



2013/14



ANNUAL PERFORMANCE REPORT





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ACKNOWLEDGEMENT

This Annual Report is published by the Mandeni Local Municipality. It seeks to give an overview of our performance against predetermined strategic objectives as we review progress on all projected targets of the Municipality for the period as at July 2013 to June 2014 financial year. The report provides for the preparation and incorporation into the Annual Report as per Section 121 of the Local Government Municipal Finance Management Act.

Every effort has been made to ensure that the facts as reported are accurate and a true reflection of achievements for the year under review. Every municipality and municipal entity must prepare and adopt an Annual Report for each financial year in accordance with the Municipal Finance Management Act 56 of 2003 (MFMA) and, the Municipal Systems Act 32 of 2000 (MSA) as Amended.

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OUR VISION AND MISION

VISION

“TO BE A RELIABLE PEOPLE CENTERED AND SUSTAINABLE ECONOMIC HUB BY 2030”

MISSION

We will achieve our mission by:

- + *Continuously striving for better*
- + *Excelling in all key processes of service delivery*
- + *Continuously listening and responding to our communities and all stake holders*
- + *Remaining financially astute*

VALUES

In keeping with the principles of Batho Pele our conduct will be guided by the following:

- + *Honestly*
- + *Transparency*
- + *Integrity*
- + *Inclusiveness*
- + *Commitment*
- + *Professionalism*





FOREWORD BY THE MAYOR



The year 2013/2014 financial year marks the third cycle of the Integrated Development Planning five year cycle. In our effort in reducing poverty and under-development and improve the quality of life for our community, the municipality remains committed to democratic governance to ensure that our short, medium and long term strategies, priorities and plans are implemented.

The Council was faced with vast challenges emanating from a large percentage of indigent members of the community. This curtails the ability to pay for services and places an enormous burden on the municipality to provide services efficiently and effectively.

We still continue to experience challenges in addressing some of the service delivery backlogs more particularly on electricity due to limited financial resources. Our effort to address service delivery backlogs on infrastructure is hampered by inadequate allocations for infrastructure development. The pace at which our infrastructure has been deteriorating over the years far exceeds the available financial resources to address the situation. Despite all the challenges we have faced, we have maintained our resolute stance of ensuring that our finances are managed appropriately. It is in this regard that I am pleased to inform you that our municipality has again received an unqualified Audit Report for the year 2012/2013

I would therefore like to express my appreciation to all Councillors, Municipal Manager, and his staff for their dedication, cooperation and hard work during 2013/14 financial year under review.

.....
**HIS WORSHIP THE MAYOR
COUNCILOR MR S. B. ZULU**





FOREWORD BY THE MUNICIPAL MANAGER

This report is compiled and tabled in terms of Section 127(2) of the Municipal Finance Management Act (MFMA), Act 56 of 2003(2), which requires that the performance report of the municipality and of any municipal entity under the municipality's sole or shared control be tabled at Municipal Council by the Mayor. After which, the Municipal Manager must make the report public and invite the local community to submit representation in respect to issues raised in the report.



The report covers the broad view of the Mandeni Municipal Area with information such as socio-economic profile of the area, the achievements gained in delivering services to the community, as well as the developmental and institutional aspects, including financial performance. The report also covers governance and public participation undertaken by the municipality to ensure involvement of the communities of Mandeni in planning as well as in delivery of services that meet their needs in the period under review.

The purpose of the report is to reflect on the work carried out in the 2013/2014 period and to provide feedback on performance against targets to various stakeholders including the community, government departments and other interested parties. The report also ensures that accountability is upheld, and the clients of the municipality are informed of the decisions that were taken in this period. We hereby present an account of our work over this period as directed by these various stakeholders through the Integrated Development Plans (IDPs).

In the period under review, Mandeni Local Municipality ensured alignment and contribution to the National, Provincial and Local Government Key Priority Areas in its Service Delivery Budget and Implementation Plans

.....
MUNICIPAL MANAGER
MR. L. H. MAPHOLOBA



CHAPTER 1: INREODUCTION AND OBERVIEW OF MANDENI LOCAL MUNICIPALITY

1.1 INTRODUCTION

The Annual Performance Report is hereby compiled in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 and 63 on annual reporting. This report covers the performance information from 01 July 2013 to 30 June 2014 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development and Plan (IDP).

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2013/2014.

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area. Each Key Municipal KPA have number of Municipal Key Focus Areas (KFA's) which was deliberately designed by the Mandeni Municipality to focus its development initiatives in a more coherent and organised manner.

This report will also endeavour to report to Council the Municipality's performance in terms of a total of six (6) Key Performance Areas, the five (5) National Government's Strategic key Performance Areas for local government, and two (1) additional Key Performance Areas that the Mandeni Municipality have included which are (1) Basic Service Delivery; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management; (5) Good Governance and Public Participation and (6) Community and Social Development Services.





1.2 LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000; which stipulates as follows:

- (1) A municipality must prepare for each financial year a performance report reflecting—
- (a) the performance of the Municipality and each external service provider during that financial year;
 - (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
 - (c) measures taken to improve performance.
- (2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act."**

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation as well as the external service providers and the Municipal Entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.





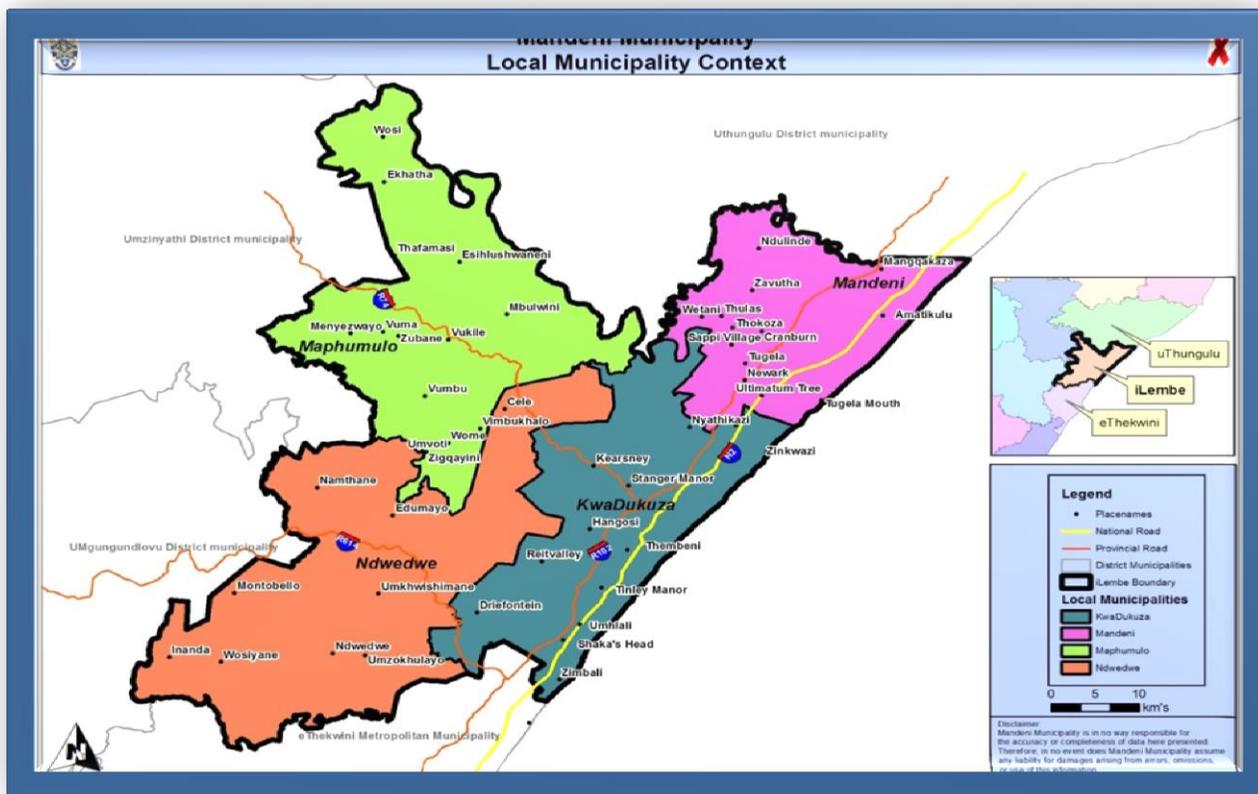
1.3 LOCATION COMPOSITION AND SIZE OF MUNICIPAL OVERVIEW

1.3.1 MUNICIPAL PROFILE

Mandeni Local Municipality is located along the northern coast of KwaZulu-Natal approximately 50km north of eThekweni Metro and south of the uMhlatuze Municipality. It lies along the N2 National and Provincial corridor, as well as the north-south rail link connecting the economic hubs of Durban and Richards Bay. As such, the municipality is strategically located to provide services and derive economic benefits from these economic hubs. Mandeni Local Municipality is one of the four (4) local municipalities that make up the iLembe District. The other local municipalities are KwaDukuza, Maphumulo and Ndwedwe.

Mandeni Municipality covers approximately 545.48km² and is made up of 17 Electoral Wards. The municipality is predominantly rural in character, with Ingonyama Trust land accounting for the majority of its land mass. There are four Traditional Council areas within the municipality's area of jurisdiction, namely:

Map 1: Mandeni Locality Map





Mandeni Local Municipality has excellent regional transportation linkages with the national road – N2 – serving the province, the two major ports of Durban and Richards Bay, the railway line which serves as an important link between the ports as well as the hinterland parts of South Africa and the airports – both existing and proposed, including the Isithebe airstrip. The identification of the eThekweni-uMhlathuze Corridor places Mandeni Local Municipality in an advantageous position as it is located in between these two municipalities. It stands to benefit hugely from economic activities that will accrue as a result of this initiative.

Mandeni Local Municipality also functions as an important service centre for a substantial rural hinterland which lies to the west beyond the eNdulinde Hills. There are no other service centres in the tribal areas and therefore the urban centre of Mandeni serves as an important sub-regional service centre for the ‘shadow corridor of poverty’ which tracks the ‘development corridor’ along the coast. Mandeni is in fact arguably the only place along the coast where the development corridor and the shadow corridor of poverty meet, and hence the acknowledgement of its potential in the Provincial Spatial Framework.

Mandeni Local Municipality is made out of 17 Wards including the newly demarcated ward, which is ward 17. There are four Traditional Authorities namely, iNkosi uMhlongo, iNkosi uMathonsi, iNkosi uMcbambi and Nkosi uNgcobo. The majority of the land within the municipality is owned by Traditional Authorities. Some of the wards fall within these Traditional Authorities, such as Ward 1,2,8, and 9 which fall under Macambini Traditional Authority, ward 6,11, and 16 falls under eLangeni Traditional Authority and ward 5,7,12,13,14,15 and 17 falls under the Mathonsi Traditional Authority.

Informal settlements with limited to no facilities or infrastructural services occur on the periphery of the developed areas and within the Isithebe Industrial area and Sundumbili Township. This is also evident in the periphery of the well-established Sundumbili Township and Mathonsi tribal authority area eastwards of the hinterland. Village centres such as Wangu in the west and Nyoni in the north-eastern side comprise of commercial and service development in the two tribal authorities of Mathonsi & Macambini.

The Mandeni Municipality is strongly committed to develop its character as an area of scenic beauty and strong developmental contrasts. As a potential and growing tourist destination, it will enhance its visual and aesthetic appeal. The municipality aims at improving physical and functional integration by establishing a functional town centre. The Mandeni municipality aims at increasing economic efficiency of the Municipal area and ensuring that there is improved investor confidence therefore attracting more development to occur within the area.





1.3.2 MUNICIPAL POWERS AND FUNCTIONS

The powers and function of Mandeni Municipality are as per Schedule 4 Part B and Schedule 5 Part B 9f the Municipal Demarcation Board.

Building Regulations	Facilities for the accommodation, care and burial of animals
Child Care Facilities	Fencing and fences
Electricity Reticulation	Licensing of dogs
Fire Fighting	Licensing and control of undertakings that sell food to the public
Local Tourism	Local amenities
Municipal Planning	Local sports facilities
Storm water	Markets
Trading Regulations	Municipal abattoirs
Billboards and the Display of Advertisements in Public Places	Municipal parks and recreation
Cemeteries, Funeral Parlours and Crematoria	Municipal roads
Cleansing	Noise pollution
Control of Public Nuisance	Pounds
Control of Undertakings that sell liquor to the public	Public Places





1.4 ECONOMIC PROFILE





1.5 LEADERSHIP AND MANAGEMENT STRUCTURE

The Political Leadership of the Municipality comprises of elected Councillors through both the Ward System and Proportional Representation, is led by the Mayor. On the other side the Administration of the Municipality is composed of Senior Management appointed in terms of Section 56 and 57 of the Municipal Systems Act as amended. The Municipal Manager is the head of Administration. In order to realise the Constitutional mandate of the Municipality these two components, including the Community have to work together.

1.5.1 POLITICAL STRUCTURE

The municipality's political affairs are managed through a joint Executive Committee (EXCO) headed by the Mayor. There are different Portfolio Committees, each headed by a member of the Executive Committee member established to ensure effective governance. The municipal administrative departments report to council via EXCO through its Portfolio Committees of relevance in terms of the key performance areas. The following are the Portfolio Committees that have been established:

COMMUNITY SERVICE AND PUBLIC SAFETY
ECONOMIC DEVELOPMENT AND HUMAN SETTLEMENT
FINANCE
INFRASTRUCTURE DEVELOPMENT TECHNICAL SERVICE
LOCAL PUBLIC ADMINISTRATION HUMAN RESOURCE
RULES COMMITTEE
SPECIAL PROGRAMME





1.5.1.1 OFFICE OF THE MAYOR

The Role of the Mayor

- ✚ To ensure that the SDBIP is approved within 28 days after the approval of the budget.
- ✚ To ensure annual performance agreements are linked with measurable performance objectives in the IDP and the SDBIP.
- ✚ Oversee Accounting Officer and CFO.
- ✚ Ensure political guidance over the budget before the start of the financial year.
- ✚ Make the SDBIP public not later than 14 days after its approval.

The office of the Mayor is responsible for the delivery of the following key performance areas:

(a) Planning, research and report:

- ✚ Identify the needs of the community.
- ✚ Strategize to meet the needs.
- ✚ Develop business plans and policy guidelines.
- ✚ Monitor and evaluate adherence to legislation.
- ✚ Ensure achievement of strategic objectives.

(b) Social development

- ✚ Act as liaison with national and provincial governments, NGO's, business and labour regarding provision of social welfare programs.

(c) Communication and marketing

- ✚ Development and fostering relations with the public and private sector
- ✚ Partnerships in alternative service delivery options.
- ✚ Liaise with all external stakeholders and other spheres of government regarding the investment and development of Mandeni local municipality.

(d) Special projects

Development and implementation of special programs and projects in areas that require special focus and attention by national, provincial and local government they include

- ✚ Mayoral Poverty Alleviation Programme
- ✚ Mayor's Sectoral Projects
- ✚ Investment programme





1.5.1.2 OFFICE OF THE SPEAKER

The office of the speaker is responsible for delivery on the following key performance areas:

a) Councilor support

- ✚ Identification and implementation of administrative and capacity building support according to the identified needs of councilors.
- ✚ Monitor and report on adherence to legislation and code of conduct.
- ✚ Oversight through Municipal Public Accounts Committee.

b) Executive duties

- ✚ Ensuring the planning and development of time tables for council and committee meetings.
- ✚ Ensure the compilation and implementation of rules of order.

c) Ward committee support

- ✚ Provide administrative support to ward committees
- ✚ Facilitate capacity building of ward committees.
- ✚ Promote public participation, evaluate and establish communication links between the council and the public.

1.5.1.3 EXECUTIVE COMMITTEE POWERS AND FUNCTION

An executive committee is the principal committee of the council of the municipality and as such receives reports from the other committees of the council. The Executive committee considers these reports and disposes of those which the committee is authorised to do in terms of its delegated powers and forwards the remainder of the reports together with its recommendations to the municipal council for decision.

- (a) identify the needs of the municipality;
- (b) review and evaluate those needs in order of priority;
- (c) recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and
- (d) recommend or determine the best methods, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.

Municipal Structures Act 117 of 1998 as amended





1.5.1.4 COUNCILLORS

Councillors are elected by the local registered voters in terms of the local segment of the Voter's Roll to serve a predetermined term of office on the local council as representatives of their respective constituencies. Mandeni Local Municipality has a total of 34 seats. Seventeen (17) of these seats are allocated to ward councillors who are elected by each of the seventeen wards. Another seventeen (17) seats are allocated to parties through the proportional representation system of elections.

1.5.2 ADMINISTRATIVE STRUCTURE

The Municipality has established a process or mechanism to regularly evaluate the staff establishment and if necessary review the staff establishment, in line with organizational objectives and development priorities. This mechanism provides for the review of the organizational structure at the beginning of the financial year, which entails revisiting each Department and Business Units to ensure that they respond to the priorities contained in the Integrated Development Plan (IDP). The organizational design and the structure of the Municipality are such that it seeks to respond to both national and local government priorities of:

- a) Municipal Institutional Development & Transformation.
- b) Basic Service Delivery
- c) Local Economic Development
- d) Municipal Financial Viability
- e) Good governance
- f) Building Local Economies to create more employment & sustainable livelihood.
- g) Improve local public services and broaden access to services
- h) Promote more active community participation in local government
- g) Effective, accountable and clean local government

The Municipal Manager is the Head of Administration and plays a pivotal role in the functioning of the Municipality. The Municipal Manager subject to policy direction by Council must organize the Administration in the manner that enables Council to hold the Municipal Manager accountable for the overall performance of the Municipality.

