk of these investments are ring-fenced for purposes of the Capital Replacement Reserve, Unspent Conditional Grants and security for Long-term Liabilities, with the result that no significant amounts are available for own purposes.

Refer to Note N/A for more detail.

14 CURRENT ASSETS

Current Assets amounted as at 30 June 2014 R 84 167 699 (30 June 2013: R71 354 568) and is made up as follows:

Inventories	N/A	-
Non-current Assets Held-for-Sale	N/A	-
Receivables from Exchange Transactions	Note 4	11 487 558
VAT Receivable	Note 3	1 426 200
Cash and Cash Equivalents	Note 6	71 049 659
Staff debtors	N/A	204 282
Current Portion of Finance Lease Receivables	Note N/A	-
Current Portion of Long-term Debtors	Note N/A	-
		<hr/>
		84 167 699
		<hr/> <hr/>



15 INTER-GOVERNMENTAL GRANTS

The municipality is dependent on financial aid from other government spheres to finance its annual capital programme.

The increase in the amount for Current Assets is mainly due to the increased amount held in Bank and Cash Equivalents. The increase in debtors emanate from non- payment of rate by different rate payers.



Operating grants are utilised to finance indigent assistance and provision of free basic services.

16 EVENTS AFTER THE REPORTING DATE

Full details of all known events, if any, after the reporting date are disclosed in Note N/A.

17 EXPRESSION OF APPRECIATION

We are grateful to the Mayor, members of the Executive Committee, Councillors,

The Municipal Manager and Heads of Departments for the support extended during the financial year.

A special word of thanks to all staff in the Finance Department, without their assistance these Annual Financial Statements would not have been possible.

We must not also forget the assistance from Inkazimulo and Treasury it is much appreciated.

CHIEF FINANCIAL OFFICER

31 August 2014



Chapter 6

AUDITOR

General

Audit findings

UMHLABUYALINGANA LOCAL MUNICIPALITY

6.0 REPORT ON AUDITOR GENERAL

6.1 AUDITOR GENERAL REPORT 2012/13

The municipality has improved and obtained an unqualified audit opinion for financial year ended 2012/13. **Annexure A** depicts the financial statements of the municipality were fairly presented. The management has developed an action plan and total issues that were addressed as per the action plan were 90% and other issues are not due but are in progress.

6.2 AUDITOR GENERAL REPORT 2013/14

For the financial year under review, **annexure B** depict the financial statements of the municipality were fairly presented and the municipality has sustained and obtained an unqualified audit opinion.

However, there are matters of emphasis raised by Auditor General that the municipality has to attend to. **Annexure C** depicts the Action plan has been developed to address those issues raised in 2013/14 financial year. The implementation of the Action plan will be monitored on a monthly basis through a review of Internal Audit. The commitment is made by all involved, including political leadership, the administration and other structures such as Municipal public account committee (MPAC), and Audit Committee to improve systems at the municipality.

ANNEXURE A



ANNEXURE B



ANNEXURE C



ANNEXURE D



ANNEXURE E

