IMPENDLE LOCAL MUNICALITY

UMKHANDLU WASEKHAYA IMPENDLE

DRAFT ANNUAL REPORT 2014/2015

Signed by:

_____ _____

The Mayor
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LIST OF ACRONYMS

AG	Auditor General
AIDS	Acquired Immune Deficiency Syndrome
BOSS	Business Opportunities Support Services
CBD	Central Business District
CBP	Community-Based Planning
CCTV	Close Circuit Television
CCMA	Commission for Conciliation Mediation and Arbitration
CDW	Community Development Worker
CFO	Chief Financial Officer
Cllr.	Councillor
COGTA	Department of Cooperative Governance and Traditional Affairs
ED	Executive Direct
EPWP	Expanded Public Works Programme
GRAP	Generally Recognised Accounting Practice
HIV	Human Immunodeficiency Virus
HRM	Human Resources Management
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
IDP	Integrated Development Plan
ILM	Impendle Local Municipality
IPMS	Individual Performance Management System
Km	Kilo Metre
Kl	Kilo Litre
KPAs	Key Performance Areas
LGSETA	Local Government Sector Education and Training Authority
LLF	Labour and Local Government Forum
MIG	Municipal Infrastructure Grant
MFMA	Municipal Financial Management Act
MUNIMEC	Forum of Municipalities and Members of the Executive Councils

MEC	Member of the Executive Council
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act (Act No. 6 of 2000)
MOU	Memorandum of Understanding
NYDA	National Youth Development Agency
PDI	Previously Disadvantaged Individuals
SALA	South African Labour Association
SCM	Supply Chain Management
SALGA	South African Local Government Association
SALGBC	South African Local Government Bargaining Council
SAMWU	South African Municipal Workers Union
SANS	South African National Standards
SDBIP	Service Delivery and Budget Implementation Plan
SEDA	Small Enterprise Development Agency
SMME	Small, Micro and Macro Enterprises
STATSSA	Statistics South Africa
UIF	Unemployment Insurance Fund
VIP	Ventilated Improved Pitlatrines
WSP	Water Service Plan

Impendle Municipal Main Building

His Worship the Mayor Cllr. SG Ndlela Royal Highness Ndlunkulu N. Molefe

Impendle Municipal Council and Management

Back Row-From left to right Cllr SL Mlaba, Mr. ZC Tshabalala, Mr. GS Ngcobo, Cllr HT Zuma, Cllr KM Dlamini, Cllr CD Gwala, Mr. VO Kunene and Mr. GK Zulu – Front Row-From left to right: Cllr PP Mtolo, HW/The Mayor. Cllr SG Ndlela, Cllr GN Mvelase and Mr. SI Mabaso

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

Vision

Members of Impendle Council, Impendle Municipality Officials and all present, it is with great pleasure that I present the Annual Report on the activities of the Impendle Local Municipality for the financial year 1 July 2014 to 30 June 2015. As Impendle Local Municipality's (ILM) vision "By the year 2017, the Impendle Municipality would have provided the majority of the people and households with sustainable access to their social and economic development needs and basic services in a fully integrated manner and within a safe and healthy environment" was reviewed to accommodate changing circumstances, the Municipality developed a new vision which is "A better life for all people of Impendle through provision of sustainable access to basic services thus promoting stabilized social cohesion and economic development " In 2014/2015 the municipality continued with its attempts to ensure effective infrastructure and financial management through the development of Business Plans and the Municipality was able to secure Investors to develop the Shopping Complex. The issue of Land ownership transfer that was pending for years was finally resolved in this year. Infrastructure projects went smoothly and the Municipality was able to execute all the planned projects except Mahlutshini Hall due to land issues which were later resolved. The Municipality was able to achieve 100% expenditure on MIG. Social development matters as well as economic development activities also took priority in order to realize our vision." I am proud to announce that our municipality has minimized the risks and challenges associated with the implementation of Municipal Infrastructure Grant (MIG) projects. This report will outline details of both successes and challenges that continued to drawback our municipality in the year under review. 2014/2015 marked the fifth consecutive year that the municipality obtained an unqualified report from the Auditor General albeit with areas of concern in our leadership, financial and performance management systems. It is our intention that the municipality should continue improving its audit outcomes and meet the target of clean audit by 2015/2016. In conclusion, despite minor challenges that the municipality faces in respect of service delivery backlogs pertaining to functions rendered by other spheres or arms of state such as water, sanitation, roads, electricity as well as free basic services the Municipality is doing relatively well.

Key Policy Developments

Economic development and job creation is an area in which the municipality will continue to struggle for the foreseeable future. The construction of the Maze Mill Plant built in Impendle Village is part of the Small Town Rehabilitation Program funded by the Department of Cooperative Governance and Traditional Affairs. The revision of the local economic development strategy of the municipality will include these new initiatives and a number of jobs will be created from production of raw material to the retailing of the final product. This opens the opportunity for the revival of cooperatives.

Key Service Delivery Improvements

The completion and handover of three community centres during the year under review marked an important milestone in the history of service delivery in Impendle. The rehabilitation of the taxi rank was still not complete. The delays had been assessed and a plan put in place, however this was delayed further due to lack of capacity as well as inclement weather. The provision of Free Basic Energy started in the 2009/2010 financial year and progressed well during the year under review. More than a thousand families received free basic energy on a monthly basis during the year under review. Infrastructure development continues to receive exceptional attention. We are mindful of the fact that good infrastructure is the basis for economic growth. Special attention is paid to our roads and storm water infrastructure. The Municipality also benefited from the Small Town rehabilitation program to rehabilitate the Village Town main road (Mafahleni Street). Despite the challenge of plant breakdown the municipality continued to maintain community gravel roads in the past financial year. We are also doing reasonably well in the area of growing the economy and thus creating job opportunities. We are aware that SMMEs are central to growing the economy and boosting the campaign around job-creation. We have facilitated the establishment of more than 20 SMMEs in the previous year. We have successfully linked these SMMEs with funding institutions. We further awarded most outsourced services to SMMEs to help them get established. As a result, SMMEs have contributed to the efforts to eradicate unemployment by creating job opportunities.

Public Participation

During the previous year the municipality focused on matters related to governance such as policies, public participation as well as improved audit outcomes. Until the end of their term the municipality's Ward Committees remained functional. Their functionality had been reinforced by the municipality's appointment of part time Ward Committee administrators who helped consolidate their work even further. Public participation is an institutionalised function in our Municipality. Our communities have learnt to appreciate the elaborative process which ensures that all interested residents are afforded ample opportunity to make meaningful contributions to policy development and planning for development in the municipal jurisdiction.

The evolution of ward-based planning and the related establishment of Ward Committee system have elevated community participation to higher level in terms of legal provision and institutionalisation of the process. Impendle Local Municipality, through the Office of the Speaker, liaises continuously with communities through Ward Committee members and other stakeholder forums. In order to facilitate maximum participation by Ward Committee members, the Municipality provides stipends of R1000.00 for each member. Ward committees are functioning pretty well in all 4 wards. Reports are received monthly and follow-ups made where necessary. Stakeholder forums with business community have also been established. Inputs are regularly solicited from these constituencies on a constant basis. Meetings are held as the need dictates. Otherwise, maximum participation takes place during annual IDP reviews and the tabling of annual budget.

Agreements / Partnerships

In terms of intergovernmental relations and cooperation, it can be reported that the KNZ Department of Human Settlement saw to the completion of the Rural Housing programme which had started a few years earlier. One of the three projects was completed in the 2011/2012 financial year and in the same year the new phase of housing delivery of another 2000 units commenced. Relations with the UMgungundlovu District Municipality had improved substantially during the previous two years and remained good during the year under review. The commencement of the Novuka/Nhlabamkhosi water scheme would be a major milestone. The Department of Co-operative Governance and Traditional Affairs through the Department of Agriculture and Rural Development granted the municipality funding to build a Grain Processing Plant (mill) to be located in the Impendle Village. This was an important step towards achieving sustainable local economic development in Impendle.