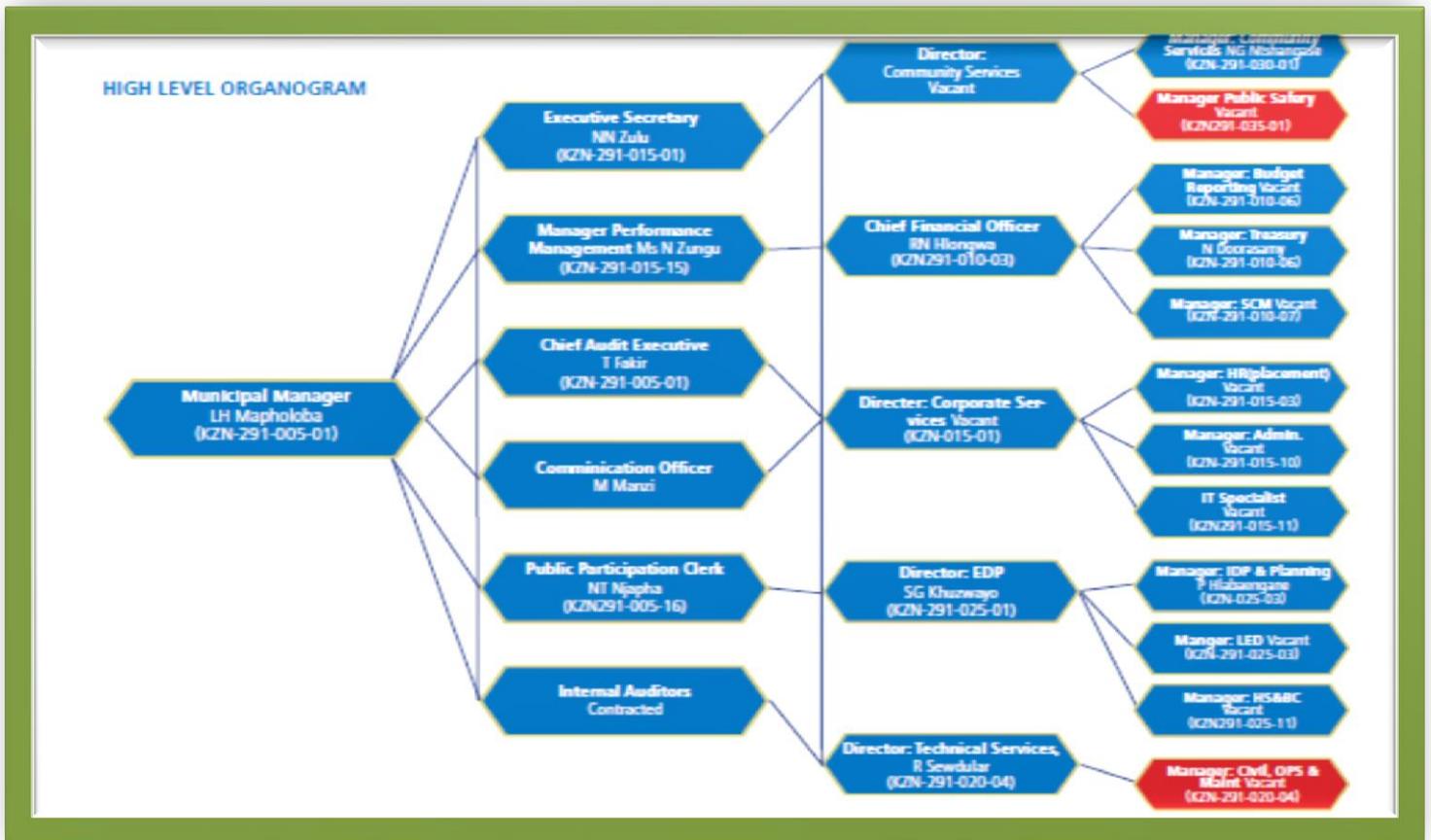




As head of the administration, the municipal manager is responsible for the formation and development of an economical, effective, efficient and accountable administration, which is equipped to implement the IDP, operates within the municipality's performance management system, and is responsive to the needs of the local community to participate in municipality. The municipal manager manages communication between the political structures and office-bearers and the administration.

In order to be able to give fruition to the requirement to run an efficient, economical and accountable administration, the operations of the municipality are divided into six directorates:

- a) Municipal Manager's Office
- b) Budget and Treasury Office
- c) Department of Corporate Service
- d) Department of Community Services and Public Safety Department
- e) Department of Economic Development Planning and Human Settlements
- f) Department of Technical Services





1.6 ORGANISATIONAL PERFORMANCE MANAGEMENT

1.6.1 PROCESS OVERVIEW

In the 2013/2014 financial year, every attempt was made to ensure that the municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is corresponding to the institutional service delivery objectives captured in the IDP. The municipality has continued to maintain the effective operation of the following mechanisms:

- 1.6.1 The 2013/2014 IDP included strategic objectives, strategies and key performance indicators (KPIs) as required by the Municipal Systems Act, 32 of 2000;
- 1.6.2 The budget for implementation of the IDP was approved within the prescribed timelines prescribed in the Municipal Finance Management Act, 56 of 2003;
- 1.6.3 After approval of the budget, the 2013/14 SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the organisational strategies;
- 1.6.4 Performance agreements with performance plans were developed, signed and approved by the Honourable Mayor: Cllr Zulu as required by the Municipal Performance Regulations, 2006;
- 1.6.5 Quarterly performance reports with supporting Portfolio of Evidence Files were prepared by managers directly reporting to the Municipal Manager: Mr Mapholoba. These reports were used in the quarterly performance assessments. Although there has been major improvement in the condition of POE files, submitting on time still remains a challenge.
- 1.6.6 Quarterly performance reports were objectively and independently audited by the Internal Audit unit to verify and to confirm performance information as reflected in the reports; the unit also confirmed the credibility of evidence that was submitted quarterly;
- 1.6.7 Quarterly assessments of performance of managers directly reporting to the MM as well as the MM's performance were conducted in December 2013 for quarter 1 (Q1) and quarters (Q2) and (Q 3) in July 2014. Assessment was conducted by a duly constituted performance evaluation panel as required by the performance regulations as per table outlined below; (and
- 1.6.8 The Performance /Audit Committee (P/AC) functioned optimally in the year; in line with the committee's approved terms of reference.





1.6.2 PERFORMANCE /AUDIT COMMITTEE

The Performance Audit Committee for the 2013/2014 financial year was re-affirmed in terms of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 members are as follow:

Mr. P.J Mahlaba– Chairperson (external member)

Mr. Z. W. Zulu (external member)

Ms P. Ngubane (external member)

The Performance /Audit Committee has met quarterly on dates of the meeting and resolution attached to consider the reported annual performance achievements reported on the OPMS scorecard as well as the Performance Achievements reported in terms of the Service Delivery Budget Implementation Plan on the completed 2013/2014 financial year.

1.6.3 PERFORMANCE EVALUATION PANEL

Performance Evaluation Panels have initially been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager.

As per in the Local Government: Municipal Performance Regulations Section 27 (4) (d): For evaluating Annual Performance of the **Municipal Manager**

DESIGNATION	PERSON
Executive Mayor or Mayor;	His Worship Mayor: Cllr S.B. Zulu
Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee	Mr. P.J. Mahlaba
Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council;	Not Applicable
Mayor and/or municipal manager from another municipality	Mr. R. P. Mnguni Municipal Manager: Mthonjaneni Municipality
Member of a ward committee as nominated by the Executive Mayor or Mayor.	Mr. Ntuli
Secretariat: Manager PMS	Ms N. N. Zungu
Secretariat: Manager HR	Mr. N. N. Mhlungu





As per in the Local Government: Municipal Performance Regulations Section 27 (4) (e): For purposes of evaluating the annual performance of **managers directly accountable to the municipal managers.**

DESIGNATION	PERSON
Municipal Manager	Mr. L. H. Mapholoba
Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee	Mr. P. J. Mahlaba
Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council;	Cllr M. S. Mdunge
Municipal manager from another municipality	Mr. R. P. Mnguni Municipal Manager: Mthonjaneni Municipality
Secretariat: Manager PMS	Ms N. N. Zungu
Secretariat: Manager HR	Mr. N. N. Mhlungu

Performance Evaluation sessions were performed on 18 December 2013 covering the first quarter of the 2013/2014 financial year on progress over the first three months from 1 July 2013 to 30 September 2013. Formal Evaluation sessions covering the first six month period of the covering the period 01 October 2013 to 31 December 2013 were held on 22 July 2014. An informal performance evaluation was performed together with the mid-term (Q2) on the 22 July 2014 on progress on performance over the third quarter covering the period 1 January 2014 to 31 March 2014 of the 2013/2014 financial year. The final performance evaluation sessions of the Municipal Manager and Managers Directly accountable to the Municipal Manager covering the completed 2013/2014 financial year will be scheduled for soon after the validation and auditing of information reported on the completed 2013/14 financial year.





1.7 ORGANISATIONAL SCORECARD/TOP LAYER SDBIP

The municipal scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council/ Senior Management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities.

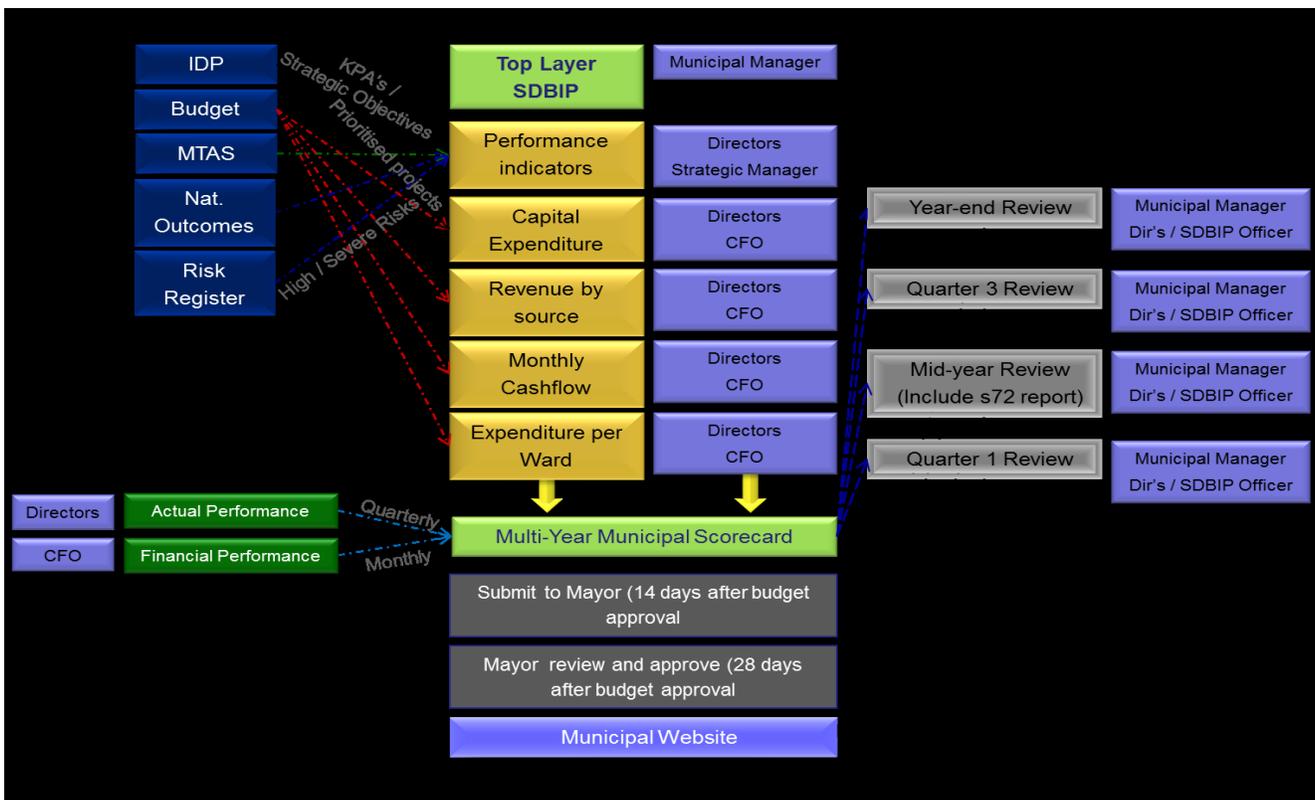
One-year detailed plan, but should include a **three-year capital plan**

The necessary components include:

- ✚ Monthly projections of revenue to be collected for each source;
- ✚ Expected revenue to be collected NOT billed;
- ✚ Monthly projections of expenditure (operating and capital) and revenue for each vote;
- ✚ Quarterly projections of service delivery targets and performance indicators for each vote;
- ✚ Non-financial measurable performance objectives in the form of targets and indicators; and
- ✚ Detailed capital project plan broken down by ward over three years.

The following diagram illustrates the establishment, components and review of the municipal scorecard (Top Layer SDBIP):

Figure: 1.7 Top Layer SDBIP Process Illustrations





Previously the Office of the Municipal Manager’s SDBIP represented the Organisational SDBIP; this however was revised during the mid-term review each department needs to have a separate SDBIP for the purposes of accountability and reporting.

It should be noted that as from quarter three and quarter four performance reporting was based on the revised 2013/14 SDBIP. The revised 2013/14 SDBIP was submitted to Council on the 24th of January 2014 resolution number **C130**.

The Mandeni 2013/14 SDBIP was revised based on the following recommendations:

1. SMART principle, in some instances, indicators and targets were re-defined due to existing targets being not measurable, achievable and lacking alignment to the IDP;
2. Mid-year performance results were exploited to make Q3 and Q4 adjustments, specially areas of immense over and under performance;
3. The findings and recommendations of Internal Audit for Q1 2013/14 were considered;
4. The alignment between the approved SDBIP and IDP 2013/14 was considered.
5. Develop a Municipal Organisational Scorecard instead of using the Municipal Managers Scorecard as an Organisational Scorecard

1.7.1 PROCESSES IN REVISING 2013/2014 TOP LAYER SDBIP

The process was consultative and included the following key milestones:

1. Amending the SDBIP to the strategic framework in the IDP to achieve alignment;
2. Meeting with the Head of Departments (HOD);
3. Submitted proposed amendments to the Audit Committee on the 22nd of January 2014
4. Submitted proposed amendments to council for adoption by the 25th of January 2014
5. Submitted the Revised SDBIP 2013/14 to be signed by the Mayor 31st of January 014
6. Advertise the revised SDBIP 2013/14 on the website.

1.7.2 MUNICIPAL TURN AROUND STRATEGY 2013/2014

The 2009 State of Local Government Report informed COGTA on issues that have a negative impact on local government. Drawing from this report and lessons learned from the province-wide municipal assessments conducted, the development of the Municipal TAS was thus introduced as a comprehensive intergovernmental exercise; an intervention that needs the support of stakeholders. The approach also indicates the commitment to move away from the “*One size fits all*” approach towards a municipal-specific intervention.





The objectives of the MTAS are the following:

- ✚ Ensure that municipalities meet the basic service needs of communities.
- ✚ Build clean, effective, efficient responsive and accountable local government.
- ✚ Improve performance and professionalism in municipalities.
- ✚ Improve national and provincial policy, oversight and support.
- ✚ Strengthen partnerships between communities, civil society and local government.

NO.	SDBIP REF.	PRIORITY AREA	ACHIEVEMENT IN 2013/14
1	BSD06	WATER	THIS PRIORITY HAS BEEN REMOVED FROM THE MUNICIPALITIES SDBIP, AS THERE IS NO CONTROL OF IT BOT WSA AND THEREFORE CAN'T BE MEASURED
2	BSD02	SANITATION	THIS PRIORITY HAS BEEN REMOVED FROM THE MUNICIPALITIES SDBIP, AS THERE IS NO CONTROL OF IT BOT WSA AND THEREFORE CAN'T BE MEASURED
3	BSD03	ELECTRICITY	1037 HOUSEHOLDS THAT HAVE ACCESS TO FREE BASICELECTRICITY
4	BSD05 BSD09	REFUSE REMOVAL AND SOLID WASTE	10556 HOUSEHOLDS HAVE ACCESS BUT 61890 ARE HOUSEHOLDS THAT CAN BE MONITORED
5	BSD14 BSD16	RURAL AND URBAN ROADS	40708,86 m ² OF REPAIRS DONE ON ALL URBAN TARRED ROADS.219.23 km OF SPOT REGRAVELING DONE ON RURAL ROADS, DOUBLE THE TARGETED INDICATOR WHICH WAS 120 km.
6	BSD21	FORMALISATION OF INFORMAL SETTLEMENTS	DELAYS WERE EXPERIENCED IN RELOCATIONS. FINILISATION OF RELOCATION SITES TO BE CONCLUDED
7	BSD28 BSD29	REPAIRS AND MAINTENANCE	549 STREET LIGHTS, THIS WAS A POOR ACHIEVEMENT RESULTED IN THE DELAYS IN PROCUREMENT OF MATERIALS AND LAND SURVEYOR
8	MFVM01 MFVM02	REVENUE AND DEBT MANAGEMENT	COLLECTION OF OUSTANDING WAS ACHIEVED AT 25% AS PER TARGETED
9	GGPP16	CLEAN AUDIT 2013/14	INFORMATION NOT YET AVAILABLE
10	MFVM10	IMPROVE FUNCTIONING SCM	THE APPOINTMENT OF A SCM MANAGER TO STRENGTHEN THE UNIT, ALSO BID COMMITTEE CHAIRS HAVE BEEN FORMALLY APPOINTED TO ENSURE SITTING OF MEETINGS





1.8 CORRECTIVE MEASURES TAKEN TO IMPROVE PERFORMANCE

In order to improve on performance planning, implementation and reporting, the institution implemented the following actions;

- 1.8.1 The number of Key Performance Indicators (KPI) that the municipality had to report on was reduced. The reduction on the number of KPIs afforded the organisation the opportunity to focus on strategic issues which were well defined, outcome based and not operational in nature. Departmental operational plans were developed for monitoring and reporting operational programmes;
- 1.8.2 During the Mid –Year review the municipality revised its Top Layer SDBIP as well as with the development of the Departmental SDBIP that the “SMART” principle was adhered to in the setting of indicators. Emphasis was placed in ensuring that targets were specific and time bound, thus making the KPI measurable.
- 1.8.3 A column specifying IDP/POE No. was added to achieve alignment between the IDP, the SDBIP and POE file. The reference is used by POE coordinators as reference and alignment when compiling POE Files.
- 1.8.4 A column specifying the expected evidence for each KPI was added in the SDBIP so as to ensure that the portfolio of evidence was populated correctly;
- 1.8.5 There was improvement in the submission of remedial actions for targets not achieved in order to ascertain that departments intended to meet the targets in proceeding quarters;

Table: PMS STATUS

	Performance Management Framework/ Policy	MSA S57/56 P.A’s Signed	AUDIT/PERF. COMMITTEE	MPAC
YES/NO	YES: Reviewed. To be Workshopped	YES	YES	YES





1.9 AUDITOR GENERAL’S REPORT AND ACTION PLAN 2012/13

In the 2012/2013 audit of performance information the auditor-general (AG) raised a number of issues in relation to the annual performance report. The issues as extracted from the AG report and actions taken are captured in the table below.

FINDING	Material under spending of the capital budget
DETAILED FINDING	As disclosed in the statement of comparison of budget and actual amounts, the municipality materially under spent the budget on capital expenditure by R27,36 million. As a consequence, the municipality has not achieved its targets set for rehabilitation and construction of road infrastructure
ACTION PLAN	<p>Capital budget is comprised of money from grants and internal funds.</p> <p>R7.4 Million of the R27.36 million is a result on the rollover on the NDPG which was caused by technical difficulties arising from the Transnet Pipeline. This was a once off issue that delayed the project and resulted in a roll over being requested This matter has been resolved through communication with Transnet and the Department of Transport (Once off issue – non control related)</p> <p>The remainder of the unspent Capital budget arose from delays in the procurement process.</p> <p>The following has already been implemented:</p> <ol style="list-style-type: none"> 1. The capital funds not spent from internal sources was recorded in the AFS as commitments and was in the professional stage of the implementation of projects 2. An SCM Manager has been appointed as at October 2013 3. The composition and sitting of the bid committees have been reviewed whereby compulsory sittings have been included in the council adopted Municipal Calendar.
RESPONSIBLE PERSON	Chief Financial Officer
DATE OF ACHIEVEMENT	01 January 2014





FINDING	Material losses
DETAILED FINDING	As disclosed in note 43 to the financial statements, material losses of 1,67 million kilowatts amounting to R 1,05 million were incurred as a result of electricity distribution losses.
ACTION PLAN	<p>On the date of meter reading by Eskom the technical services department will seek access to the Eskom bulk meter supply to determine if the actual amount purchased in terms of kilowatts is supplied (Supplier loss).</p> <p>Once the supplier amount is determined the Finance department will reconcile the electricity sold (via the consumption report) to the individual customer statements to determine actual amount per the system was supplied</p> <p>Thereafter the difference between purchased electricity from Eskom and Supplied Electricity to consumers will be investigated to identify Technical losses.</p> <p>The technical losses will then be verified via a report identifying official non metered sites that consume electricity</p> <p>Once all non-metered sites are identified and reconciled to the balance the difference will be reported as a Financial Loss (either as theft or unidentified electricity consumption) and will be dealt with via the Legal Processes and By Laws</p>
RESPONSIBLE PERSON	Technical Services Director and Chief Financial Officer
DATE OF ACHIEVEMENT	30 March 2014





FINDING	Restatement of corresponding figures
DETAILED FINDING	As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of errors discovered during 2013 in the financial statements of the Mandeni Municipality at, and for the year ended, 30 June 2012.
ACTION PLAN	<p>Restatement of corresponding figures applied to Inappropriate residual values to infrastructure assets, Material losses and Creditors not recorded at year end</p> <p>For Residual values the following procedures will be implemented to correct:</p> <ol style="list-style-type: none"> 1. The Asset Management Policy will be reviewed to remove the aspect relating to residual values being applied to infrastructure assets based on the argument that these assets will never be sold 2. The Financial Management system will be amended to recalculate the value of infrastructure assets considering the policy amendment <p>For material losses processes were not in place to report on this figure. In the future the following will occur:</p> <ol style="list-style-type: none"> 1. Identity source documents (consumption report and consumer statements, Eskom bulk purchase bill) 2. To report on this electricity losses (based on processes identified to 8.2.2.2) <p>For creditors the following steps will be performed:</p> <ol style="list-style-type: none"> 1. Outstanding purchase orders (orders without corresponding invoices) as at the 30 June 2014 will be contacted to supply invoices prior to the close of the year on 15 July 2014 2. A log of all telephonic communications will be maintained as evidence that correspondence took place 3. Invoices received after 15th July 2014 will be manually recorded as a accruals and posted as a batch manually 4. The payables unit will also be instructed to date stamp all invoices to ensure that it reflects the date received
RESPONSIBLE PERSON	Chief Financial Officer
DATE OF ACHIEVEMENT	30 March 2014





FINDING	Measures taken to improve performance not disclosed
DETAILED FINDING	Section 46 of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) requires disclosure in the annual performance report of measures taken to improve performance where planned targets were not achieved. Measures to improve performance for a total of 53% of the planned targets not achieved were not reflected in the annual performance report. This was due to inadequate monitoring and review of the annual performance report.
ACTION PLAN	<ol style="list-style-type: none"> 1. We will ensure that responsible HOD's submit report timeously by issuing them with a audit readiness calendar and by issueing reminders via e-mail and through letters from the office of the Municipal Manager 2. An verification meeting will be held with each HOD on their submission to ensure that all columns are complete and that the respective performance is reported on
RESPONSIBLE PERSON	Manager PMS
DATE OF ACHIEVEMENT	30 January 2014

FINDING	Reported objective, indicators and targets not consistent with planned objectives, indicators and targets
DETAILED FINDING	Section 41(c) of the MSA requires that the integrated development plan should form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 90% of the reported objectives, 52% of the reported indicated and 48% of the reported targets were not consistent with the approved annual performance report. This was due to a lack of understanding by the integrated development plan component in respect of the application of the principles of consistency and a lack of oversight by council, as required by the MSA and the Municipal Planning and Performance Management Regulations, 2001.
ACTION PLAN	The strategic framework contained with the IDP will be utilized to form the basis of the scorecard.
RESPONSIBLE PERSON	PMS Manager
DATE OF ACHIEVEMENT	30 January 2014





FINDING	Performance indicators not well defined
DETAILED FINDING	The FMPPi requires that indicators should have clear, unambiguous data definitions so that data is collected consistently and is easy to understand and use. A total of 28% of the indicators were not well defined in that clear, unambiguous data definitions were not available to allow for data to be collected consistently. This was due to the fact that management was aware of the requirements of the FMPPi but did not receive the necessary training to enable application of the principles.
ACTION PLAN	A formalized meeting will be held on the 23rd January 2014 to review the SDBIP to ensure that the KPI's are SMART The SDBIP will be amended and the key performance indicators will be reviewed
RESPONSIBLE PERSON	Manager PMS
DATE OF ACHIEVEMENT	30 January 2014

FINDING	Reported performance not reliable
DETAILED FINDING	1. The FMPPi requires municipalities should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets with respect to basic service delivery and infrastructure were not reliable when compared to the source information. This was due to lack of frequent review of the validity of reported achievements against source documentation and indicators not being well defined.
ACTION PLAN	POE coordinators will be trained on the compilation of the POE files and supporting documentation The POE verification meeting will be held between the PMS unit, HOD's and coordinators to ensure that the POE file is complete and accurate in terms of source documentation
RESPONSIBLE PERSON	Manager PMS
DATE OF ACHIEVEMENT	30 January 2014





FINDING	Annual financial statements and performance report
DETAILED FINDING	<ol style="list-style-type: none"> 1. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of property, plant and equipment, accounts payable and the disclosure of material losses identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion. 2. The annual performance report for the year under review did not include measures taken to improve performance, as required by section 46(1) (c) of the MSA.
ACTION PLAN	<p>We will ensure that the preparation of the financial statements are done monthly that are supported by the working papers that are monthly reconciled.</p> <p>We shall also ensure that the working paper file is prepared timely to ensure credible professional external reviews of the AFS are performed.</p> <p>The AFS after preparation will pass through the relevant oversight structures to ensure that the AFS is credible, accurate and complete. These structures include internal audit, Audit Committee and MPAC where amendments will be proposed and resolved</p> <p>Furthermore to prevent misstatements and errors we will utilize the GRAP checklist as set out by National Treasury and will report on this checklist to ensure that all fundamental policies and practices are applied</p> <p>Internal audit plan will be prepared such that reasonable time is allocated to the review of performance report and a checklist will be developed to ensure that compliance with laws and regulation are achieved.</p>
RESPONSIBLE PERSON	Chief Financial Officer
DATE OF ACHIEVEMENT	30 March 2014





FINDING	Procurement and contract management
DETAILED FINDING	<ol style="list-style-type: none"> 1. Sufficient appropriate audit could not be obtained that goods and services with a transaction value below R 200 000 had been procured by means of obtaining the required price quotations, as required by Municipal Supply Chain Management Regulation (MSCMR) 17 (a) and (c). 2. Awards were made to providers whose principal shareholders are in the service of the municipality, in contravention of section 112(j) of the MFMA and MSCMR 44. Furthermore, providers failed to declare that they were in the service of the municipality, as required by MSCMR 13(c).
ACTION PLAN	<p>The filing system shall be improved to ensure documents are safely kept. The electronic document management system tender process is closed for evaluation and award.</p> <p>The SCM unit will be capacitated when the organogram is reviewed to include a quotation officer and a demand and acquisition officer</p> <p>Furthermore the SCM unit will be tasked with the improvement of the database facilitated by the filling of the vacant posts</p> <p>The SCM unit will also ensure that a compliance checklist developed in terms of the SCM framework is in place and that all purchases are accompanied by this checklist</p> <p>The code of conduct will be work shopped to all staff and specific mention will be drawn to staff conducting business with the Municipality. The disciplinary action has been started with the staff member concerned.</p>
RESPONSIBLE PERSON	Chief Financial Officer
DATE OF ACHIEVEMENT	30 March 2014





FINDING	Expenditure control
DETAILED FINDING	Reasonable steps were not taken to prevent irregular as well as fruitless and wasteful expenditure, as required by section 62(1) (d) of the MFMA..
ACTION PLAN	<p>The budget and reporting unit within the office of the CFO has been capacitated with a manager: budget who will monitor spend on a monthly basis to ensure that there is no spend on unbudgeted or unauthorized expenses</p> <p>We shall ensure that invoices that are disputed are registered and communication with service providers are improved to have invoices emailed to avoid delays in payments thus preventing payment of interest</p> <p>The SCM unit will be capacitated when the organogram is reviewed to include a quotation officer and a demand and acquisition officer to ensure that purchases are only made from suppliers with valid tax certificates, are in good financial standing, are not in employment with the state and have no outstanding tax obligations (monitored via the compliance checklist)</p>
RESPONSIBLE PERSON	Chief Financial officer
DATE OF ACHIEVEMENT	30 March 2014

FINDING	Leadership
DETAILED FINDING	The accounting officer and municipal council did not exercise adequate oversight responsibility over financial and performance reporting and compliance with laws and regulations. included in this report.
ACTION PLAN	<p>The municipality shall ensure that the monitoring and oversight structures improve their role by receiving financial and performance reports timely having been reviewed by Internal audit</p> <p>The audit committee will be tasked (as part of their charter) to review S71 reports, key control checklist, the quarterly dashboard and the quarterly performance report and report on this to council via quarterly audit reports</p> <p>MPAC (appointed as an arm of council) will be tasked to review S71 reports , key control checklist, the quarterly dashboard and the quarterly performance report and report on this to council via quarterly audit reports</p>
RESPONSIBLE PERSON	Municipal Manager
DATE OF ACHIEVEMENT	30 March 2014





MANCINI DRAFT ANNUAL PERFORMANCE REPORT 2013/14

FINDING	Financial and performance management
DETAILED FINDING	<ol style="list-style-type: none"> 1. Proper record keeping was not implemented to ensure that complete, relevant and accurate information was available to support reported performance. 2. There was a lack of ongoing monitoring and review of compliance with key laws and regulations applicable to the municipality. 3. The CFO has not implemented adequate internal controls to support complete and accurate financial reporting.
ACTION PLAN	<p>The filing system shall be improved to ensure documents are safely kept. The electronic document management system tender process is closed for evaluation and award.</p> <p>Internal audit plan will be prepared such that reasonable time is allocated to the review of performance report and a checklist will be developed to ensure that compliance with laws and regulation are achieved.</p> <p>The standard operating manual will be developed. Management will be requested to develop compliance checklists per department and report on these checklists during MANCO meetings</p>
RESPONSIBLE PERSON	Chief Financial Officer
DATE OF ACHIEVEMENT	30 March 2014





1.10 AUDITING PERFORMANCE INFORMATION

The Municipal Systems Act, 2000, Section 45 requires that the results of performance measurements in terms of section 41 (1)(c), must be audited as part of the internal auditing process and annually by the Auditor-General. All auditing must comply with section 14 of the Municipal Planning and Performance Management Regulations, 2001 (Regulation 796).

SizweNtsalubaGobodo was appointed to perform the Internal Audit Function of the Mandeni Municipality. Council has during 2012/13 created an internal post of Chief Audit Executive to perform internal audit functions working together with SizweNtsalubaGobodo. As part of their scope, auditing of the Performance Management System and Audit of Performance Information was performed and reports received for each quarter in terms of the following:

PROJECT	FOCUS AREA
Review of Performance Information - Quarter 1	<ul style="list-style-type: none"> ▪ Consistency in reporting; ▪ Measurability and reliability; ▪ Performance reports reviews; ▪ Performance score verification (Municipal Manager and Directors); • Compliance with relevant laws and regulations.
Review of Performance Information - Quarter 2	<ul style="list-style-type: none"> ▪ Consistency in reporting; ▪ Measurability and reliability; ▪ Performance reports reviews; ▪ Compliance with relevant laws and regulations
Review of Performance Information - Quarter 3	<ul style="list-style-type: none"> ▪ Consistency in reporting; ▪ Measurability and reliability; ▪ Performance reports reviews; ▪ Compliance with relevant laws and regulations
Review of Performance Information - Quarter 4 (Annual Report)	<ul style="list-style-type: none"> ▪ Consistency in reporting; ▪ Measurability and reliability; ▪ Performance reports reviews; • Compliance with relevant laws and regulations

The Auditor General is performing a complete auditing of information submitted in this report together with all achievements reported in the Organisational Scorecard/Top Layer SDBIP attached.