Conclusion

In conclusion, we can say that despite minor challenges that the municipality faces in respect of service delivery backlogs pertaining to functions rendered by other spheres or arms of state such as water, sanitation, roads, electricity as well as free basic services, the Municipality has implemented controls to minimize the risks associated with such challenges and these are monitored on a regular basis through IGR and other internal ad-hoc Committees.

_____
Cllr. S.G Ndlela
Mayor

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

Impendle Municipality is located within the uMgungundlovu District which is regarded as the heart of the KwaZulu Natal Midlands. Impendle is situated on the western boundary of the uMgungundlovu District, and shares a boundary with the KwaSani and Ingwe Local Municipalities in the Sisonke District Municipal area. KwaSani Municipality includes such towns as Underberg and Himeville. To the north is the uMngeni Local Municipality which is closely tied to the Impendle Municipality in terms of agriculture and potential tourism (Midlands Meander), and to the east The Msunduzi Local Municipality which is the capital of the province and economic hub of the District. Also to the west are District Management Areas of the Drakensberg that fall under the Transfrontier Development Initiative related to the World Heritage Site. Impendle is the smallest municipality in the uMgungundlovu District. Its economy is predominantly rural, and highly dependent on agriculture. The infrastructure is relatively poor and the municipality has insufficient resources to address basic infrastructure problems. There are however, specific natural assets which may give Impendle an economic advantage if fully explored. These include proximity to major tourist attractions, farming of woodlots, stock as well as abundant water resources. Impendle comprise of four wards described as follows:

Ward 1
This ward is located on the Western portion of the Municipality with the western boundary of the Municipality falling adjacent to the Drakensberg Mountains. It is by far the largest ward in terms of geographical area and consists of scattered rural settlements which have encroached onto Nature Reserves. Small pockets of traditional areas are also located along roads and rivers. There are three settlements which stand out above the rest in this ward, namely: Stoffelton, Lower & Upper Makhuzeni, Mahlutshini, Thunzi, Nkangala/Glen and Lotheni

Ward 2
Ward 2 has as its western boundary the Umkhomazi River while the Eastern Boundary is the Impendle Mountain. This Ward consists of the following settlements, namely: Nzinga, Ekukhanyeni, Compensation Swampo, Mgodi, Ntshiyabantu/Shellfish, Qutshini and Nguga.

Ward 3
The western boundary of Ward 3 runs along the Impendle Mountain while the Eastern Boundary falls along the road from Boston to Impendle town to Howick. This ward consists of the town of Impendle and the following settlements: Novuka, kwaMlaba, Khetha, Ntokozweni, Lindokuhle, Phindangene, Smilobar, Sthunjwana, Fikesuthi, Come and See, Macksam & the Impendle Village.

Ward 4
This ward consists mainly of the farming community of Boston, Ivan Hoe and the settlements of: Gomane & Nhlambamkhosi.

1.2. POPULATION DEMOGRAPHICS

Population by gender

WARD	MALE	FEMALE	TOTAL
Ward 1	4004	4680	8684
Ward 2	4481	5066	9547
Ward 3	3815	4254	8069
Ward 4	3193	3613	6806
Total	**15493**	**17613**	**33106**

Source: Stats SA, 2011 Census

Population by group

WARD:	Black African	Coloured	Indian or Asian	White	Other	Total
Ward 1	8548	51	12	55	18	8684
Ward 2	9509	6	6	9	16	9546
Ward 3	8027	7	17	3	15	8069
Ward 4	6668	21	8	107	2	6806
Total	32753	85	42	174	51	33105

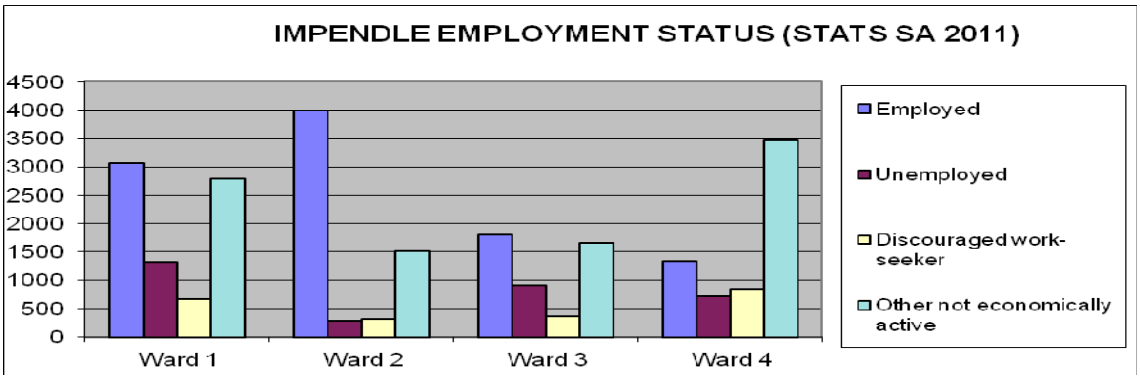
Source: Stats SA, 2011 Census

Population by head of household

Ward:	Black African	Coloured	Indian or Asian	White	Other	total
Ward 1	2153	23	3	22	7	2208
Ward 2	2266	1	3	1	3	2274
Ward 3	1807	3	4	1	5	1820
Ward 4	1832	3	4	59	2	1899
Total	8058	30	14	83	17	8202

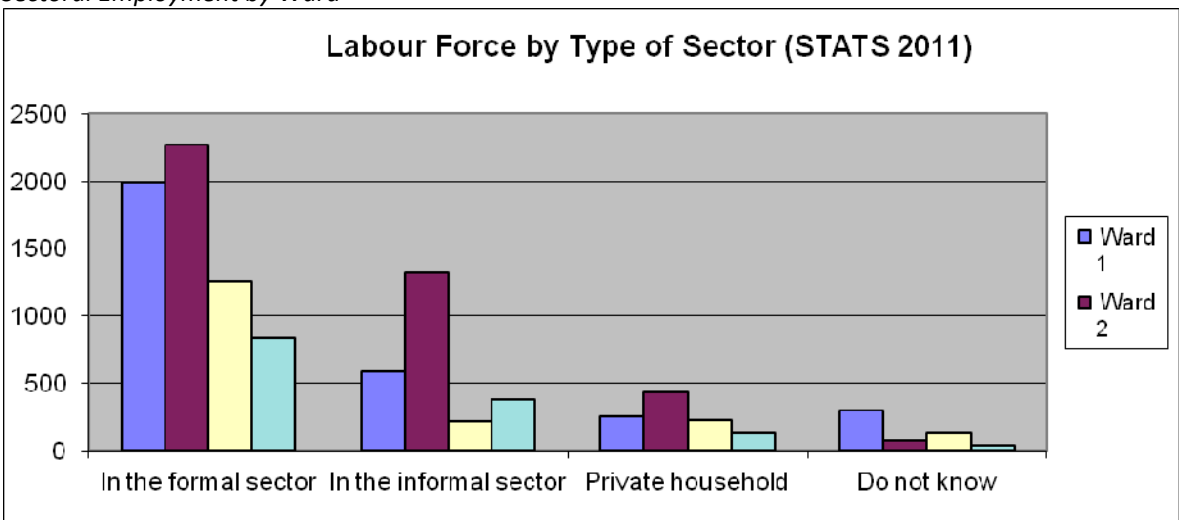
Source: Stats SA, 2011 Census

Employment Status



Sectoral Employment

Sectoral Employment by Ward



1.3. SERVICE DELIVERY OVERVIEW

The table below provides a summary of levels of services in Impendle, by type of service and trends during the Statistics South Africa Census 2001 and 2011 and Community Survey 2007. It is evident that Impendle has made reasonable strides in addressing the backlog of services.

Level of civil services in Impendle

IMPENDLE POPULATION	Census 2001	CS 2007	Census 2011	% CHANGE
Population	33569	39401	33105	-1.4%
Household	7343	7338	8203	11.7%
TYPE OF DWELLING	**Census 2001**	**CS 2007**	**Census 2011**	**% CHANGE**
Formal	39.6%	13.0%	-	-26.6%
Informal	0.8%	0.8%	-	0.0%
ELECTRICITY	**Census 2001**	**CS 2007**	**Census 2011**	**% CHANGE**
Lighting	61.1%	78.4%	83.6%	22.5%
Cooking	15.9%	24.3%	47%	31.1%
Heating	13.4%	11.4%	31%	17.6%
TOILET	**Census 2001**	**CS 2007**	**Census 2011**	**% CHANGE**
Pit latrine	86.5%	69.9%	85.6%	-0.9%
Bucket Toilet System	2.3%	0.0%	0%	-2.3%
No toilet	2.4%	1.4%	14.4%	12.4%

REFUSE DISPOSAL	Census 2001	CS 2007	Census 2011	% CHANGE
Removed by local authority / private company	2.5%	2.4%	4.8%	2.3%
No refuse disposal	4.5%	23.9%	93.4%	- %
WATER	**Census 2001**	**CS 2007**	**Census 2011**	**% CHANGE**
Piped water inside dwelling	5.7%	18.3%	16%	10.3%
Piped water inside yard	52.1%	37.8%	37.7%	-14.4%
Piped (tap) water to community stand	18.9%	18.5%	20%	1.1%
Total piped water	76.7%	74.7%	73.7%	-3.0%

Source: Statistics South Africa 2007, Census 2001 and 2011

ILM together with the Department of Human settlement has made good progress in building affordable housing. 1500 units have been constructed.

In respect of electricity, ILM has made good progress. Stats SA (2007) findings indicate that the level of provision of access stands at more than 90% overall. The provision of electricity in Impendle is at all-times high – more than 90%. In addition to physical connection, ILM provides free basic electricity to all registered indigents in line with the national government's directive.

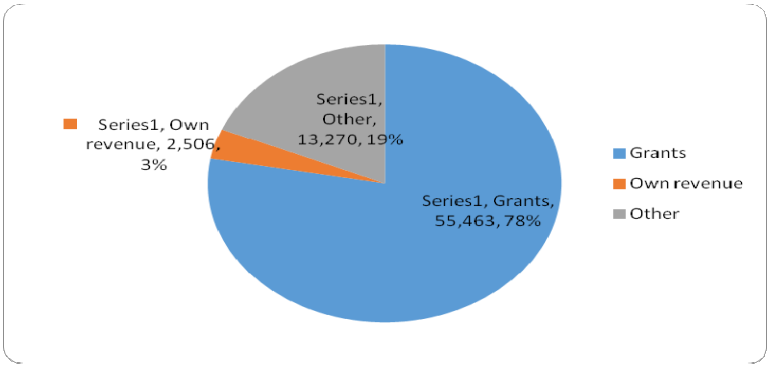
Roads infrastructure is very critical to smooth provision of services and drives economic growth. For this and many other reasons, ILM has invested heavily in roads infrastructure. In the last five years, ILM rehabilitated and or graveled 120 km funded from very small R&M votes using its own plant and equipment. Fifteen kilometers of major roads have been completed using MIG funding, external consultants and contractors costing more than R6 m. Despite the best efforts, backlog of road infrastructure is far from over. The backlog costs run into billion rands. The ILM has the highest rate of backlog a fact hardly surprising given its predominantly rural nature.

1.4. FINANCIAL VIABILITY OVERVIEW

Financial overview:

Municipality's main source of funding which is grants to function due to its predominantly rural composition. It must be the Municipality's short to long term goal to increase substantially own revenues in order to increase its ability to deliver services to its communities.

Revenue Source	Original budget	Adjustment Budget
Grants	55 463	47 137
Own revenue	2 506	3 024
Other	13 270	21 947



1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

Impendle always goes an extra-mile to sustain the organizational integrity. This is done among others by looking after the welfare of its citizens. The strategic management of human resources is therefore critical in ensuring that Impendle builds a workforce that is highly productive, responsive and customer-oriented. During the 2014/15 financial year human resources strategies as well as an implementation plan were reviewed.

Last year Impendle drafted the Workplace Skills Plan that was co-signed with organized labour for submission to the LGSETA. As a result of the submission the municipality received the Discretionary Grant from the LGSETA for implementation of training programmes.

1.6. AUDIT OPINIONS BY THE AUDITOR-GENERAL OF ILM FINANCIAL SYSTEM

The Auditor-General has expressed an unqualified opinion with emphasis of matter relating mainly to:

- ✓ 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.

Whilst the municipality has worked tirelessly on the above matters, the improvement is not what was envisaged when the previous action plan was developed, implemented and monitored on monthly basis. However, a significant improvement on the liquidity ratio and financial sustainability and the certainty that the municipality's has ability to operate as a going concern has been made.

Restatement of corresponding figures

The audit report still indicates weaknesses in the annual financial statements that were submitted for auditing in that they were not prepared, in all material respects, in accordance with the requirements of section 122 of the MFMA, but material misstatements of non-current assets, current assets, liabilities and disclosure items identified by the auditors in submitted financial statement were subsequently corrected.

The municipality has made initiatives aimed at addressing misstatements in the financial statements , provide training to key Finance Staff on Payroll management, and GRAP compliance, Further to that the appointment of external review of the financial statement.

Material Debt impairments

The municipality will use the services of data analysis to clean the debtor's age analysis so that the municipality can pay attention to those debtors who are capable to pay.

REVENUE - `To ensure proper management and safeguarding of municipal revenue

Activity	Legislation and Guidance	Process	Timeframe

SUPPLY CHAIN – to implement controls in the procurement of goods and services in a manner that is fair, equitable, competitive and cost-effective

REPORTING – To ensure transparency, by providing correct and accurate information through compliance with the legislation and regulations

1.7 STATUTORY ANNUAL REPORT PROCESS

Circular 63 of the Municipal Finance Management Act 56 of 2003 (MFMA) suggest that the Annual Report be as follows: The Annual Report of a municipality and every municipal entity must be tabled in the municipal council on or before 31 January each year (MFMA S127). In order to enhance oversight functions of Councils, please note that this must be interpreted as an outer deadline; hence municipalities must submit the Annual Reports as soon as possible after year end, namely, August. The entire process is concluded in the first or second week of December for all municipalities, the same year in which the financial year ends and not a year later, as is currently the case. The activities, implications, process/role-player and timeframes are described below for ease of reference and implementation. It is expected that effective management of performance will also result from this change.