1.11 NATIONAL PROVINCIAL AND LOCAL ALIGNMENT

NATIONAL			MUNICIPAL
KPA'S	OUTCOMES 9	STRATEGIC ISSUES	MLM STRATEGIC ISSUES
BASIC INFRASTRUCTURE AND SERVICE DELIVERY	IMPROVED ACCESS TO BASIC SERVICES	<ul style="list-style-type: none"> ELECTRICITY ACCESS TO ROADS AND STORM WATER TELECOMMUNICATIONS COMMUNITY AND PUBLIC FACILITIES SOLID WASTE DISPOSAL HOUSING LAND USE MANAGEMENT SYSTEMS 	<ul style="list-style-type: none"> PROVISION OF NEW ROADS STORM WATER, BRIDGES AND RELATED INFRASTRUCTURE PROVIDE AND MAINTAIN STORM WATER DRAINS AND CHANNELS TO PROVIDE STRATEGIC INFRASTRUCTURE TO FACILITATE ECONOMIC GROWTH
LOCAL ECONOMIC DEVELOPMENT	COMMUNITY WORK PROGRAMME IMPLEMENTED AND COOPERATIVES SUPPORTED	<ul style="list-style-type: none"> LOCAL ECONOMIC DEVELOPMENT TOURISM PLANNING AGRICULTURAL DEVELOPMENT COOPERATIVES AND SMME'S PUBLIC PRIVATE PARTNERSHIPS BUSINESS SUPPORT AND DEVELOPMENT 	<ul style="list-style-type: none"> TO PROVIDE EFFECTIVE AND EFFICIENT LED TO ENSURE SUPPORT OF EMERGING CONTRACTORS
COMMUNITY SERVICES AND SOCIAL DEVELOPMENT	COMMUNITY WORK PROGRAMME IMPLEMENTED AND COOPERATIVES SUPPORTED	<ul style="list-style-type: none"> EDUCATION HEALTH SOCIAL SECURITY COMMUNITY SAFETY DISASTER MANAGEMENT GENDER, YOUTH AND PEOPLE WITH DISABILITIES SPORTS AND RECREATION HIV AND AIDS COMMUNITY AND PUBLIC FACILITIES LAND REFORM ENVIRONMENTAL SUSTAINABILITY ARTS AND CULTURE CEMETERIES AND CREMATORIA 	<ul style="list-style-type: none"> TO FACILITATE THE PROVISION OF SATELLITE MOBILE CLINIC EDUCATION & AWARENESS ON HIV/AIDS
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	IMPROVED MUNICIPAL FINANCIAL AND ADMINISTRATIVE CAPABILITY	<ul style="list-style-type: none"> BUDGETING AND REPORTING REVENUE ENHANCEMENT EXPENDITURE CONTROL FINANCIAL MANAGEMENT 	<ul style="list-style-type: none"> REVENUE ENHANCEMENT COMPLIANCE WITH STATUTORY REPORTING TO NATIONAL AND PROVINCIAL TREASURY AND COGTA EFFICIENT AND UPDATED WEBSITE EFFECTIVE AND EFFICIENT IMPLEMENTATION OF SCM POLICY IMPROVED AUDIT OPINION





NATIONAL			MUNICIPAL
KPA'S	OUTCOMES 9	STRATEGIC ISSUES	MLM STRATEGIC ISSUES
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT	<ul style="list-style-type: none"> BATHO PELE PERFORMANCE MANAGEMENT HUMAN RESOURCES INFORMATION TECHNOLOGY ADMINISTRATION 	<ul style="list-style-type: none"> TO PRODUCE A ND IMPROVED IDP FROM 2012/13 ASSESSEMENTS RESULTS TO IMPROVE ON THE FUNCTIONALITY OF PMS TO HAVE AN EFFECTIVE AND EFFICIENT HRM TO IMPLEMENT A WSP TO ESTABLISH AN EFFECTIVE AND EFFICIENT CUSTOMER SERVICE SYSTEM TO ESTABLISH AN EFFECTIVE AND EFFICIENT PROJECT MANAGEMENT SYSTEM TO ENSURE PROVISION OF EFFECTIVE AND EFFECTIVE OCCUPATIONAL HEALTH AND SAFETY (OHS) TO DEVELOP AND IMPLEMENT AN EFFECTIVE AND EFFICIENT BIOMETRIC ACCESS CONTROL SYSTEM ADMINISTRATIVE BUILDING MASTER PLAN TO UPDATE AND OBTAIN COUNCIL APPROVAL OF THE MUNICIPAL INDIGENT REGISTER
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	DEEPENING DEMOCRACY THROUGH REFINED WARD COMMITTEE SYSTEM	<ul style="list-style-type: none"> INTEGRATED DEVELOPMENT PLANNING POLICY DEVELOPMENT PUBLIC PARTICIPATION INTERNAL AUDIT ANTI-CORRUPTION STRATEGY 	<ul style="list-style-type: none"> TO IMPROVE ON COMPLIANCE WITH THE MFMA TO IMPROVE THE MUNICIPAL AUDIT OPINION AND ACCOUNTABILITY TO ENSURE EFFECTIVE PROVISION SPECIAL PROGRAMMES IS ADEQUATELY PROVIDED ADDRESSING ALL AGE GROUP





CHAPTER 2: MUNICIPAL PERFORMANCE HIGHLIGHTS

2.1 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Total operating expenditure for the 2014/15 financial year has been appropriated at R141.9 million and translates into a budgeted deficit of R1 173 million. Compared with the 2013/14 Adjustments Budget, operational expenditure has grown by 4% in the 2014/15 budget and by 19 and 21%, for the outer years of the MTREF. The operating deficit is noticeable in the outer years. The municipality will need to reprioritize the expenditure to be able to fund capital expenditure and to further ensure cash backing of reserves and funds.

2.1.1 BILLING

Through the successful migration from the old to the new financial system, this section has been able to produce reporting information that has improved the presentation of the deep-seated problem of debtors, thus enabling focused decision-making by the authorities. Data cleansing had been the main focus to support the fight against non-payment for services.

2.1.2 CREDIT CONTROL AND DEBT COLLECTION

As per the adoption of the revenue enhancement strategy, there was a moratorium on full implementation of credit control activities to allow the data cleansing process to proceed. Incentives to encourage debtors to settle their accounts were introduced. Indigent write-offs were promoted. Data cleansing was improved, enabling a better understanding of each debtor. We are now looking forward to swiftly implement credit controls to reduce the debt level.

2.1.3 PAYMENTS AND FINANCING

There has been a fundamental shift from the way activities were implemented in this section. Timely reconciliations are now possible. Improved cash flow management is produced. The section has continued to maintain supply chain good governance and stores management. The municipality has also managed to maintain a positive cash flow as at June 2014 year end.

2.1.4 SUPPLY CHAIN MANAGEMENT

The municipality has maintained a good record in institutionalising this section. Capacity has been increased by appointing Manager SCM to ensure that the compliance is enforced. An action plan that is at an advanced stage of implementation was developed to ensure that all audit issues raised by the Auditor General are eliminated. Training is being arranged for all bid committee members. Backlogs in the awarding of tenders have been immensely reduced.





2.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

2.2.1 POWERS AND FUNCTIONS

The powers and function of Mandeni Municipality are as per Schedule 4 Part B and Schedule 5 Part B 9f the Municipal Demarcation Board.

Portfolio Committees in terms of section 79 and section 80 of the Municipal Structures Act within the municipality support the management committee, which makes proposals to portfolio committees. In turn the portfolio committee makes recommendations to EXCO and Council, who make decisions. EXCO takes decisions on matters delegated to it and those not taken to council.

2.2.2 STAFF COMPOSITION AND STRUCTURE

Mandeni Local Municipality initiated a process towards a comprehensive review of the organogram. Each existing post has been evaluated, and minimum requirements established. A new organogram has been prepared, and is being discussed with all the relevant structures. It will be presented to council for approval once the process has been completed. The new organogram is informed by the IDP and the budget. It will enable the municipality to perform its functions while also facilitating efficient and effective implementation of the IDP.

The municipality has made substantial progress in dealing with staffing issues, however there are still a number of issues and challenges. These include the low grading of the municipality as Category 2 and the resultant low salary scales. As a result, the municipality is unable to attract and retain appropriately qualified and experienced staff. The remaining effect is that a significant number of staff members occupy positions and undertake activities for which they do not possess the right qualifications. The new organogram seeks to address this issue.

2.2.3 EMPLOYMENT EQUITY

In an effort of transform employment equity , Mandeni Municipality endorses the principles associated with the promotion of gender equality and non-discrimination in terms of recruiting policies. In terms of municipal transformation, it focuses on the following strategic principles namely: Batho Pele, Performance Management, Human Resources, Information Technology and administration. An Employment Equity Plan that clearly depicts which levels have under-representation of a certain Employment Active Population is in place. The municipality has succeeded in minimising under-representation at management level, having employed one (1) female director amongst five (5) male directors seven female managers and two (2) male manager have been appointed during 2013/14 financial year.





2.3 LOCAL ECONOMIC DEVELOPMENT

2.3.1 SMALL MICRO-MEDIUM ENTERPRISE

SMMEs in Mandeni Municipality focus on the following activities: tourism; catering and accommodation; retail trade and allied services; construction; manufacturing; restaurant and tavern; dairy farm; general dealer; supermarket; butcher; professional and financial services; bricks/ blocks manufacture; burial services; liquor retail; consumer sales and other services; motor repairs; beauty salon; arts and crafts; bakery; cleaning services; computer repairs; electrical appliance; hardware retail; laundry services; light engineering services; radio and TV repairs; clothing and textile; and security services.

In a survey which was conducted internally by the municipality, it revealed that SMMEs and informal traders main challenge is poor road infrastructure from purchasing to trading points, crating high transport costs of their respective goods. The taxis and mini-buses that constitute the major means of transport in Mandeni Municipality do not have a proper rank and therefore work in an uncoordinated fashion. This has a major impact on business growth, especially for informal traders and continues to widen the gap between the two economies.

2.3.2 INFORMAL ECONOMY

Major activities include gardeners, garbage pickers, cardboard collectors, child carers, mielie cookers, newspaper vendors, taxis drivers, car and minibus washers, live chicken sellers, second hand clothes dealers, hairdressers, barbers, fruit sellers, street food vendors, street non-food products vendors, bricklayers and stonemasons, tavern and shebeen operators, motor vehicle mechanics and fitters, spaza shop owners and workers, tailors, dressmakers and hatters, sewers, embroiderers and related workers, traditional medicine practitioners, muthi traders, Mr Phone dealers, shoe makers and polishers, domestic workers and welders. 56.6% of informal businesses in Mandeni Municipality employ one person. Women dominate the informal economy in Mandeni. 77.6% of informal businesses in Mandeni have stagnant general average growth. The average monthly income for informal traders in Mandeni is approximately R 1 417. The major obstacles are similar to those confronting SMMEs and include infrastructural issues, institutional issues and economic issues.

2.3.3 TOURISM

Mandeni is a historically rich municipal area, which still needs to fully harness the potential of these opportunities. At present the tourism industry in Mandeni Municipality is observable at the Tugela Mouth area. The history of the area cannot be divorced from the tourism potential. Great battles were fought by the Zulus against the British in this area through the involvement of King Cetshwayo. Then there is the legacy of the Scottish immigrant, John Dunn, and his 48 Zulu wives and 117 children. A tourism plan is required to ensure that this sector is developed in a strategic and logical manner.





The primary factor that attracts tourists to the Mandeni Municipal area is its beaches, estuaries, natural resources and historical sites, the wild life, and Zulu culture. These include the Amatikulu Nature Reserve, Ndulinde Hills and Ndongakusuka Hill. The Mandeni Municipal area has a very rich historical past, which presents a huge opportunity for tourism development. The uThukela River is the largest river in KwaZulu-Natal, and was the historical border between Zululand and Natal. A number of significant historical events associated with the river have left a rich legacy of major historical and cultural sites on what is now referred to as the “uThukela Frontier”.

2.3.4 MANUFACTURING

Manufacturing is the main contributor to the municipal Gross Value Added (GVA) and the main source of employment. It contributes approximately 37.4% of the municipal GVA and employs approximately 26.86% of the Mandeni labour force. The manufacturing sector in Mandeni Municipality is based in Isithebe. The Isithebe Industrial Estate is managed by Ithala, and the estate manager notes that the estate is almost 100% occupied. There are a wide variety of industries in the estate including textiles, plastics, chemicals, and furniture. However, there is a lack of space in the estate for the future expansion of the industrial sector. During the PACA process undertaken with Isithebe stakeholders, a number of themes emerged, which influence the current position of Isithebe in terms of its location and immediate prospects.

Isithebe is well-run and provides a solid operating environment. It is well placed to participate in the momentum created by the multi-modal logistics platform for the Durban-Richards Bay corridor. The rail links between the King Shaka Airport and Richards Bay harbour are an important component of this advantage. Isithebe has been identified as the likely base for an industrial development zone (IDZ), and planning is under way to bring this about. IDZs come with concessions and incentives, designed to accelerate industrial investment in the new globalised environment.

.4 COMMUNITY AND SOCIAL DEVELOPMENT SERVICES

2.4.1 EDUCATION

The level of education has generally improved in the municipal area. The number of people with no schooling declined from 19.2% to 10.1% between 2001 and 2011. The Matric level increased from 22.3% to 30.6%, whereas, primary educational enrolment increased from 89.3% to 90.9% in the same period. However, the number of people with higher education declined from 3.6% to 2%. This may be the consequence of the low standards of living which contributes to the inability to afford tuition fees at higher learning institutions. The continuation of this trend results in the accumulation of unskilled labour in the employment environment, which in turn has a negative impact on Mandeni Municipality’s economy and GDP. Emphasis should be placed on training the unskilled population as well as promoting resource development in workplaces.

2.4.2 EARLY CHILDHOOD DEVELOPMENT

There are about 80 children’s facilities on Mandeni Municipality’s database. At least 50 Crèches and Preschools have been subsidized by the Department of Social Development in the past five years. However, the municipality has not built any crèche facilities, as is the case in nearby municipalities. Provincial Forum Meetings are held monthly to discuss matters of children advocacy and their protection and survival.





2.4.3 HEALTH

2.4.3.1 Major Causes of Death

The iLembe District Municipality's 10 Major Causes of Death have reached epidemic proportions. Tuberculosis features prominently in the top three major causes of death in the District and the four sub-districts. This is reflected in iLembe's TB health outcomes with the TB cure rate decreasing from 76% in 2008/09 to 70% in 2009/10 and the TB treatment interruption rate increasing from 7% in 2008/09 to 9% in 2009/10. Complications related to TB result in fatalities. Patients who die from HIV / AIDS related conditions have also been found to be co-infected with other conditions with a high correlation to TB.

Diseases such as diabetes and cardiac conditions can be controlled if medical attention is sought early and/ or preventative programmes are implemented. The Community Health Worker Programme should be strengthened to address these gaps. TB patients seek medical attention too late while others have a combination of conditions which impact clinical outcomes. TB is a social problem linked to poverty, overcrowding and poor social conditions as well as environmental factors. TB is weakening the progress made in the fight against AIDS. It is not only the number one cause of AIDS-related deaths in Africa but the number one cause of all deaths in South Africa. Most deaths are related to HIV/ AIDS complications which require intervention from preventative and promote health programmes, e.g., CCMT, HCT, and PMTCT.

2.4.3.2 Child Mortality

Mandeni does not have a hospital and therefore referred cases that die are reflected at KwaDukuza sub district which serves as a district hospital service for the Mandeni population. Maternal mortality in 2010 in KwaDukuza was 166/100 000 live births and in 2009, 433/100 000. The figures reveal that in 2010 there were 11 maternal deaths /6 632 live births and 26 maternal deaths / 5 991 live births in 2009; this is a 56% decrease in the number of maternal deaths. Avoidable deaths linked to clinical care can be addressed by improving clinical skills through workshops and training.

Immunization coverage and measles immunization coverage at less than one year have both increased significantly. Immunization coverage was 79.1% in 2008/09 and increased to 87.8% in 2009/10 and measles immunization coverage increased from 81% in 2008/09 to 90.7% in 2009/10.

2.4.4 SAFETY AND SECURITY

The existing police stations at Sundumbili, Nyoni, Mandeni, Newark and Gingindlovu service large areas and access to remote areas is a challenge. Remote rural and traditional areas in the four Tribal Authorities are particularly difficult to service. The SAPS has indicated that they will provide police services to these areas from satellite stations in the appropriate localities. These satellites would facilitate community policing efforts in the area to build security. They will train and recruit community police reservists in different categories, including active reservists who would undertake a determined number of hours service per month on a regular basis or reservists who would be called upon in times of need. Currently there are five (5) functional Community Policing Forums (CPFs) that work with the Community Safety and Liaison Department to assist the municipality to set up Community Safety Committees at a Voting District (VD) per ward.





2.4.5 NATIONAL BUILDING AND SOCIAL COHESION

The municipality identified and prioritised areas that require these facilities as per the community recreational need identified in the 2012/13 IDP. However, minimal progress has been made; the KZN Department of Sports and Recreation has thus far funded the construction of two sports facilities and one recreational facility. However, backlogs are prevalent, with at least 60% of the community having no access to sport and recreation facilities. In the current financial year two Combo courts situated in Padianagger and one in High View Park are to be built, as well as two sports facilities, namely, KwaChili and Sundumbili Sports ground. These sports facilities will be built through P-component (MIG funding).

2.4.6 COMMUNITY DEVELOPMENT ON VULNERABLE GROUPS

2.4.6.1 Youth Development

A two-day Youth Indaba was held in the beginning of the year under review in June 2013 where youth from all wards participated in drafting a youth development policy. A driver's license project was approved by Council, targeting youth who have completed grade 12 and who are Mandeni local residents. The finer logistics for the proper administration of the projects are currently continuously being administered falling into the next 2014/15 financial year.

2.4.6.2 People With Disabilities (PWD)

The Terms of Reference for the Mandeni PWDs Forum were established in 2009. In the same year, the Committee tasked with the handling of PWD issues was elected. The Office of the Premier often requests District delegates to join commemoration of the annual event relating to this group, which is usually observed on 3 December. Budgetary constraints often make it impossible to provide as many programmes as are required by PWDs. Attempts to mainstream and advocate for PWDs are currently being addressed. For instance, job opportunities for PWDs are lobbied for through the Economic and Development Department.

2.4.6.3 The Elderly

There are no Terms of Reference in place at the moment but these will need to be drawn up and finalised. Elderly people are involved in the annual Golden Games and the Mandeni Senior Citizens Caring Club was recently launched. A sports kit has been donated by the DSR.