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
Consideration of next financial year's Budget and IDP process plan. In-year reporting formats should ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the beginning of the Budget / IDP implementation period.	MSA S41(1)(e)	MM Assisted by other s56 managers & the CFO	July
Implementation and monitoring of approved Budget and IDP through	MSA S41(1)(e)	MM Assisted by	

the approved SDBIP commences (In-year financial reporting and quarterly performance reports).		other s56 managers & The CFO	
Finalise 4th quarter report of previous financial year	MFMA S52(d)	MM Assisted by other s56 managers & CFO	July
Submit draft previous financial year Annual Report and evidence to Internal and the Auditor General including annual financial statements and financial and non-financial information[1].	Submission of annual financial statements as per section 126(1) of the MFMA. Additional step, a draft Annual Report is prepared. Annual Performance report needs to be included as per section 46 of the MSA.	MM & CFO	
Municipal entities submit draft Annual Reports to MM.		Entity AO & CEO	
Submit Annual Report including annual financial statements and Annual Performance Report to the Combined Audit/Performance Committee.	Joint Committee assessing both financial and non-financial performance advances accountability and expedites corrective measures	MM & CFO	July/August
Combined Audit/Performance committee considers unaudited Annual Report of municipality and entities (where relevant).		Audit and Performance Audit Committee	
Mayor tables the	The Annual Report submitted		

unaudited Annual Report in Council.	complies with the requirements of Section 121(3)(a-k). Information on pre-determined objectives to be included. Note that it is unaudited and will not include any of the Auditor-Generals reports as	Mayor	August
Municipality submits Annual Report including final annual financial statements and annual performance report to		CFO	
Activity	**Legislation and Guidance**	**Process Owner Role Player**	**Timeframe**
Auditor-General for auditing purposes – due 31 August. Council to submit unaudited tabled annual report to MPAC for vetting and verification of councils' directive on service delivery & the committee to evaluate senior managers' performance against agreement entered into.	the auditing thereof will still be in progress. (Municipalities with Municipal entities to submit a consolidated Unaudited Annual Report by September)		August
Commencement of IDP analysis of institutional, services and infrastructure provision, backlogs and priorities. Unaudited Annual Report as submitted to Auditor-General to be used as input into the IDP strategic phase process and community verification & input by MPAC on reported performance. Such information includes that of various entities incorporated into the information of the parent entity.	If the above process is followed, the unaudited Annual Report can add value to the IDP/Budget planning process for the next year as well as oversight by MPAC on the reported deliverables by communities and achievements targets reached.	Council	

Auditor-General audits the unaudited Annual Report and submit an audit report to the accounting officer for the municipality / municipal entity.	Section 126(3)(b) require the Auditor- General to submit an audit report within three months after receipt of statements from the municipality.	Auditor-General	November for municipalities without entities & December for municipalities with entities
Annual Report and oversight report process for adoption to be used as input into public participating meetings for the IDP review process.	Section 127,128,129 and 130	Council	September November
Activity	**Legislation and Guidance**	**Process Owner Role Player**	**Timeframe**
The Auditor-General's reports are issued during the period of Oct/Nov. Once the AG audit reports have been issued no further changes are allowed as the audit process is completed	Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website.	MM	November/December
Mayor tables audited Annual Report and financial statements to Council		Mayor	
Audited Annual Report is made public, e.g. posted on municipality's website.		IT Director Accounting officer	
Oversight committee finalises assessment on Annual Report. This must be concluded within 7		Oversight Committee	

days of receipt of AGs report. Council is expected to conclude on this matter before going on recess in December.			
Council adopts Oversight report.	The entire process, including oversight reporting and submission to provincial legislators is completed in December and not in March the following year.	Council	December
Oversight report is made public.		MM	
Oversight report is submitted to Legislators, Treasuries and National COGTA		Mayor	

CHAPTER 2 – GOVERNANCE

2.1. POLITICAL GOVERNANCE

Municipalities in South Africa are governed by Municipal Councils. Impendle Council is therefore the governing body of the ILM and the custodian of its powers, duties and functions, both legislative and administrative. Essentially, the Council performs a legislative and executive role. The Constitution of the Republic of South Africa, 1996, Chapter 7, Section 160 (1) defines the role of the Council as being:

a) (Making) decisions concerning the exercise of all the powers and the performance of all the functions of the municipality
b) (Electing) its chairperson

c) (Electing) an executive committee and other committees, subject to national legislation d) (Employing) personnel that are necessary for the effective performance of its functions

Table outlines and responsibilities, oversight and accountability of each structure.

The Governance Structure of Impendle

Structure	**Responsible for**	**Oversight Over**	**Accountable to**
Council	Approve policies and budget	Mayor, Mayoral Committee and Audit Committee	Community
Mayor/Speaker	Policies, budget, outcomes, management and oversight over Municipal Manager	Municipal Manager	Council

Audit and Performance Audit Committee	Advisory on internal financial control, internal audits, risk management, performance management and accounting policies. effective governance, compliance with this Act, the annual Division of Revenue Act and any, other applicable legislation, performance evaluation; and, any other issues referred to it by the municipality, review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation, respond to the council on any issues raised by the Auditor-General in the audit report, carry out such investigations into the financial affairs of the municipality as the council of the municipality may request; and perform such other functions as may be prescribed.	The Administration	Council
Municipal Manager	Outputs and implementation	The administration	Mayor
CFO & other HOD'S	Outputs and implementation	Financial management and operational	Municipal Manager
Internal Audit	Auditing and Reporting	Auditing of Internal Controls and Risk	Municipal Manager and audit Committee

The Impendle Council is constituted by seven (7) elected Councillors; four (4) Councillors are ward representatives and three (3) represent their political parties on a proportional basis. The parties in Council are illustrated in the Table below.

Political Parties represented in the Council, the total, ward and PR seats

Party	Total Seats	Ward Seats	PR Seats
African National Congress	6	4	2
Inkatha Freedom Party	1	0	1

Back Row-From left to right Cllr SL Mlaba, Cllr HT Zuma, Cllr KM Dlamini and Cllr CD Gwala
Front-From left to right: Cllr PP Mtolo, HW/The Mayor Cllr SG Ndlela, and Cllr GN Mvelase

b) The Mayor

The work of the Council is coordinated by the Mayor who is elected by the Council. The Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs of the municipality. He has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Mayor, delegated by the Council, as well as the powers assigned by legislation.

Table 2.1.3 Lists of Portfolio Committee in Impendle.

Portfolio Committees, 2014/2015

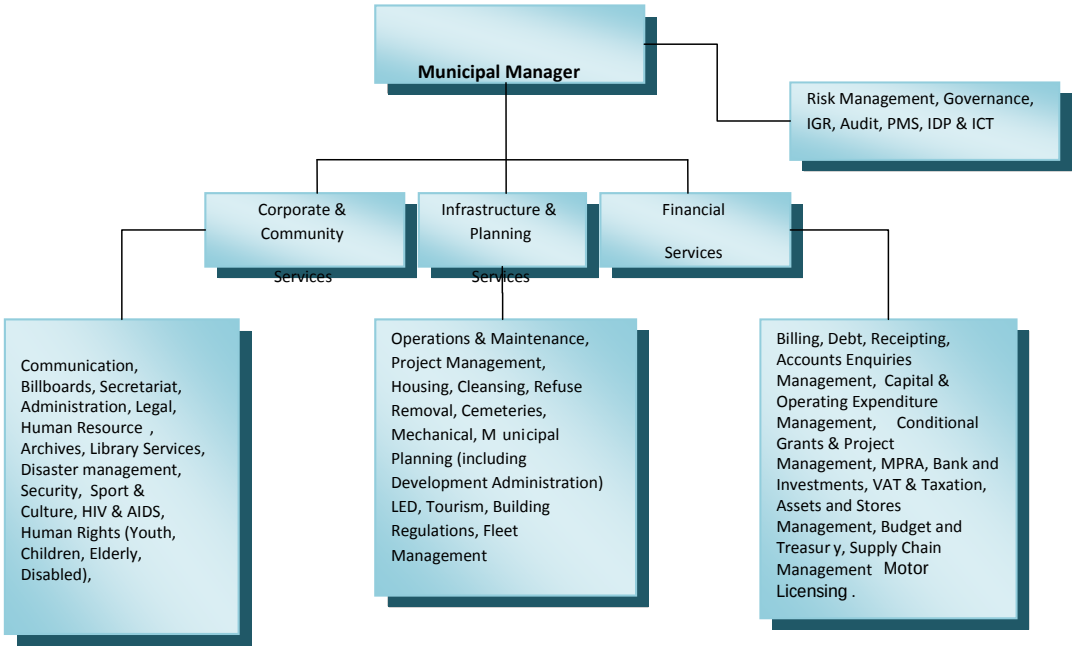
Portfolio Committees	Terms of Reference	Responsible Councillor
Finance	Financials	Councillor S Ndlela
Corporate and Community Services	Organizational and Community	Councillor D Gwala
Infrastructure and Planning	Service Delivery and Development Planning	Councillor Mlaba

2.2. ADMINISTRATIVE GOVERNANCE

a) The Municipal Manager

The administration is headed by the Municipal Manager who is also the Accounting Officer. The Municipal Manager is further responsible and accountable for the formation and development of an economical, effective, efficient and accountable administration as well as the management of the provision service in a sustainable and equitable manner within the municipality. The administration is made up of the following departments headed by Managers reporting directly to the Municipal Manager: Finance, Corporate and Community Services, and Infrastructure and Planning Services.

2.2.1 Organisational structure of ILM



COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3. INTERGOVERNMENTAL RELATIONS

The Inter-governmental Relations Framework Act, (Act No 13 of 2005), requires all spheres of government to coordinate, communicate, align and integrate service delivery effectively, to ensure access to services. In this regard the Municipality complies with the provisions of the Act.

ILM furthermore participates in the Provincial and District MIG forum. These forums provide a platform for engagement on the approval of projects and for coordination and monitoring of expenditure on former MIG-funded projects.
The District has adopted a Cluster Model wherein different clusters are chaired by the Municipal Managers of the Local Municipalities and the Municipal Manager of the District. Impendle Municipal Manager chaired the IT Cluster.
The Municipality has also entered into shared services with the District on the following functions: Development and Planning Services and Geographic Information System (GIS)

The ILM also participates in the Provincial Housing Coordinating forum where parties look into the Human Settlement Grant funded projects, based on the allocation granted for the province.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4. PUBLIC MEETINGS

Nature and purpose of the meeting	Date of event	Number of participating municipal council	Number of participating municipal administrators	Number of community members attending	Issue addressed (yes/no)	Dates and manner of feedback given to the community
IDP Public Participation	November 2014	7	4	Over 2000	Yes	Monthly Ward Meetings with Ward Committees
IDP/Budget Imbizo	April and May 2015	7	4	Over 2000	Yes	November to February IDP Meetings

2.5. IDP PARTICIPATION AND ALIGNMENT

The 2014-2015 IDP has marked the fourth (4th) year of the Third Generation of the IDPs. Impendle Municipality IDP process had once again undergone through the exercise of public participation and the community needs and concerns were recorded.
The Municipal Systems Act (as amended) has prompted changes in the way in which the Council plans for the future of the municipality. It also provides greater scope for communities to make their own choices about what the Council does and how things are done.

This legislation requires the Impendle Council to undertake an exercise, at least once in every five years, to identify community development priorities. These development priorities are determined with active participation by affected communities. These priorities form the basis for the long-term integrated development plan.

Impendle Local Council has been consulting with members of the community, local business community and community organisation to determine the priorities of the people of Impendle. Priorities were formulated based on the information gathered on social dynamics, service provision and people's perception of the Municipality's strengths, weaknesses, opportunities, and threats.

IDP participation and alignment criteria	Yes/No
Does municipality have impact, outcome, input and output indicators?	Yes
Does IDP have priorities, objectives, KPIs and development strategies?	Yes
Does the IDP have the multi-year target?	Yes
Are above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 57?	Yes
Do the IDP KPIs lead to the functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated timeframes?	Yes

COMPONENT D: CORPORATE GOVERNANCE

2.6. RISK MANAGEMENT

Impendle regards risk management as an important function that contributes to the achievement of the municipality's objective and provides assurance that key risks are identified; assessed and effective controls are put in place. To this end, Impendle has adopted a Risk Management Strategy as a tool to assist the municipality to proactively identify any uncertainties that could prevent it from achieving its objectives or that could impact negatively on the desired level of service delivery. The Risk Management Strategy is supported by the Risk Management Policy, the document that set the stance of the municipality with regards to risk management.

To build capacity around risk management, the Municipality had requested the services of the Personnel from the Provincial Treasury to assist the Municipality to deal with issues of risk management in compliance with the provisions of the MFMA.

2.7. ANTI-FRAUD AND CORRUPTION

The municipality has developed the Anti-fraud policy to guide the municipality on matters pertaining to fraud the development of the policy document is an illustration that the Municipality does not tolerate fraudulent or corrupt activities whether internal or external to the Municipality. The Municipality had not experienced any fraud and corruption related cases for the past five (5) years.

2.8. SUPPLY CHAIN MANAGEMENT

The ILM has established a Supply Chain Unit in line with the internal Supply Chain Management (SCM) Policy. The division is headed by Deputy CFO, who reports to the Chief Financial Officer.

The calling for tenders to secure supplies of goods and services is an integral part of SCM, as legislation compels public institutions to procure goods and services through this process. A thorough knowledge of the different phases of the tendering process and the accompanying procedures is therefore necessary to ensure that public officials procure goods and services timely and according to their requirements.

In line with the Municipal Finance Management Act (MFMA), the Accounting Officer has approved the Bid Committees. The Municipality ensures that the tender process is fair, transparent, equitable and cost effective.

Overview of Supply Chain Management (SCM)

The supply chain management policy for the year 2014/2015 was reviewed and adopted by Council in May 2015 and implemented immediately thereafter.

The SCM unit staffs complement is currently at two which is SCM Accountant and one SCM Practitioner, with one vacant post of a SCM Practitioner. Items of the MFMA SCM regulations the SCM policy of the municipality must provide

for a system of demand, acquisition, logistics, disposal, risk and performance management, and our policy does provide for it. The following is a brief overview of the processes that have been established and implemented within our SCM system:

Demand Management

The procurement Plan defines the Supply Chain Management needs of the organization, aligned to the municipality's IDP and Departmental SDBIP. The plan is for a minimum of one year but aligned to the IDP three year period, this is especially critical in the case of capital projects requiring the issuing of bids for multiyear projects. As well as in order to obtain cost savings through longer term goods and service contracts (limited to three- year period in terms of the MFMA). The main objective of the plan is to assist the service deliver business units to achieve their service delivery mandates and to meet their service delivery requirements without any SCM processes delays and this forms the integral component of the entire process to ensure effectiveness efficient and economical SCM processes.
For 2014/2015 financial year the implementation of the procurement plan was improved as the procurement process has already started in May 2014 for some of the grant funded projects

Disposal Management

The municipality assessed and identify that needs to be disposed of the task to disposed was deferred to next Financial Year.

RISK MANAGEMENT

The monitoring of vendors' function was performed at business unit level but is now understand by Supply Chain Unit in conjunction with the business unit. Also measures are now being put in place to ensure identification, consideration and avoidance of potential risks in the supply chain management system in accordance with regulation 41 of the SCM regulations. Four monitoring officers have been employed and projects are being monitored. The quarterly reports on performance assessments of contractors were submitted to Council for 14/15 financial year.

Supply Chain Management
A SCM policy and procedures database that ensures compliance and monitoring of compliance with the SCM regulations and processes has been developed. This database serves to enforce accountability to all individuals involved in Supply Chain Management and to ensure that Supply Chain Management processes are independently monitored to ensure that the SCM policy is followed and desired objectives are achieved.

	Question	Answer	Comment on progress	Date of completion	Official (s) responsible
1.	Has the council adopted a SCM policy in terms of SCM regulation 3?	yes	N/A	May 2015	Head: SCM
2.	How many staffs are employed by the SCM unit?	2		2014/2015	

2.1	• How many positions are unfilled, ie waiting for an appointment?	1			
2.2	• Has a job description been developed for each position within the SCM Unit	No			
3	Has a detailed implementation plan for SCM been developed?	Yes			
3.1	• If yes is progress regulatorly measured against the implementation plan	Yes			
4	Is a report on the implementation of the SCM policy provided to the mayor within 10 days of each quarter (ref 6(3)	Yes			

2.9. BY-LAWS

There were no new by-laws introduced during the 2014-15 year

2.10. WEBSITES

Municipal website: There were major server breakdown during the year under review caused by the electricity power failure which made it difficult to publish our documents on website.