6.4.6.4 Women

A Women's Desk was established in 2007, Terms of Reference will soon be drawn up to revive the desk. A Policy on Gender and Women Empowerment is in place, and will be reviewed.





2.5 BASIC SERVICE DELIVERY AND INFRASTRUCTURE

2.5.1 WATER AND SANITATION

The table that follows depicts the backlogs and achievements of Mandeni Local Municipality over the period of years indicated, highlighting the relevant wards. Although the wards changed in 2011, the current water and sanitation projects (2013/2014) were implemented in terms of the old wards. The backlog figures in the tables are therefore still in the old ward format.

2.5.1.1 Water

Ward	NO H/H	2006/07		2007/08	2008/09	2009/10	2010/11	2011/12	Consolidation		% B/log
		Backlog	Achieve	Achieve	Achieve	Achieve	Achieve	Achieve	Backlog	Achieve	
1	2 555	1 807							1 807	-	71%
2	2 948	2 619							2 619	-	89%
3	2 457	114							114	-	5%
4	2 642	809							809	-	31%
5	2 765	2 718				380			2 338	380	85%
6	4 626	4 626							4 626	-	100%
7	4 626	4 626							4 626	-	100%
8	2 213	1 995							1 995	-	90%
9	1 965	1 965							1 965	-	100%
10	1 126	1 126	400	106	620				-	1 126	0%
11	3 317	1 329							1 329	-	40%
12	3 148	1 726		1 726					-	1 726	0%
13	853	-							-	-	0%
14	853	-							-	-	0%
15	853	-							-	-	0%
16	853	853							853	-	100%
17	-	-							-	-	-
Total	37 798	26 313	400	1,832	620	380	-	-	23 081	3 232	
Total percentage										12%	

Statistic South Africa 2011

2.5.1.2 Sanitation

Ward	NO H/H	2006/07		2007/08	2008/09	2009/10	2010/11	2011/2012	Consolidation		% B/log
		Backlog	Achieve	Achieve	Achieve	Achieve	Achieve	Achieve	Backlog	Achieve	
1	2 555	1 231						60	1 171	60	46%
2	2 948	1 472					974		498	974	17%
3	2 457	67							67	-	3%
4	2 642	751							751	-	28%
5	2 765	1 530					700		830	700	30%
6	4 626	1 476						40	1 436	40	31%
7	4 626	1 107							1 107	-	24%
8	2 213	959							959	-	43%
9	1 965	-							-	-	0%
10	1 126	876	876						-	876	0%
11	3 317	1 800		1 800				45	(45)	1 845	-1%
12	3 148	2 564	2 564						-	2 564	0%
13	853	416							416	-	49%
14	853	416							416	-	49%
15	853	416							416	-	49%
16	853	850				850			-	850	0%
17											
Total	37 798	15 931	3 440	1 800	-	850	1 674	145	8 022	7 909	
Total percentage										50%	

Statistic South Africa 2011





2.5.2 OPERATION AND MAINTANCE

Operation and maintenance is funded through the municipal revenue operational budget. Monthly operational and maintenance plans are prepared and submitted to the Infrastructure Development and Technical Services Portfolio Committee. The Roads Master Plan that is in place will also produce a pavement management system which will inform all future road repairs and maintenance requirements.

The majority of the existing urban tarred roads are in dire need of rehabilitation due to the age of the roads (ranging from 30 to 60 years old). Due to little or no funding being available over the past decade, there were no significant repairs, rehabilitation, refurbishment or maintenance of these roads, resulting in highly deteriorated roads that require urgent intervention. The deferment of infrastructure repairs and maintenance has resulted in the degradation of the value of these assets, thus costing the municipality more in the future. A programme for the rehabilitation of internal roads in Mandeni to bring them up to acceptable standard commenced in 2011/12 and will continue. To date 4,5km of aged roads infrastructure has been rehabilitated.

2.5.3 SOLID WASTE MANAGEMENT

2.5.3.1 Solid Waste Disposal

The municipality provides a door-to-door service to all customers (business and residents) on the billing system within the urban areas of Mandeni, Sundumbili, Tugela Rail, Pardianagar, High View Park and Tugela Mouth. Other rural areas are serviced by communal bins placed strategically within walking distance of households. This basic level of service is provided once a week. This collection and disposal service is currently outsourced to a waste collection and disposal contractor. The municipality is in the process of conducting a section 78 assessment of the function in terms of the Municipal Systems Act in order to establish how to proceed with collection and disposal in the future.

Illegal dumping is a major cause for concern within the town and this, needs to be addressed through waste education campaigns. The sparse settlement patterns and vast area of the municipality make it very costly to eradicate the high backlog in waste services. Coupled with limited funding and high non-payment for services, this makes backlog eradication a very slow process. Due to poor accessibility to certain areas in the municipality as a result of poor road conditions, waste services cannot be extended to these areas until better roads provision is made. More skips need to be acquired on an annual basis and placed at strategic locations to provide a basic level of service.





2.5.3.2 Integrated Waste Management

The municipality developed its first Integrated Waste Management Plan (IWMP) in 2009/2010. A total of 13 projects were identified during the first IWMP. To date, seven projects have been completed and two were subsequently found to be no longer applicable. The remaining four projects are ongoing. These projects are: waste information system improvement, waste bylaws enforcement, education campaigns, and re-use and recycling initiatives. The 2009/10 IWMP is presently being reviewed as it is in its fifth year post development. Furthermore there has been significant policy and legislative change in waste management since 2009, further emphasising the need for this review.

2.5.4 TRANSPORT AND INFRASTRUCTURE

2.5.4.1 Municipal Roads and Public Transport

The municipality's recent infrastructure asset verification exercise established that it has approximately 700km of municipal access roads under its jurisdiction. Approximately 100 km of these roads are classified as urban tarred roads, whilst the remaining are rural access roads. The majority of the rural roads are on topography that is mostly rugged, resulting in long, steep gradients and tight horizontal alignments. Gravel roads are difficult to maintain on these steep gradients. The rural roads require mechanical plant and equipment to carry out repairs and maintenance. There is insufficient mechanical plant to satisfy the exceptionally high demand from the 17 wards.

The municipality is in the process of concluding the preparation of a Roads Master Plan. This will produce a pavement management system which will facilitate the repair and maintenance of roads. Numerous developments are planned within Mandeni and must be served by a proper road network. A prioritisation model for investment in road infrastructure will also be developed. Certain priority arterial roads have been identified for establishment to open up economic development opportunities. In the coming year the municipality will carry out a gravel borrow pits investigation with the aim of establishing formal gravel borrow pits at strategic locations to ensure sufficient gravel to maintain gravel rural roads. The establishment of depots at various locations around the municipality will be investigated in order to keep the mechanical plant closer to the work sites. The acquisition of a low bed horse and trailer is also planned to transport the mechanical plant over long distances.

The municipality has commenced the planning of a multimodal public transport facility that would see all modes of transport operating in the area under one roof to enable a more efficient public transport system that links commuters from all parts of the municipality and beyond to the primary node. Funding has been sourced for this facility. In the future, passenger rail will also form part of the facility. Furthermore, facilities such as sidewalks for pedestrian movement are being planned and built to facilitate traffic safety. Pedestrian bridges are also being investigated and funding lobbied to reduce travel distances for some communities who are land-locked by water courses.





2.5.4.2 District and Provincial Roads

The district roads are in a poor state and this has a negative impact on the social and economic status of the local community, especially the rural community. The bad state of the roads has resulted in public transport operators refusing to travel on these roads. Ambulances and water tankers delivering water to jojo tanks find it impossible to travel on these roads. A close relationship is being forged with the KZNDOT to coordinate activities to address these challenges and improve service delivery. One success story to date is that the KZNDOT has agreed to upgrade the D883 in Ndulinde ward 6 to a black top road.

The P2 (R102) road is in a poor state within the municipal boundary and requires rehabilitation and maintenance. The R102 requires traffic calming as well as pedestrian walkways and street lighting on the north side of the uThukela River as many school children walk on it daily; many pedestrians have been knocked down. The P415 is in fairly good condition in most areas except for small sections which were not part of the recent rehabilitation. The section between the N2 Toll Road and the Tugela Mouth Beach is in a poor state and requires urgent upgrade to a black top standard. The P459 leading to Nyoni is in very poor condition and requires rehabilitation. The Mandeni Roads Master Plan identified various new arterial roads for establishment and upgrade which will open up Mandeni's economy.

2.5.4.3 National Roads

The N2, carries a large volume of traffic, as it links Mandeni Municipality with KwaDukuza, eThekweni to the south and uMhlatuze, Umlalazi to the north. This is the main road corridor that provides direct linkages between the two shipping ports of Durban and Richards Bay as well as the King Shaka International Airport. All roads intersecting with these roads provide a linkage between the inland and the coast and facilitate the much needed integration of the rural hinterland and the economic nodes.

2.5.4.4 Railway Infrastructure

There is a freight rail link between Durban and Richards Bay traversing Mandeni. The under-utilised freight rail network contributes to the severe pressure on the municipality's road infrastructure, especially on certain long distance routes. The Passenger Rail Agency of South Africa's (PRASA) Regional Strategic Plan 2050 caters for the re-introduction of the passenger rail link between KwaDukuza in the south and Empangeni/Richards Bay in the north *via* Mandeni.





2.5.5 ENERGY

The municipality's Electricity Master Plan 2009/10 is presently under review. Mandeni is fortunately under the Eskom Grid Network for distribution of electricity; however, some networks within the area are severely constrained and cannot allow further connections for electrification. Eskom has recently completed some network upgrades which has released capacity for electrification projects in the interim whilst it is in the process of building two new sub stations in the area. These will open up capacity for full electrification and universal access to electricity. The electricity backlog in the area is estimated to be less than 30% (approximately 8 000 households).

The Macambini electrification project will see 1 236 households connected when complete. The municipality has qualified for Integrated National Electrification Programme Grant Funding under schedule 6 of the Division of Revenue Act over the next three years. This will enable the municipality, in partnership with Eskom and the Department of Energy to electrify an estimated additional 1 500 households. This intervention together with Eskom's planned interventions is projected to see Mandeni gain universal access to basic electricity within the next three years.

The municipality has a license to distribute electricity within the Mandini Suburb to an estimated 1 000 customers. The network is old and the municipality is progressively investing in it to ensure proper infrastructure asset management. The network notified maximum demand (NMD) is planned to grow from the current 3,5 MVA to almost 25MVA in the next two years due to an agreement with Umngeni Water Board for the supply of electricity to the Lower Thukela Bulk Water Supply Scheme which is currently being built in the vicinity of the uThukela River.

The municipality is installing additional street lighting in various areas on an ongoing basis to improve community lighting and improve communities' safety and security. This is an annual programme rolled out by the municipality. Repairs and maintenance of the existing streetlights are being done in-house by the municipality through agreements with Eskom in order to expedite the response to broken street lights. More in-house capacity is being built to address the ever increasing demand for this service.

Free basic electricity is being provided to some 1 100 indigent customers through the equitable share grant. This roll out of the free basic electricity services is carried out in rural areas which fall within the jurisdiction serviced directly by Eskom. Eskom submits a monthly account which includes the free basic 50kva per household.

The municipality has embarked on numerous drives to reduce electricity consumption in light of the constraint on the National Grid due to high demand. Energy saving measures are encouraged. The municipality will continue to drive the education campaign and is constantly looking for new interventions to reduce electricity consumption within its area. The green environment approach is





fully supported.

2.5.5.1 Alternative Energy Source

Mandeni municipality has the following alternative energy options are:

- Solar water heaters
- Gel fuel stoves
- PV Solar panels
- Solar cookers
- Wind generators
- Hot bags
- Compact Florescent Lights

Where households elect to install their own energy options, it is feasible to use a variety of power sources including solar, wind and energy saving devices. Each of the off-grid areas needs to be investigated on a feasibility basis to identify appropriate alternative energy options and to quantify the costs of installation and operation. The feasibility study should result in the preparation of a Business Plan for each area where the level of subsidy is clearly documented in the budget along with household contributions (up to a maximum of 25%) to both installation and operation.

According to the Ilembe Master Plan, it would appear that the communities interviewed were opposed to the solar energy option due to its inadequacy and the fact that it may result in government not extending the on-grid network to their areas.

2.5.5.2 Mini-Grid In Off-Grid Areas

This option has been applied in dense rural villages (a household density greater than 250 people per square km). Mini-grids can vary in size and be based on a number of energy sources such as wind, solar, hydro, etc. Mini-grids can provide power for very small settlements (20 households) to fairly large communities (200 households). The key factor behind the success of minigrids is the reliable power source, efficient operation and maintenance and good institutional arrangements.

Mini-grids can incorporate social facilities such as schools, clinics, etc. Effective implementation and operation of a mini-grid requires a full feasibility study, buy-in of the local community and user commitment to contribute to capital and operational costs. In most areas a capital contribution will have to be raised to ensure that own contributions by participating community members are affordable. The feasibility study should also establish realistic operating costs and clarify with the user group the type of power that will be provided and the limitations associated therewith. As in the case of the other energy options, the DME will consider making a contribution towards the establishment of a mini-grid.

According to the Ilembe Master Plan, Mini Hydro has been identified as an alternative power source with some potential in selected locations in KwaZulu-Natal. Unfortunately no sites were identified in Mandeni at the time of the project. This requires further investigation to establish if small hydro plants could be installed on the uThukela River as a major energy source in the





municipality.

2.5.6 COMMUNITY FACILITIES

There are great disparities and imbalances between the rural/traditional areas and the urban areas/economic core of the municipality. Services and facilities are relatively adequate in the Sundumbili, Mandeni and Tugela areas, whereas the tribal areas indicate severe inadequacies in this regard and communities often have to travel vast distances to access social services and facilities. Although progress has been made in the development of a variety of community facilities across the municipal area, backlogs are still very high.

2.5.6.1 Health Facilities

Mandeni Municipality has one (1) Sundumbili Community Health Centre situated in ward 15 and seven (07) clinics operating within its area of jurisdiction located as per table below:

Table: Clinics

NO.	NAME OF CLINIC	WARD
1	Dokodweni Clinic	1
2	Ohwebede Clinic	2
3	Mandeni Clinic	3
4	Hlomendlini Clinic	4
5	Ndulinde Clinic	6
6	Macambini Clinic	9
7	Isithebe Clinic	16

There are number of mobile points and one satellite service centre at Tugela Rail old clinic operating in the first Friday of the month The Stanger Hospital serves a relatively large Health District servicing Mandeni Municipality; this implies that many people travel long travel distances. In some instance, the Catherine Booth Hospital which falls within Umlalazi Municipality is generally accessed by the local community. It can be generally recorded that the area is well serviced in terms of the provision of health services.

There is decline in the annual growth rate of the population segment that is HIV positive within Mandeni Municipality and TB seems to be prevalent.





2.5.6.2 EDUCATION FACILITIES

A number of education facilities are available in the municipality. The provision and operation of schools is the responsibility of the Department of Education and Training. With regard to schoolbased education, it is suggested that the number and location of facilities are not the key issues that need to be addressed in further planning and development. Rather, the focus should be on a number of issues that impact on the quality of education and future planning for education. Mandeni Municipality is serviced by two wards, namely, Gingindlovu and Mandeni wards according to the demarcation of the Department of Education and Training. There are thirty five (35) schools in Gingindlovu ward and thirty three (33) schools in Mandeni ward.

2.5.6.3 HUMAN SETTLEMENTS

Mandeni Municipality has a functional Human Settlement Unit within the municipality. The municipality has also received grant funding for the preparation of the Housing Sector Plan and the review is currently under way. Eight of the nine housing projects for phase 1 have been approved; the land acquisition agreement for the Thorny Park project still has to be signed. The table below indicates population densities within the municipality. From the planning point of view, areas with high population density should be prioritised for development. This planning principle should be applied when making decisions on housing delivery in the municipal area.

Table: Housing Typology

TYOLOGY	TOTAL HOUSEHOLDS
Formal	13 627
Traditional	9 762
Backyard	1 917
Other	84
Institution	2 062
Informal	3 562





2.6 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

2.6.1 OPERATION SUKUMA SAKHE (OSS)

Operation Sukuma Sakhe is the Premier’s programme that aims to provide immediate interventions to the most vulnerable households in a coordinated manner that includes all government departments. Mandeni Municipality has a functioning local task team made of representatives from sector departments, IDAMASA (FBO) and the Municipality. The meetings are held fortnightly on Thursdays in the Municipal Hall. The municipality launched 17 ward war rooms. Community profiling is done by 165 community care givers and youth ambassadors. More than 500 questionnaires have been filled in and partly analysed. The Departments of Agriculture and Environmental Affairs and Social Development have aligned their extension officers and social workers/community development workers according to the municipality’s wards. The cases are reported to ward war rooms, then forwarded to the LTT for interventions.

SASSA attended the ICROP (Integrated Community Rural Outreach Programme) that was held at Macambini Ward 9 on 26 February 2014. Sixty three (63) clients were identified who were not registered for Grants in Aid and they were referred to the Office for Medical Booking. Only 28 clients came for Medical Booking and were referred to the District Surgeon. Their applications were made and finalised the same day. Twenty six applications were approved and two were declined.