Documents published on the municipality's website	**Yes / no**	**Publishing date**
Current annual and adjustments budgets and all budget related documents	Yes	
All current related policies	No	
The previous annual report (year 2013/14)	No	
The annual report (14/15) published/ to be published	Yes	November 2015
All current performance agreements required in terms of section 57(1)(b) of the municipal systems (14/15) and resulting scorecards	Yes	August 2014
All service delivery agreements (14/15)	Yes	14 July 2014
All long term borrowing contracts (14/15)	Yes	June 2015
All supply chain management contracts above a prescribed value (give value) for 14/15	Yes	When Required
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2014	Yes	When Required
Public-private partnership agreements referred in section 120 made in 14/15	N/A	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 14/15	Yes	

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

COMPONENT A: BASIC SERVICES

COMPONENT B: ROAD TRANSPORT

3.1 ROADS

Impendle is responsible for a major of rural access roads that are not maintained by KZN Department of Transport. Many of these roads are in very bad condition and become impassable during the rainy season. Through many years of use without maintenance or hardening, many have developed in deep dongs where storm water continuously deepens them.

Departmental Funded Maintenance

Repairs of roads within the Impendle Village continued to be done within budget constraints. Construction equipment purchased for the Roads maintenance was put into operation in the rural areas of Impendle however due to limited resources no maintenance has been carried out in the financial year of 2014/2015. The Municipality Grader which was regarded as the main core of road maintenance have been out, it needs major repairs. The municipality have taken a decision to sell the grader and purchased a more reliable grader which will work effectively and efficiently to improving service delivery.

The Municipality is working tirelessly to improve progress without compromising quality on all current road projects. The Municipality introduced a recovery plan to escalate service delivery by engaging the KZN Department of Transport and uMgungundlovu District in order to assist with re-gravelling of road. Roads which are considered first priority to the community were identified which consist mainly of roads used by public transport supporting majority of houses. The Department of Transport have been instrumental in ensuring that the Municipality continues to deliver it services to the community as it assisted by Grading 8km of roads.

The challenges the Municipality faces is that road maintenances has become one of the primary needs of the Impendle Community which it cannot execute effectively due to financial constraints, lack of resources and lack of funding.

MIG & COGTA Funded Roads Projects

A road and infrastructure plan was put in place to commit a portion of MIG funding into the 2014/2015 financial year to complete the Rehabilitation of Mafahleni Street which also included construction of side walk. The project was completed successfully in July 2015. The MIG funding was also used to implement or assist will re-gravelling of Ntokozweni Road and Nhlabamkhosi Link Road/Willow. The two road were completed successfully within the financial year and are being utilised by the community.

ROAD TYPE AND KILOMETRES

Year	Total roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded or maintained
2015	11km	None	1km	10km

MIG ROADS

PROJECT NAME	Ward	ALLOCATION	STATUS
Mafahleni Street	Village	R 5 448 068.00	Complete
Ntokozweni	3	R 1 203 750.00	Complete
Nhlabamkhosi Link/Willow	4	R 2 110 314.60	Compete

3.2 WATER PROVISION

Water and Sanitation provision is the Umgungundlovu District Municipal (UMDM) function. The Municipality has provided UMDM office space at Thusong Centre where Impendle citizens are able to access the services of the Water office of the District Municipality. The UMDM is currently running four Water Scheme in the Municipality i.e. Inguga Water Scheme, Makhuzeni Water Scheme, Mahlutshini Water Scheme and Novuka Water Scheme and one Waste Water Treatment Plant to service Impendle Village with a view to cover the surrounding areas in future.

ward	Piped (tap) water inside dwelling	Piped (tap) water inside yard	Piped (tap) water on community stand: distance less than 200m from dwelling	Piped (tap) water on community stand: distance between 200m and 500m from dwelling	Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	No access to piped (tap) water	Total
Ward 1	248	475	330	247	34	14	851	2208
Ward 2	344	913	507	340	38	3	130	2274
Ward 3	467	933	152	43	68	28	133	1821
Ward 4	245	773	705	68	21	18	70	1899
Total	1313	3094	1693	698	158	63	1184	8203

Source: Stats SA, 2011 Census

3.3 WASTE WATER (SANITATION) PROVISION

Waste Water Treatment Plant to service Impendle Village with a view to cover the surrounding areas in future. The Plant will be constructed at Ntokozweni Area where the Municipalities and the Community identified and agreed that it will be a suitable site for the Plant.

Ward:	None	Flush toilet (connected to sewerage system)	Flush toilet (with septic tank)	Chemical toilet	Pit toilet with ventilation	Pit toilet without ventilation	Bucket toilet	Other	total
Ward 1	35	116	71	50	1157	757	8	14	2208
Ward 2	43	19	13	125	776	1012	2	285	2274
Ward 3	27	114	35	9	282	1064	76	215	1821
Ward 4	27	148	148	334	63	899	10	270	1899
Total	131	397	267	519	2278	3733	95	783	8203

Source: Stats SA, 2011 Census

3.4 ELECTRICITY

Given the rural nature of the majority of the residence in the Impendle Municipality a high percentage of homes have electricity. Department of Energy has allocated funding over the past two years to roll out electricity into new areas. Electrification of Loteni (327 units) and Swampu (45 units) is nearing completion. The Municipality is working tirelessly to resolve obstacles delaying electrification of the Areas. The demand or request for house connections is still high as there are still houses identified as infills. The Municipality through it engagement with Department of Energy will within the current financial year continue to improve it services to Impendle Communities. New areas will be identified to be electrified in the near future.

ELECTRIFICATION

PROJECT NAME	WARD	UNITS	ALLOCATION	STATUS
Swampu	2	45	R 1 200 000.00	Nearing Completion
Loteni Electrification	1	327	R 8 000 000.00	Nearing Completion

Electrifiction Loteni Area

Household energy or fuel for lighting

Ward:	None	Electricity	Gas	Paraffin	candles	solar	Total
Ward 1	12	1378	10	12	785	11	2208
Ward 2	15	2005	6	10	234	4	2274
Ward 3	3	1727	1	2	83	5	1821
Ward 4	4	1744	4	5	133	9	1899
total	34	6854	21	29	1235	30	8203

Source: Stats SA, 2011 Census

Household energy or fuel for cooking

Ward:	electricity	Gas	Paraffin	wood	Coal	Animal dung	Solar	None	total
Ward 1	722	113	32	1325	4	2	6	4	2208
Ward 2	944	36	42	1236	3	4	3	6	2274
Ward 3	887	34	19	864	3	-	2	12	1821
Ward 4	1307	62	54	465	5	3	4	-	1899
total	3860	244	148	3890	14	14	15	22	8203

Source: Stats SA, 2011 Census

3.5 WASTE MANAGEMENT

Departmental Funded Operation and Maintenance
A refuse collection service in Impendle Village has been carried out successfully using Municipal staff and equipment.
Street Cleansing Services
Departmental funded operation and maintenance.
Litter collection is an ongoing operation within the Impendle Village.
Mowing of the verges and within municipal properties was initiated with this finical year with substantial clearing and reforming of verges taking place to enable mechanical mowing.
Sports field mowing in Impendle Village is being done monthly in the wet season.

Ward:	Removed by local authority/private company at least once a week	Removed by local authority/private company less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Other	total
Ward 1	44	84	18	1906	123	32	2206
Ward 2	18	14	55	1768	339	80	2274
Ward 3	125	11	2	1604	76	3	1821
Ward 4	60	36	31	1585	160	28	1899
Total	247	145	107	6862	698	144	8203

Source: Stats SA, 2011 Census

3.6 HOUSING

HUMAN SETTLEMENT PROJECTS UNDER IMPENDLE MUNICIPALITY

SUPPORTED BY: KZN DHS
PROJECTS STATUS REPORT
OCTOBER 2014 – July 2015

PURPOSE

- To provide a brief overview of the current status of all projects at the Impendle Local Municipality.
- To highlight challenges, support experienced in various projects within Impendle

BACKGROUND

- Impendle is one of the smallest rural municipalities in the country, with about 33105 population and four Wards and Seven Councillors.
- We are 100% dependant on the Human Settlement for funds and support in order to accelerate housing delivery.
- It is so advantageous of us to be one of the rural areas which gain the benefit of government priorities to prioritize rural development.

IMPLEMENTATION

- An amount of R9 523 000.00 was allocated to ILM for 2014/15.
- Currently, we have 9 projects in total within our municipality.
- One project in implementation stage (Inzinga Project 300 units)
- Five projects at planning phase (Village, W4, W3, W2 Phase 2, Clarence).
- One at feasibility study phase W1 Phase 2.
- Four projects at a closeout stage (W2 Phase 1 closed, W3, and W4 & Compensation.)

PROJECT STATUS

PROJECT NAME	**:**	**Compensation**
WARD	**:**	**2**
IMPLEMENTING AGENT	**:**	**Impendle Municipality**
NO. OF BENEFICIARIES	**:**	**449**
PROJECT VALUE	**:**	**R5 434 509.96**
MONIES SPENT TO DATE	**:**	**R4 214 643.64**
START DATE	**:**	**1 October 1997**
END DATE	**:**	**1 May 2008**
APPROVED BENEFICIARIES	**:**	**449**
TRANSFERS (Title Deeds)	**:**	**444**
HOUSES BUILT TO DATE	**:**	**406**

- 43 units to be constructed in the new financial year 2015/2016 and close out the project.
- Appointed service providers abandoned the project
- New service provider to be appointed to complete the remaining units in the financial year 2015/2016.

PROJECT NAME	**:**	**Impendle Ward 2 Rural Housing P1**
WARD	**:**	**2**
IMPLEMENTING AGENT	**:**	**Songezo Consultants**
NO. OF BENEFICIARIES	**:**	**500**
PROJECT VALUE	**:**	**R33 172 555.00**
MONIES SPENT TO DATE	**:**	**R31 487 156.80**
START DATE	**:**	**26 May 2007**

END DATE	**:**	**31 July 2011**
APPROVED BENEFICIARIES	**:**	**500**
TRANSFERS	**:**	**N/A**
HOUSES BUILT TO DATE	**:**	**495**

- House construction complete and the project capped at 495.
- Project closed out.
- 05 units not built because of dual applications per Homestead (umuzi)

PROJECT NAME	**:**	**Inzinga**
WARD	**:**	**2**
IMPLEMENTING AGENT	**:**	**Inkonjane Developments**
NO. OF BENEFICIARIES	**:**	**300**
PROJECT VALUE	**:**	**R 22,218,501.00**
MONIES SPENT TO DATE	**:**	**R 21,199,615.27**
START DATE	**:**	**March 2009**
END DATE	**:**	**September 2014**
APPROVED BENEFICIARIES	**:**	**300**
TRANSFERS	**:**	**0**
HOUSES BUILT TO DATE	**:**	**288**

- Houses construction ongoing.
- 12 houses under completion and were handed over in November 2014 and then the project was closed out.

PROJECT NAME	**:**	**Impendle Ward 3 Rural Housing**
WARD	**:**	**3**
IMPLEMENTING AGENT	**:**	**Monde Consulting**
NO. OF BENEFICIARIES	**:**	**500**
PROJECT VALUE	**:**	**R32 160 700.00**
MONIES SPENT TO DATE	**:**	**R23 657 261.58**
START DATE	**:**	**December 2009**
END DATE	**:**	**May 2011**
APPROVED BENEFICIARIES	**:**	**500**
TRANSFERS	**:**	**N/A**
HOUSES BUILT TO DATE	**:**	**494**
IMPLEMENTING AGENT	**:**	**Powerlux & Ambroshed JV**
NO. OF BENEFICIARIES	**:**	**550**
PROJECT VALUE	**:**	**R33 887 837.00**

MONIES SPENT TO DATE	**:**	**R33 801 099.89**
START DATE	**:**	**January 2010**
END DATE	**:**	**June 2011**
APPROVED BENEFICIARIES	**:**	**550**
TRANSFERS	**:**	**N/A**
HOUSES BUILT TO DATE	**:**	**530**

- Some houses still need to be built and the project to be capped at ±545 or complete 550.
- This incorporates the 50 disaster recovery houses for Inzinga in W2

PROJECT NAME	**:**	**Impendle Village**
WARD	**:**	**3**
IMPLEMENTING AGENT	**:**	**F C Consulting**
NO. OF BENEFICIARIES	**:**	**500**
PROJECT VALUE	**:**	**R8 589 175.00**
MONIES SPENT TO DATE	**:**	**R 707 467.00**
START DATE	**:**	**30 October 2007**
END DATE	**:**	**30 November 2012**
APPROVED BENEFICIARIES	**:**	**1**
TRANSFERS	**:**	**0**
HOUSES BUILT TO DATE	**:**	**0**

- Project in planning stage and PDA has been approved in 2013.
- ROD for waterborne sanitation was approved by the Department of Environmental Affairs and Fishery.
- Infrastructure will commence in May 2015 once the project has been realigned

PROJECT NAME	**:**	**Impendle Ward 2 Phase 2**
WARD	**:**	**2**
IMPLEMENTING AGENT	**:**	**Matheo Construction**
NO. OF BENEFICIARIES	**:**	**500**
PROJECT VALUE	**:**	**R 1, 417, 555, 00**
MONIES SPENT TO DATE	**:**	**R 0.00**
START DATE	**:**	**30 June 2014**
END DATE	**:**	**30 July 2015**
APPROVED BENEFICIARIES	**:**	**425**
TRANSFERS	**:**	**0**
HOUSES BUILT TO DATE	**:**	**0**

- Settlement Plan 100%
- Floodline Determination 100%
- Planning Report 100%
- GPS Survey 100%
- Subsidy Applications Submission 100%
- Subsidy Applications-Approvals 100%
- Detailed Geotech Investigation 100%
- Development Rights Agreement 100%
- Environmental 100%

- Project undertaking stage 1 planning and beneficiary administration is taking place
- PDA application submitted to municipality and waiting approval.

PROJECT NAME	**:**	**Impendle ward 3 Phase 2**
WARD	**:**	**3**
IMPLEMENTING AGENT	**:**	**Umpheme Developments**
NO. OF BENEFICIARIES	**:**	**500**
PROJECT VALUE	**:**	**R 1,417,555.00**
MONIES SPENT TO DATE	**:**	**R 571,072.11**
START DATE	**:**	**01 September 2014**
END DATE	**:**	**31 July 2014**
APPROVED BENEFICIARIES	**:**	**0**
TRANSFERS	**:**	**0**
HOUSES BUILT TO DATE	**:**	**0**

- Settlement Plan 100%
- Flood line Determination 100%
- Planning Report 100%
- GPS Survey 100%
- Subsidy Applications Submission 100%
- Subsidy Applications-Approvals 100%
- Detailed Geotech Investigation 100%
- Development Rights Agreement 100%

- Project undertaking stage 1 planning and beneficiary administration.
- Professional services are undertaken
- PDA application submitted to municipality and awaiting approval

PROJECT NAME	**:**	**Impendle Ward 4 Phase 2**
WARD	**:**	**4**
IMPLEMENTING AGENT	**:**	**Shaytai Trading 21cc /Isibanisezwe**
NO. OF BENEFICIARIES	**:**	**50**
PROJECT VALUE	**:**	**R1, 417,555.00**
MONIES SPENT TO DATE	**:**	**R 322,527.50**
START DATE	**:**	**1 September 2014**
END DATE	**:**	**31 July 2014**
APPROVED BENEFICIARIES	**:**	**384**
TRANSFERS	**:**	**0**
HOUSES BUILT TO DATE	**:**	**0**

- **Settlement Plan 100%**
- **Flood line Determination 100%**
- **Planning Report 100%**
- **GPS Survey 100%**
- **Subsidy Applications Submission 100%**
- **Subsidy Applications-Approvals 100%**
- **Detailed Geotech Investigation 100%**
- **Development Rights Agreement 100%**

- Project undertaking stage 1 planning and sales administration is ongoing.
- Professional services undertaken
- PDA application is awaited

CLARENCE MAKHUZENI PROJECT

- IA as Inkonjane Developments is currently undertaking planning studies.
- EIA exemption obtained
- Flood lines determined
- Heritage Assessment complete
- Request from Agriculture for re-zoning of land submitted.