2.6.2 INTEGOVERNMENTAL RELATIONS (IGR)

Mandeni Municipality is actively involved in IGR which is championed by Ilembe District Municipality. The reports to various committees of the District Council pertaining to Mandeni Municipality should, however, be cascaded down to the municipality in a more efficient manner as some of these deal with infrastructure and many other issues that are critical for Mandeni Municipality. The Municipal Turnaround Strategy (MTAS) indicates huge water and sanitation backlogs. Further to the above the Ilembe IGR structure is fully functional and sits consistently through the year, with representation from Mandeni Municipality represented by Municipal Manager.

2.6.3 MUNICIPAL COMMITTEES

2.6.3.1 Portfolio Committees

The Executive Committee (EXCO) is the highest decision making body between council meetings. EXCO takes decisions and implements them between council meetings within the delegation framework. However, the majority of items that are presented to the EXCO are the reports of various portfolio committees: section 79/80:

- ✚ Economic Development and Planning and Human Settlement
- ✚ Finance
- ✚ Community
- ✚ Local public administration and human resources portfolio
- ✚ Infrastructure
- ✚ Special programmes

2.6.3.2 Municipal Public Accounts Committee (MPAC)

The Municipal Public Accounts Committee (MPAC) is an S79 oversight committee that serves as an extension of council. Mandeni Municipality’s MPAC was formed in February 2013 and consists of four members. The municipality’s MPAC is operating in terms of approved Terms of Reference and in the current 2013/14 financial year.

The MPAC will be holding a final meeting during the month of June 2014 and will table its year end close out report to council during the month of August. Resources are being provided to the MPAC to ensure that it is able to meet all future duties set out in its terms of reference.





2.6.3.3 Performance /Audit Committee

Mandeni Municipality has an Audit Committee which also performs the role of the Performance Audit Committee. The Audit Committee consists of three members as per section 166(4) (a) of the Municipal Finance Management Act No 56 of 2003 who possess skills and experience in areas relating to internal audit, risk management, performance management, law and governance. The Audit Committee has met four times during the current year and in doing so has fulfilled its duties in terms of S166 of the MFMA and clause 14 (2) (a) of the Municipal Planning and Performance Management Regulations of 2001.

2.6.3.4 Ward Committees

Mandeni Municipality comprises 17 wards which have fully functional Ward Committees. They all serve on various municipal forums, Sport, Housing and LED forums which enhance strong community participation in all municipal programmes. The Ward Committees are highly functional and receive substantial out-of pocket stipends

2.6 4 RISK MANAGEMENT

In developing its risk register Mandeni Municipality utilises the enterprise risk management framework. The process involves holding risk assessment meetings per department and thereafter measuring and rating these risks within the appointed risk committee to ensure that risks are prioritised and dealt with in order of urgency. Through this risk assessment process the following were identified as urgent risks that require immediate intervention:

- + Identification and recording of fixed assets
- + Management of ineffective ICT operations
- + Failure to implement a credible PMS system
- + Delayed procurement of goods and services, hampering service delivery
- + Management of aging infrastructure
- + High level of debt within the municipality
- + Increased fraudulent activities
- + Non-availability or lack of cemetery land
- + Poor control environment: Segregation of duties/isolation of responsibilities
- + Poor succession planning

2.6.5 PUBLIC PARTICIPATION AND COMMUNICATION

The Public Participation and Communication Unit ensures that public meetings are attended by community members by assisting councillors with mobilisation and administrative support. Each ward councillor holds a public meeting at least once a quarter. The municipality formulated a programme with ward numbers, dates, time and venues for public meetings in relation to the IDP review. The programme included stakeholders such as the business community and ratepayers. All the stakeholders were engaged on the IDP review, and the Budget and Performance Management System in terms of KPAs and KPIs. At the end of this process, IDP representative forum meeting resolutions were passed after participation by relevant sector departments and NGOs. All the meetings were successful, with meaningful public participation.

The municipality has a newsletter that informs and keeps the community abreast of all external and internal programmes. In addition, the municipality makes use of radio slots, where the mayor informs members of the public about the municipality’s development projects and programmes.

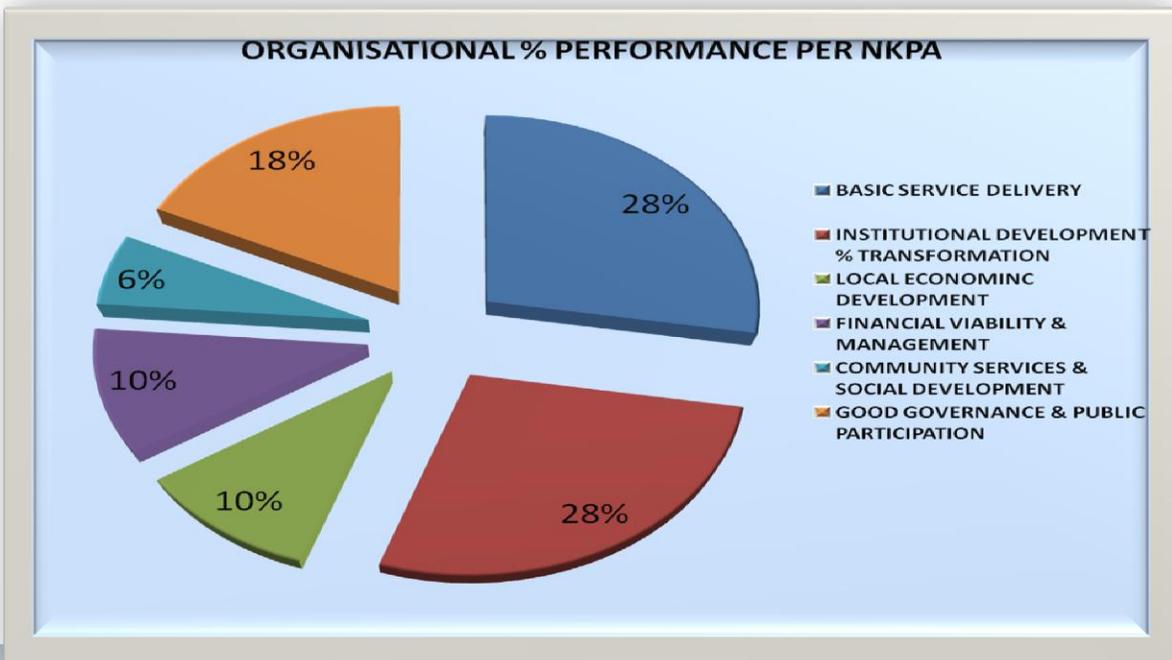
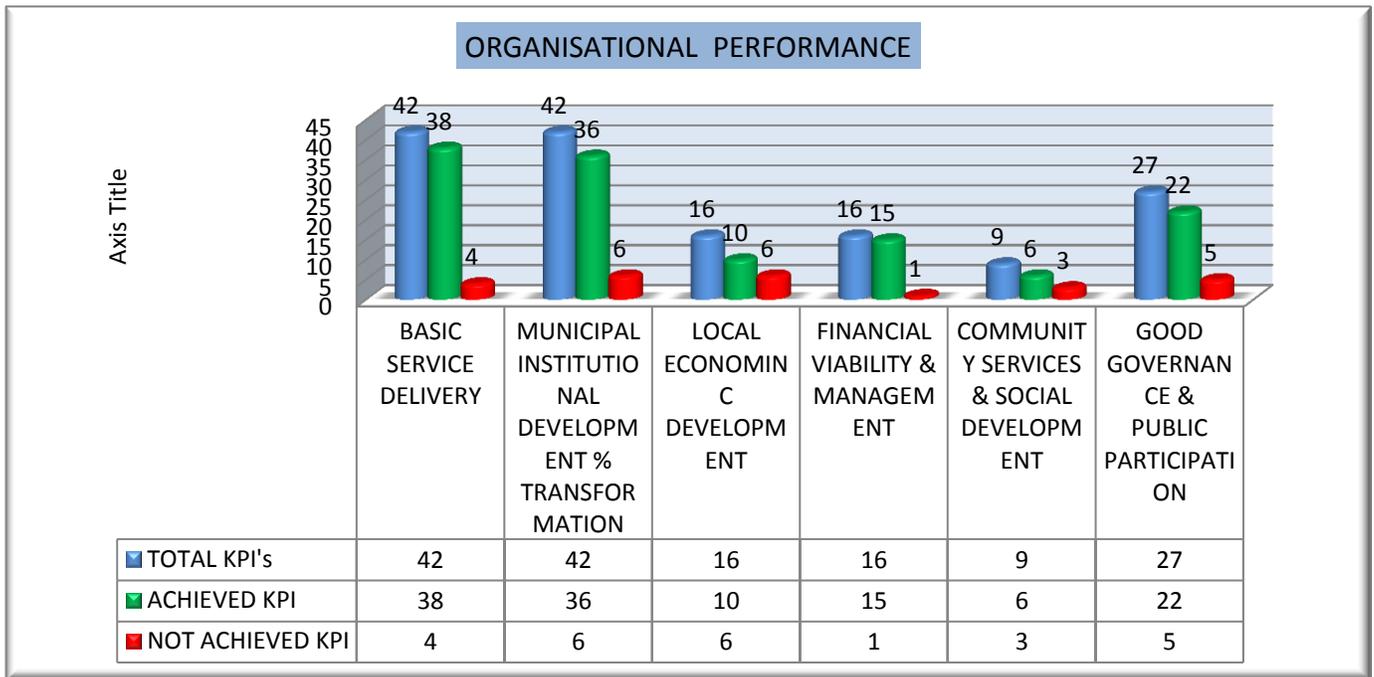




CHAPTER 3: PERFORMANCE HIGHLIGHTS AS PER PREDETERMINED OBJECTIVES

3.1 ORGANISATIONAL PERFORMANCE (TOP LAYER SDBIP)

Evidently the overall planned target for this office is 136, targets that are not applicable for reporting are 49. Therefore 119 targets were applicable and out of that 61 were achieved and 28 were not achieved. A table below provides a graphical illustration and the SDBIP has also been attached:





During the year 2013/14 year under review the municipality managed to achieve 127 targets out of the 136 predetermined targets. This makes a 97% achievement, which is outstanding. As much as the municipality did so well in achieving their set indicators, we need to move a step higher in determining if our indicators are following the Balanced Scorecard in term of all the perspectives. More emphasis needs to be put in the type of indicator for example input, output, process, and outcome. The goal is to get to have indicators that are outcome based in order to improve service delivery and have performance that is ‘visible’ to our community.

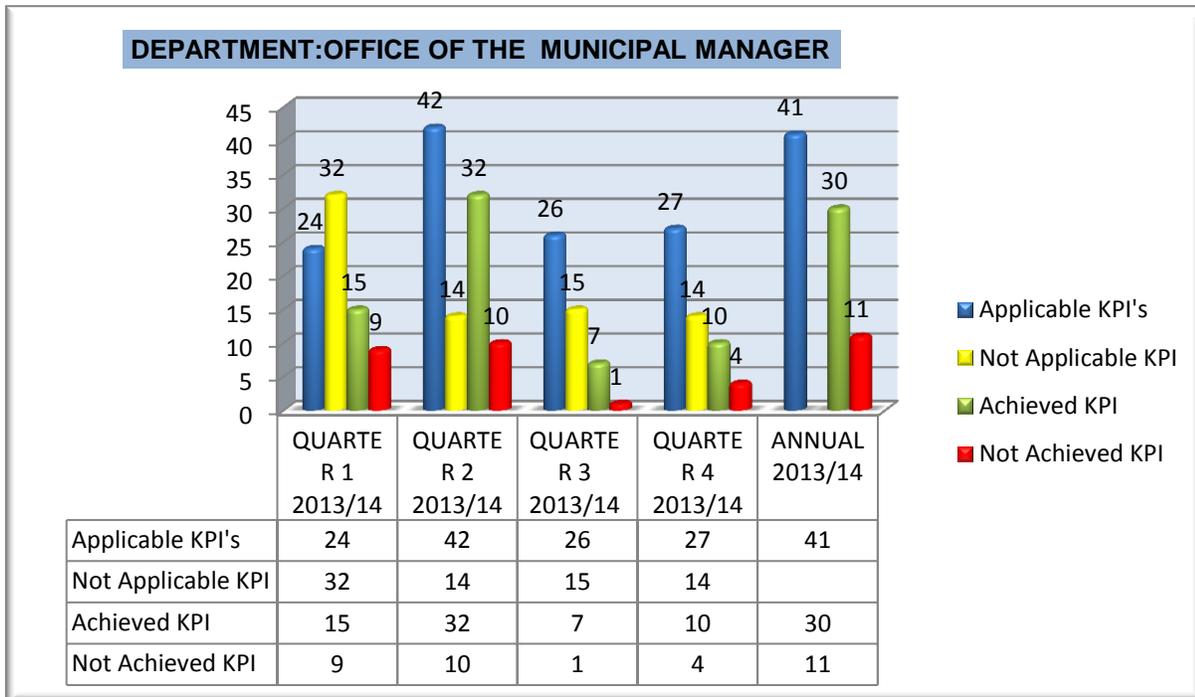
The Pie graph further illustrate the percentages as per the National Key Performance Areas, where it reveals that much focus is put on Good governance and municipal institutional development.

A detailed report of our performance as an organisation is attached as Annexure 1 (ORGANISATIONAL SCORECARD 2013/14) of the report.

3.2 DEPARTMENTAL PERFORMANCE (LOWER LAYER SDBIP)

The overall planned target for the organisation is one hundred and twenty nine (129). Targets that are not applicable for reporting in this quarter are sixty one (61). Therefore sixty eight (68) targets were applicable and where predetermined be reported on in the fourth quarter (4th Q) report of the 2013/14 financial year.

3.2.1 OFFICE OF THE MUNICIPAL MANAGER





In the office of the Municipal Manager the primary the primary focus was to ensure;

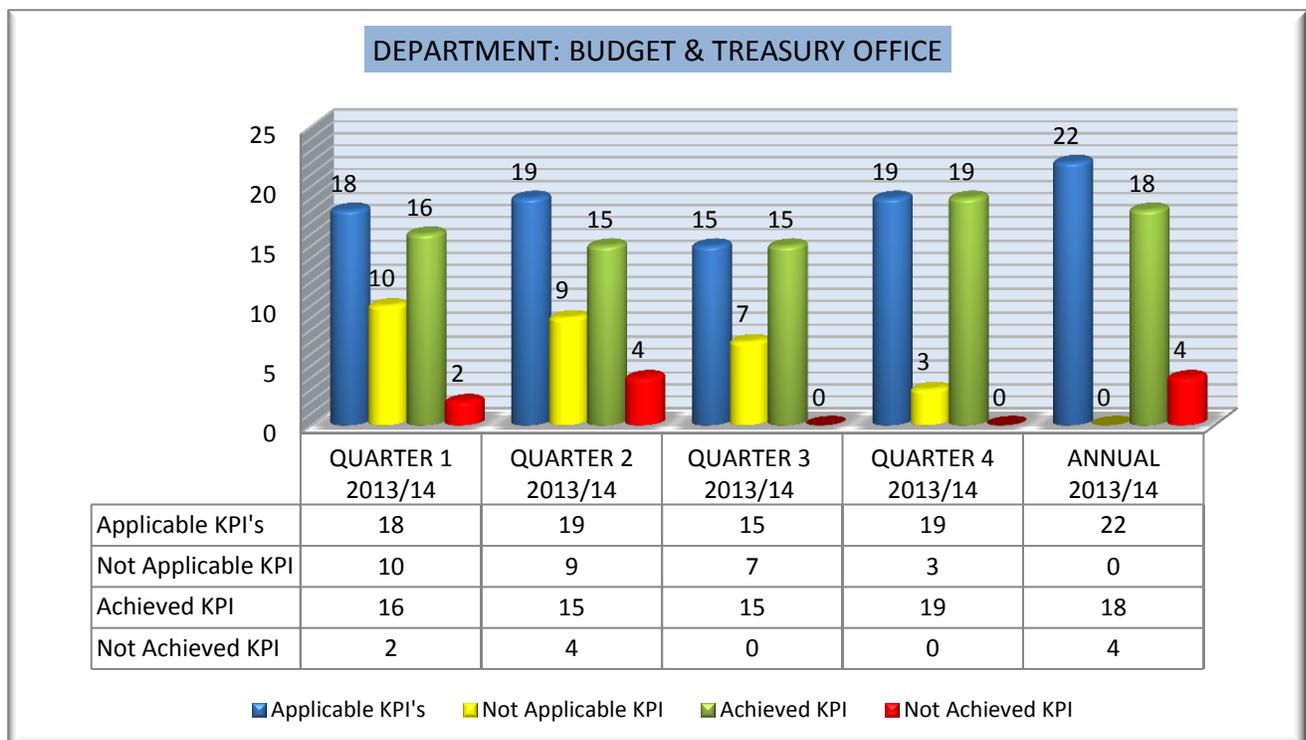
- a) Adopt IDP/PMS/BUDGET Planning Processes appropriate to the capacity and sophistication of the municipality
- b) Functional Organisational Performance Management Systems
- c) Effective Internal Audit and Risk Management System, hence the establishment of Internal Audit Unit.

Mandeni Local Municipality developed and adopted risk management strategy to oversee the effective implementation of a risk based internal audit plan, each business has a risk register that talks to implementation of appropriate Internal controls and ensures compliance to legislative and policy framework. The Performance/Audit Committee is functional and continues to execute the oversight role.

During the year under review Council focused on Performance Management and in particular developing programmes to facilitate our readiness to comply with the National Outcome Based Approach. More emphasis will be placed on performance monitoring and evaluation hence the establishment of MPAC and a Section 80 committee solely focusing on IDP, PMS and Monitoring and oversight.

A detailed report is attached as Annexure 2 of the report.

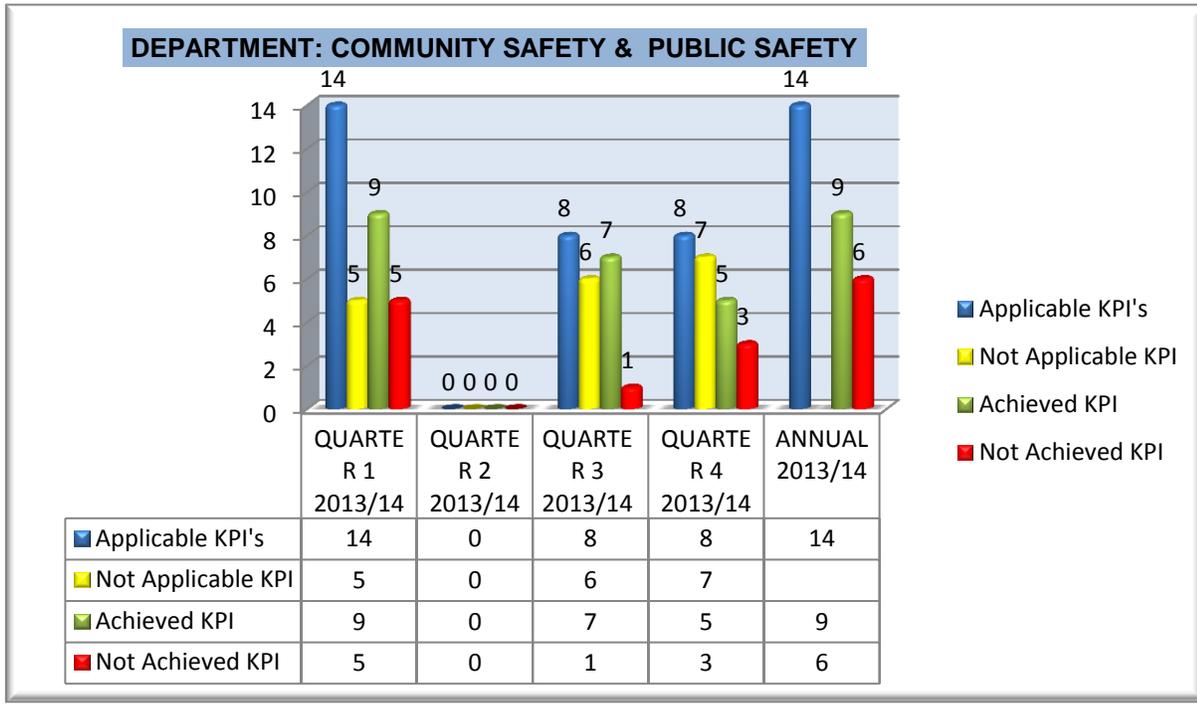
3.2.2 DEPARTMENT: BUDGET AND TREASURY OFFICE





During the year under review the Budget and Treasury Department achieved 14 out of 18 set targets, which is 77% achievement. A detailed report is attached as Annexure 3 of the report.

3.2.3 DEPARTMENT: COMMUNITY SERVICES AND PUBLIC SAFETY



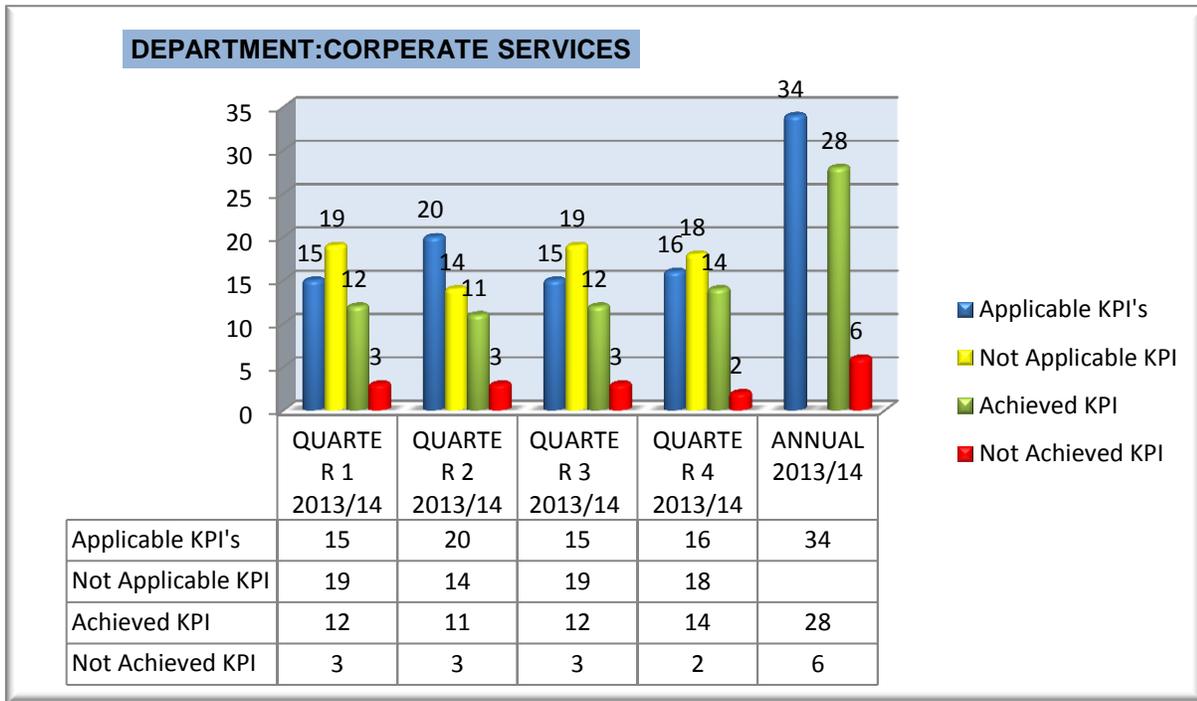
It should be noted that the department did not have a director and therefore no responsible manager for reporting and account. for information was however provided informal by Manager: Community Mrs Nsthangase but could not be held accountable as she was not formally appointed to act in the position.

The Director was appointed in February 2013 hence the inconsistency after the mid-term of 2013/14 financial year. A detailed report is attached as Annexure 4 of the report.





3.2.4 DEPARTMENT: CORPORATE SERVICES



During the year under review the department focused on the following areas;

- a) Review of the Organisational Structure to ensure all funded positions are filled; Annexure 8 attached is the report of Recruitment and Selection.
- b) Improved Labour relations, Manager Labour Relations was appointed during the year under review.

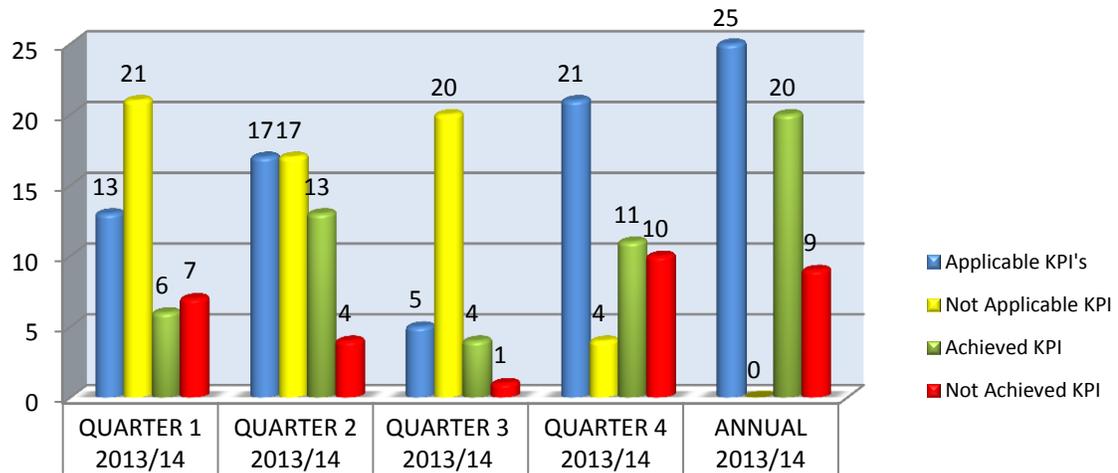
A detailed report has been attached as Annexure 5 of this report.





3.2.5 DEPARTMENT: ECONOMIC DEVELOPMENT PLANNING & HUMAN SETTLEMENT

ECONOMIC, DEVELOPMENT, PLANNING & HUMAN SETTLEMENTS DEPARTMENT PERFORMANCE



	QUARTER 1 2013/14	QUARTER 2 2013/14	QUARTER 3 2013/14	QUARTER 4 2013/14	ANNUAL 2013/14
Applicable KPI's	13	17	5	21	25
Not Applicable KPI	21	17	20	4	0
Achieved KPI	6	13	4	11	20
Not Achieved KPI	7	4	1	10	9

In tackling the housing backlogs and coming up with strategic approaches the municipality in 2007 developed and adopted the Housing Plan which has been used in the past years to drive housing delivery. However the municipality during the financial year under review embarked on the review of the Housing Sector Plan in order to get the plan relevant to the current realities. The municipality had retained all Implementing Agents facilitating the construction of houses within existing projects which are Masomonco and Inyoni both in Ward 10; Isikhonyane in Ward 6; Hlomendlini in Ward 3 & 4; Mathonsi Sundumbili Phase 2.

No progress was realised in some other projects due to various reasons and those projects are Macambini Phase 2 where the Implementing Agent was put under the Business Rescue Administrative process; Isithebe Housing where the initial approach was to have a an integrated approach combining both urban and rural under one project however the department of Human Settlements at a later stage resolved to separate the two components (urban and rural) to implemented separately hence delays; Manda Farm Housing, this project is an informal settlement upgrade to be at fully fledged township establishment however the success of the project depends on the provision of the bulk infrastructure (water and sanitation) by the District Municipality and this project did not form part of district priorities during the financial year under review. Though progress was registered in Inyoni Housing, this project got delayed due to a number of community unrests and changes on the Project Steering Committee.





Also poor performance and financial challenges of contractors building houses and implementation of civil works respectively affected the project and drastic steps were taken to remedy the situation. The municipality in the financial year under review registered a total of 330 houses that were constructed and handed over to the beneficiaries. This includes the 52 houses which were handed over to families who were staying in the temporary Transit Camp which improved their lives radically and the families benefitted include the elderly people and Child headed Households where the MEC for Human Settlements officially handed over the houses to those special groups.

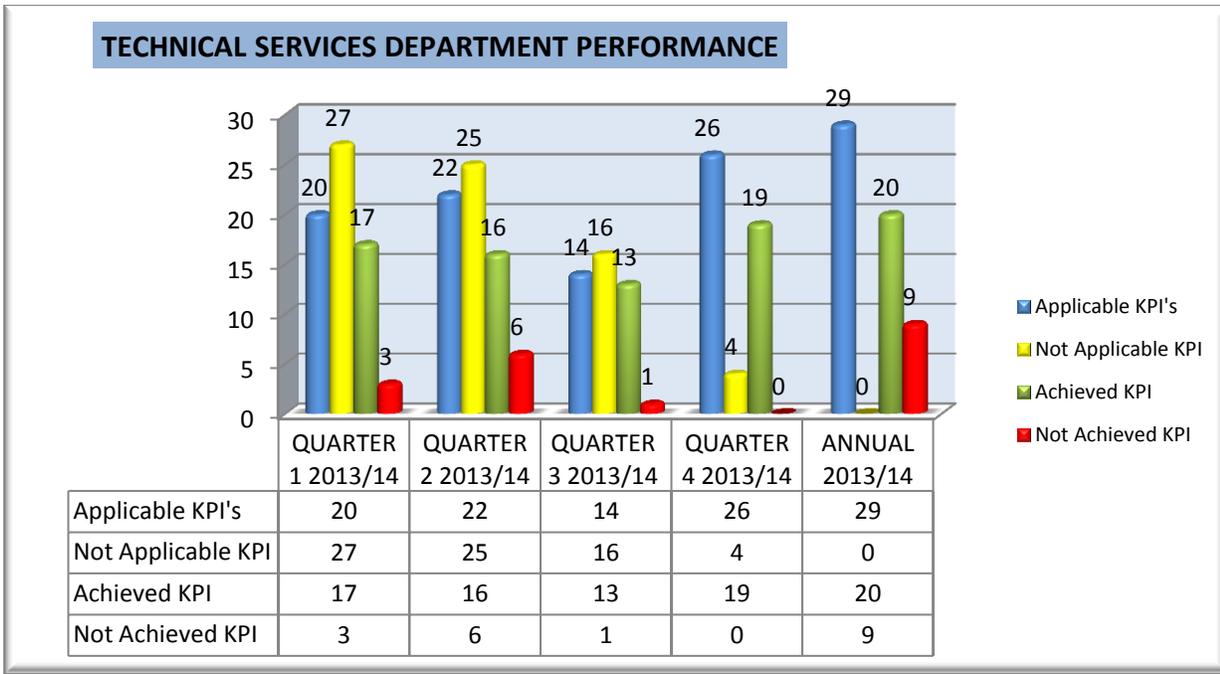
The municipality did not only focus to the approved housing projects, the municipality during the financial year under review also dealt with special cases under Operation Sukuma Sakhe Programme where some families under appealing conditions were built houses under special process. Over 14 families were identified through Operation Sukuma Sakhe to be under severe situations and those cases were further approved by the Department of Human Settlements for construction however the appointed contractor was liquidated before it could finish those houses. The Nsibandwe family in Ward 14 was fortunate to get their house completed during the financial year under review and the Hon MEC for Human Settlements officially handed over a house to the family during the Cabinet Legotla in Mandeni during the month of September 2013. The department of Human Settlements in the process identified another contractor to build the remaining houses.

The municipality in enhancing the Tenure System for Previously Disadvantaged Individuals (PDI) registered a total of 523 houses in Hlomendini with the Deeds Office where individual Title Deeds were issued by the Deeds Office to that effect. The Hon MEC for Arts, Culture, Recreation and Sports together with Hon Mayor on behalf of the municipality officially handed over the Title Deeds to ten (10) families within Hlomendini and the remaining Title Deeds are being issue as per request and the registration of other properties is on-going. The municipality further registered a total of 67 properties under the R293 Black Township Proclamation and the remaining 309 properties to be registered and during the financial year 2014/15.





3.2.6 DEPARTMENT: TECHNICAL SERVICES



Summary of then departments performance which must be read in conjunction with the Technical Services Department's Scorecard for the 2013/14 financial year.

12.6.1 BASIC SERVICE DELIVERY

1. PLANNING AND IMPLEMENTATION

1.1 MUNICIPAL INFRASTRUCTURE GRANT (MIG) FUNDED PROJECTS

1.1.1 Construct 2,9 KM of Taxi Route at Inyoni Housing Development Project Phase 1and 2 (ward 10): IDP Indicator No. BSD 22:

This project was not concluded as a result of poor performance by the contractor. The contractor had to be assisted to gain control over the project. The project will be concluded in the forthcoming financial year.

1.1.2 Upgrade 3,7 KM of Township Roads under Sundumbili Roads Upgrade Programme Phase 7 (wards 7,13,14,15): IDP Indicator No. BSD 20 :

This project has been completed and is now under the 12 month defects liability (retention) period which ends in December 2014.

1.1.3 Appoint Contractor to construct 3,475KM of Taxi Route at Inyoni Housing Development Project Phase 3: (ward 10): IDP Indicator No. BSD 23:





This project was designed and went out on construction tender which closed on 14 February 2014. The market prices received was much higher than the budget, hence additional budget had to be sourced before the tender could be awarded. The appointment of the contractor will be made in the forthcoming year once the additional budget has been sourced.

1.1.4 Appoint contractors to construct Sport Facilities (wards 3, 4, 8, 14): IDP Indicator No. BSD 33:

The project entails the construction of two sports fields (one in KwaChilli Macambini in ward 8 and one in Chappies Sundumbili in ward 14) and two combo-courts (one in Pardianagar in ward 3 and one in Highview Park in ward 4). Contractors were appointed for three out of the four facilities. The fourth facility in KwaChilli Macambini in ward 8 will go out on construction tender early in the forthcoming year once the land accessibility has been finalized with the Ingonyama Trust Board.

1.1.5 Appoint contractor to upgrade Newark Drive (ward 4): IDP Indicator No. BSD24:

The project was designed and the contractor was appointed and construction commenced.

1.1.6 Establishment of a Project Management Unit (PMU): IDP Indicator No. MTID 29:

This project has undergone a procurement process but the tenders received were non-responsive and the tender process had to be re-commenced. The tender was re-advertised and closed on 30 April 2014 and the PMU will be established early in the forthcoming financial year.

1.1.7 Construct 2 Km of Surfaced sidewalks on Kingfisher Road Mandini (ward 3): IDP Indicator No. BSD 19:

This project was dependent on the PMU establishment and will commence once the PMU is in place in the forthcoming financial year.

1.2 NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT: SUNDUMBILI TOWNSHIP REGENERATION PROJECT

1.2.1 Construct the secondary intersection to the CBD under the Sundumbili/Mandeni CBD Upgrade and Improvement Project (ward 7): IDP Indicator No. BSD 21:

The project experienced two major delays relating to the Transnet Gas Pipeline which traverses the site as well as the relocation of an affected structure on the site. The Transnet Gas Pipeline traversing the site was at a depth much shallower than originally pointed out at design stage by Transnet Pipelines. The challenge regarding the pipeline has been resolved by raising the intersecting road P459 to catch the level of the new road however the relocation of the structure is still in progress. The intersection construction will be concluded in the forthcoming year.

1.3 KZNEDT FUNDED PROJECTS





1.3.1 Re-building of the Inyoni Crafters Market in ward 8

This project was carried over from the previous financial year and has been concluded.

1.3.2 Informal Trader Stalls Construction Phase 2: ward 7 & 15

This project carried over from the previous financial year and was completed and is currently under the defects liability period.

1.4 SMALL TOWNS REHABILITATION PROGRAMME FUNDED PROJECTS

1.4.1 Rehabilitation of 0.7Km of Thokoza Road and 0.4Km of Nkonjane Road in the town centre to facilitate town development: wards 7 & 15: IDP Indicator No. BSD 25

This project was completed and is currently under the defects liability period.

1.5 MUNICIPAL FUNDING

1.5.1 Rehabilitation of 1.2Km of Mandeni Internal Roads Phase 2: Ward 13: IDP Indicator No. BSD 26.

This project was completed and is currently under the defects liability period.

1.5.2 Rehabilitation of 5Km of Mandeni Rural Roads: Wards 9, 16 & 17

The project was designed and the contractor was appointed. The roads upgrade will be concluded in the forthcoming financial year.

1.5.3 Preparation of a Roads Master-Plan: IDP Indicator No. BSD 27

The roads master-plan was prepared and was undergoing the adoption process at the different council structures. The final adoption will be concluded in the forthcoming financial year.

1.5.4 Preparation of a buildings Master-Plan: IDP Indicator No. MTID 40

The building master-plan was finalised and adopted by council and is currently in procurement planning for phase one implementation.

1.5.5 Review of the electricity master-plan: IDP Indicator No. BSD 04

This service provider was appointed and the plan will be reviewed in the forthcoming financial year.

1.5.6 Holding of an Infrastructure Development Summit: IDP Indicator No. MTID 30

The summit was successfully held on 30; 31 October 2013 and 1 November 2013. The final report has been prepared and adopted.

1.5.7 Review IWMP and do S78 Assessment: IDP Indicator No. BSD 32





The service provider was appointed and the project will be concluded in the forthcoming financial year.

2. ROADS AND STORMWATER REPAIRS AND MAINTENANCE: IDP Indicator No. 14, 15, 16, 17, 18 BSD

- 4708.86 m² of surfaced roads pothole repairs were done.
- 229.04 km of gravel roads were bladed.
- 219.23 km of gravel roads had spot re-gravelling done to them.
- 4244.7 m of storm-water drains were cleaned.
- 19.3 km of kerb edges were cleaned and maintained.

3. ELECTRICITY: IDP Indicator No. BSD 03, 28 & 29

- 549 streetlights were repaired.
- 49 new streetlights were installed.
- 1037 HH were provided with free basic electricity.

4. PARKS, VERGES AND OPEN SPACES: IDP Indicator No. BSD 34

- Verges and opens spaces in Mandini, Tugela Mouth, Sundumbili, Pardianagar, High-view Park and Tugela were cut ten times using local contractors.

5. SOLID WASTE MANAGEMENT: IDP Indicator No. BSD 5, 9 & 10

- 1411 additional households were given access to free basic refuse collection and disposal service.
- 6180 HH were provided with free basic refuse collection and disposal service.
- 10556 HH had access to refuse collection services.

B. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

- In-house repair and maintenance of plant and equipment was done with huge cost saving measures and reduced down time of machinery.

C. LOCAL ECONOMIC DEVELOPMENT

- Created 4244 job opportunities through implementation of capital projects as well as repairs and maintenance programmes such as the Zibambeke Roads Maintenance Programme. The jobs created are being reported on the Expanded Public Works Programme (EPWP) MIS system monthly. The municipality has received one million rand incentive grant in the financial year and this grant was used to employ additional people under the Zibambeke Road Maintenance Programme.





CHAPTER 4: FINANCIAL PERFORMANCE HIGHLIGHTS

4.1 OPERATING BUDGET:COUNCIL

<u>Account</u>		<u>Actual</u>	<u>Budget</u>
Income			
1455/10/101/1012	(Councillors Allowance Grant/Council)	0.00	4 642 000.00
1460/10/101/1012	(Equitable Share>Council)	0.00	1 836 000.00
Total Income		0.00	6 478 000.00
Expense			
		<u>Actual</u>	<u>Budget</u>
Total Expense		20 892 208.43	14 729 364.00
Nett Profit Before Tax		-20 892 208.43	-8 251 364.00

4.2 OPERATING BUDGET: OFFICE OF THE MUNICIPAL MANAGER

<u>Account</u>	-	<u>Actual</u>	<u>Budget</u>
Income			
1610/10/101/1011	(Capacity Building/Rates and General/Executive and Council/MM)	70 743.75	
Total Income		70 743.75	0.00
Expense			
<u>Account</u>	-	<u>Actual</u>	<u>Budget</u>
Total Expense		8 284 560.72	8 704 504.00
Nett Profit Before Tax		-8 213 816.97	-8 704 504.00

4.3 O

PERATING





BUDGET:DEPARTMENT- BUDGET AND TREASURY OFFICE

<u>Account</u>	-	<u>Actual</u>	<u>Budget</u>
Income			
Total Income		119 627 779.29	93 647 259.00
Expense			
<u>Account</u>		<u>Actual</u>	<u>Budget</u>
Total Expense		15 229 979.21	18 859 811.00
Nett Profit Before Tax		104 397 800.07	74 787 448.00

4.4 OPERATING BUDGET: DEPARTMENT-CORPORATE SERVICES

<u>Account</u>	-	<u>Actual</u>	<u>Budget</u>
Income			
1610/10/103/1031	(Capacity Building>Corporate Admin)	31 657.18	
Total Income		31 657.18	0.00
Expense			
<u>Account</u>		<u>Actual</u>	<u>Budget</u>
Total Expense		7 644 051.62	6 405 045.00
Nett Profit Befe	re Tax	-7 612 394.44	-6 405 045.00

11.4.1 HUMAN RESOURCES

<u>Account</u>		<u>Actual</u>	<u>Budget</u>
Expense			
Total Expense		2 759 129.53	2 074 125.00
Nett Profit Before Tax		-2 759 129.53	-2 074 125.00

11.4.2 INFORMATION TECHNOLOGY

<u>Account</u>		<u>Actual</u>	<u>Budget</u>
Expense			
Total Expense		626 396.26	3 345 000.00
Nett Profit Before Tax		-626 396.26	-3 345 000.00





4.5 OPERATING BUDGET: DEPARTMENT-TECHNICAL SERVICES

<u>Account</u>	-	<u>Actual</u>	<u>Budget</u>
Income			
Total Income		21 283 775.18	0.00
Expense			
<u>Account</u>		<u>Actual</u>	<u>Budget</u>
Total Expense		4 382 071.35	2 724 264.00
Nett Profit Before Tax		16 901 703.83	-2 724 264.00

11.5.1 MUNICIPAL BUILDINGS

<u>Account</u>		<u>Actual</u>	<u>Budget</u>
Income			
1170/10/104/1042	(Rentals of Staff Housing/Municipal Buildings)	140 464.11	150 000.00
Total Income		140 464.11	150 000.00
Expense			
<u>Account</u>		<u>Actual</u>	<u>Budget</u>
Total Expense		2 814 618.23	1 621 070.00
Nett Profit Before Tax		-2 674 154.12	-1 471 070.00

11.5.2 FLEET AND WORKSHOP

<u>Account</u>	-	<u>Actual</u>	<u>Budget</u>
Expense			
Total Expense		6 927 838.44	6 226 110.00
Nett Profit Before Tax		-6 927 838.44	-6 226 110.00

11.5.3 PARKS AND GARDENS

<u>Account</u>	-	<u>Actual</u>	<u>Budget</u>
Expense			
Total Expense	4 942 532.43	5 906 984.00	964 451.57





4.5.4 ROADS

<u>Account</u>	-	<u>Actual</u>	<u>Budget</u>
Expense			
Total Expense		6 805 732.55	7 540 912.00
Nett Profit Before Tax		-6 805 732.55	-7 540 912.00

4.5.5 SOLID WASTE

<u>Account</u>	-	<u>Actual</u>	<u>Budget</u>
Income			
1105/20/201/2011	(Refuse (BULKY)>Waste Management)	605.69	
1120/20/201/2011	(Domestic Refuse>Waste Management)	5 947 106.22	6 050 107.00
1460/20/201/2011	(Equitable Share/Economic and Environment services/Waste Management/Waste Management)	0.00	4 337 156.00
Total Income		5 947 711.91	10 387 263.00
Expense			
Total Expense		7 929 125.89	11 919 370.00
Nett Profit Before Tax		-1 981 413.98	-1 532 107.00

4.5.6 ELECTRICITY

<u>Account</u>	-	<u>Actual</u>	<u>Budget</u>
Income			
1130/10/301/3011	(Electricity/Electricity Distribution)	11 715 051.62	12 555 838.00
1460/30/301/3011	(Equitable Share/Electricity Distribution)	-313.37	2 500 000.00
1720/30/301/3011	(Connection Fees/Electricity Distribution)	18 051.72	807 240.00
1755/30/301/3011	(Reconnection Fees/Electricity Distribution)	121 112.14	17 172.00
1786/10/301/3011	(Testing of meters/Electricity)	0.00	
Total Income		11 853 902.11	15 880 250.00
Expense			
Account		Actual	Budget
Total Expense		11 957 426.58	13 172 650.00
Nett Profit Before Tax		-103 524.46	2 707 600.00





4.6 OPERATING BUDGET: DEPARTMENT-ECONOMIC DEVELOPMENT, PLANNING, AND HUMAN SETTLEMENTS

<u>Account</u>		<u>Actual</u>	<u>Budget</u>
Income			
1710/10/104/1047	(Building Plan Fees/Rates and General/Planning & Development/Planning and GIS)	0.00	50 000.00
1775/10/104/1047	(Town Planning Fees/Rates and General/Planning & Development/Planning and GIS)	0.00	100 000.00
Total Income		0.00	150 000.00
Expense			
Total Expense		2 682 270.18	7 205 603.00
Nett Profit Before Tax		-2 682 270.18	-7 055 603.00

4.6.1 LOCAL ECONOMIC DEVELOPMENT

<u>Account</u>		<u>Actual</u>	<u>Budget</u>
Income			
1405/10/104/1046	(Rental of Stalls/LED)	6 250.00	
1415/10/104/1046	(Business Licenses/LED)	2 708.00	
1620/10/104/1046	(Small Town Planning Grant/LED)	10 999 726.02	
1650/10/104/1046	(DED Grant)	3 265 674.17	
Total Income		14 274 358.19	0.00
Expense			
Total Expense		3 831 035.36	3 976 589.00
Nett Profit Before Tax		10 443 322.83	-3 976 589.00

4.7 OPERATING BUDGET: DEPARTMENT-COMMUNITY SERVICES AND PUBLIC SAFETY

<u>Account</u>		<u>Actual</u>	<u>Budget</u>
Income			
1160/10/106/1061	(Hire of Halls>Social Services)	120 523.64	40 000.00
1482/10/106/1061	(Sport Facilities grant/Rates and General/Community and Social/Social Services)	113 143.30	
1715/10/106/1061	(Burial Fees>Social Services)	-1 000.00	
Total Income		232 666.94	40 000.00
Expense			
Account		Actual	Budget
Total Expense		6 248 681.02	5 374 332.00
Nett Profit Before Tax		-6 016 014.08	-5 334 332.00





4.7.1 LIBRARIES

<u>Account</u>		<u>Actual</u>	<u>Budget</u>
Income			
1310/10/106/1062	(Library Fines>Libraries)	4 289.50	5 000.00
1315/10/106/1062	(Lib Lit Recovery>Libraries)	-2 228.50	
1480/10/106/1062	(Library Grant>Libraries)	1 206 529.25	
1481/10/106/1062	(Provincialization of Libraries/Rates and General/Community)	0.00	1 362 000.00
1484/10/106/1062	(Recapitalisation- Community Library/Rates and General/Comm)	0.00	240 000.00
1740/10/106/1062	(Photocopy Charges>Libraries)	12 091.67	20 000.00
Total Income		1 220 681.92	1 627 000.00
Expense			
<u>Account</u>	-	<u>Actual</u>	<u>Budget</u>
Total Expense		2 618 989.26	3 849 589.00
Nett Profit Before Tax		-1 398 307.34	-2 222 589.00

4.7.2 CEMMETERY

<u>Expense</u>		<u>Actual</u>	<u>Budget</u>
<u>Account</u>			
3010/10/106/1063	(Basic Salaries and Wages/Cemeteries)	79 976.00	71 107.00
3060/10/106/1063	(Overtime/Rates and General/Community and Social/Cemeteries)	4 522.24	
3110/10/106/1063	(Employer Contribution Medical Aid/Cemeteries)	5 122.80	
3120/10/106/1063	(Employer Contribution Pension Fund/Cemeteries)	25 262.52	
3130/10/106/1063	(Employer Contribution UIF/Cemeteries)	949.37	656.00
3150/10/106/1063	(Bargaining Council>Cemeteries)	152.40	170.00
3160/10/106/1063	(Skills Levy>Cemeteries)	899.99	711.00
4455/10/106/1063	(Pauper / Indigent Burial/Cemeteries)	0.00	150 000.00
4459/10/106/1063	(Printing and Stationery/Cemeteries)	0.00	572.00
4481/10/106/1063	(Sundry Expenses/Cemeteries)	0.00	1 717.00
Total Expense		116 885.32	224 933.00
Nett Profit Before Tax		-116 885.32	-224 933.00





4.7.3 PUBLIC SAFETY

<u>Account</u>		<u>Actual</u>	<u>Budget</u>
Income			
1320/10/108/1081	(PS Fines>Public Safety)	66 000.00	50 000.00
1410/10/108/1081	(Learners Licenses>Public Safety)	0.00	250 000.00
1420/10/108/1081	(Drivers Licenses>Public Safety)	44 555.00	
1730/10/108/1081	(Fire Services>Public Safety)	0.00	21 442.00
1745/10/108/1081	(Pounding Fees>Public Safety)	0.00	22 896.00
1780/10/108/1081	(Traffic Escort Services/Public Safety)	0.00	
Total Income		110 555.00	344 338.00
Expense			
		<u>Actual</u>	<u>Budget</u>
Total Expense		6 062 853.74	10 537 172.00
Nett Profit Before Tax		-5 952 298.74	-10 192 834.00

4.7.4 SWIMMING POOL

<u>Account</u>		<u>Actual</u>	<u>Budget</u>
Income			
1725/10/109/1091	(Swimming Pool Entrance Fee/Swimming Pool)	26 471.78	12 000.00
1728/10/109/1091	(Swimming Pool TUCK>Swimming Pool)	478.51	
Total Income		26 950.29	12 000.00
Expense			
-		<u>Actual</u>	<u>Budget</u>
Total Expense		549 350.48	584 027.00
Nett Profit Before Tax		-522 400.19	-572 027.00





CHAPTER 5 : SUPPLY CHAIN HIGHLIGHTS

This function is in the Budget and Treasury office department, under the Supply Chain Management Unit. The official in the unit operates in terms of Section 119 of the Local Government Municipal Finance Management. Annexure 8 has been attached in the report showing status of tenders

5.1 BID COMMITTEES.

TENDERS AWARDED	TENDERS ON INTENTION TO AWARD	TENNDERS IN BAC	TENDERS IN BEC	TENDERS CANCELLED	TENDERS ON ADVERT
20	6	3	3	2	0

There were no objections received for the 2013/14 financial year.

5.2 QUOTATIONS

AMOUNT RANGE	QUOTATIONS ADVERTISED	QUOTATIONS ADJUDICATED	QUOTATIONS WITHDRAWN
R30 000.00 – R200.000.00	48	48	1





5.3 SERVICE PROVIDERS AS PER THE DEPARTMENTS FOR 2013/14

	SERVICE PROVIDER
MUNICIPAL AMANGER’S OFFICE	<ul style="list-style-type: none"> • Sizwe Gobodo Ntshabula • Brand Partners
BUDGET AND TREASURY OFFICE	<ul style="list-style-type: none"> •
CORPORATE SERVICES	<ul style="list-style-type: none"> • Sonke • Konica/Minolta • Pay Day • Sanchaa • Telkom • Steiner Hygiene
COMMUNITY SERVICES AND PUBLIC SAFTEY	<ul style="list-style-type: none"> • Security – Enforce, Libra • Rural Metro • Total Client Services (TCS)
ECONOMIC DEVELOPMENT, PLANNING & HUMAN SETTLEMENTS	<ul style="list-style-type: none"> •
TECHNICAL SERVICES	<ul style="list-style-type: none"> • Mandeni Waste • Aquestra





5. ORGANISATIONAL PERFORMANCE (TOP LAYER SDBIP)





6. ORGANISATIONAL PERFORMANCE (LOWER LAYER SDBIP)