- Clearance from Department of Transport requested and Approval expected November 2014.
- Professional services ongoing
- Town Planning done
- Preliminary engineering in progress. Completion by end November 2014
- Development Rights Agreement signed between Municipality and Department of Land Affairs for portion of Clearance and Upper Makhuzeni.
- 240 applications from beneficiaries have been captured by our office to date. 179 have been submitted to Department of Human Settlement of which, 111 have been approved.

Challenges on this project

- Department of Agriculture to agree to subdivision –Probably not before the end of 2015. Moves at 60 to 80 per month.
- Agriculture will hold PDA application. At the earliest end of next year (2015) – Three separate PDA applications are to be submitted
- Approved project is for 200 beneficiaries – 247 residential sites were identified. Submission to Department of Human Settlement for an increase is limited to 240 beneficiaries.
- Development Rights agreement between Department of Human Settlements and Municipality, for Lower Makhuzeni, to be finalized.
- Development Rights Agreement for the entire Clearance site to be signed between Department of land affairs and Impendle Municipality.
- Percolation tests to be undertaken as part of tranche 2 for Septic tank designs.

WARD 1 PHASE 2

- The IA is Linda Masinga & Associates.
- The IA is currently unpacking the land issues as the land is vested with different land owners:
- Private properties
- State land and
- Small portion that belong to ITB.

SUKUMA SAKHE RECOVERIES

- 124 applicants were sent to the Department of Human Settlement in the year 2011, then approved by HEAC in December 2013.
- 68 beneficiaries have already benefitted from Inzinga Project
- 56 has been allocated to the service providers within Impendle.
- Some of them has already been approved in the big projects

Through its strategic focus areas as encapsulated in the IDP Impendle seeks to enhance service delivery with efficient institutional arrangements; reduce housing backlog and promote sustainable human settlements and promote service excellence.

While the competency of providing houses resides with the provincial government, Impendle has worked hard to facilitate the provision of housing to its residents.

AFFORDABLE HOUSING
Overview

Continuous management, coordination and facilitation of all Municipality's Housing development projects within Impendle Municipality.
Oversight of construction of houses for the approved beneficiaries.
Ensure the provision of services to individual homes especially in areas that have benefited through Affordable Housing Projects, funded by the Department of Human Settlements (DOHS) and homes transferred to certain people through the Government Rural Insitu Upgrade Scheme.

Description of the activity

The municipality has a mandate to lead and direct the housing function so that the strategic objectives of the municipality in relation to housing are achieved. The main objectives are as follows:

- The establishment of an inclusive, representative and accountable development structures within communities.
- Identification of other primary actors with whom the community should relate for the purposes of successful development.
- Certification of potential housing beneficiaries.
- Signing of building agreements by stakeholders.
- Capacitating and empowerment of locally based contractors to participate in the construction of houses as sub-contractors.

Figure below shows the type of Low Cost Houses built in our wards.

Ensure that the employment of unskilled local people to assist skilled labourers during the construction phase.

- Analysis of the function

The Strategic Objectives of this function are to:

- Reduce the population living in informal structures
- To ensure access to formal housing opportunities.

The breakdown of Low Cost Housing Rural Insitu Upgrade that are now occupied by their rightful owners is as follows:

NUMBER	WARD
494 units	3
495 units	2
300 units	2
537 units	4

IMPENDLE PHASE TWO HOUSING PROJECTS

Major Challenge:

- Private land ownership.
- Bulk Infrastructure.

- Existing services which may require additional funding to be relocated.

3.7 WASTE WATER (STORMWATER DRAINAGE)

STORM WATER
Repairs and Maintenance
The Maintenance team has been created and deployed into the Greater Municipal areas where maintenance of storm water and drainage system may be required. This process is ongoing and it depends on the availability of funds and transportation. The Municipality has requested storm water pipes which can be seen lying along the newly constructed P127-2 road, constructed in phases by the Department of Transport. These pipes will be utilized in the new financial year in areas where maintenance is required, where replacement of existing pipes may be necessary and areas where temporary crossing are being used such as Drums, upvc/mpvc pipes and roads where water is cutting across.

Impendle Municipality strives towards executing the following:

- Cleaning of existing storm water drainage
- Installation of storm water pipes
- Channelling water into manholes and catch pits
- Providing stream crossings (inserting pipes)
- Providing Road crossings (inserting pipes)
- Fixing headwalls and constructing new headwalls if necessary.
- Providing wall support to prevent erosion and bank support.

The TLB accompanies the team to provide support on the following:

- Excavation
- Offloading
- Alignment of pipe in trenches
- Diverting of water streams
- Backfilling

3.8 Departmental Funded Operation and Maintenance

A refuse collection service in Impendle Village has been carried out successfully using Municipal staff, Expanded Public Works Programme employees and equipment.

3.9 MUNICIPAL Buildings and Facilities

Departmental Funded Maintenance and MIG funded projects

A maintenance program was done on buildings within the Municipality using departmental staff and assisted by Expanded Public Works Programme teams. Vandalism and theft is ongoing and Municipal buildings are targeted and become derelict, this prevents the Municipality from renovating or implementing new facilities as its departmental funded budget is wasted on repairs of vandalized structured. Under the Social Sector of EPWP, security guards have been employed to look after the newly built Community Halls and Crèches.

MIG projects are being implemented as per the MIG Implementation Plan, the plan identifies projects to be implemented within the financial year, it identifies projects which are not performing, provide expenditure per projects, indicate project stages. The Municipality managed to spend 100% of its 2014/2015 MIG Grant.

Departmental Funded Maintenance

A maintenance program was done on buildings within the Municipality using departmental staff and EPWP Personnel. Challenges with community vandalism/theft is ongoing and some Municipal facilities are targeted and become derelict. However, the municipality has managed to safeguard these facilities through hiring of Security Personnel using the EPWP Grant Funding.

PROJECT NAME	WARD	ALLOCATION	STATUS
Mahlutshini Community Hall and Creche	1	R 3 560 904.00	Complete
Mayilitshe Community Hall and Creche	2	R 3 300 984.00	Complete
Ntokozweni Community Hall and Creche	3	R 3 300 984.00	Complete
Hlelolusha Community Hall and Creche	4	R 3 300 984.00	Complete

Hlelolusha Hall & Crèche

Mayilitshe Hall &

Creche

EXPANDED PUBLIC WORKS PROGRAMME

The Expanded Public Works Programme (EPWP) is one element within a broader government strategy to reduce poverty through the alleviation and reduction of unemployment. The Programme involves creating work opportunities for unemployed persons, and so allowing them to participate economically and contribute to the development of their communities and the country as a whole.

Phase 3 of EPWP aims to
Significantly expand the creation of temporary work opportunities that will provide income to the poor and unemployed. Increase the duration of work opportunities for maximum impact.

Impendle Local Municipality

Impendle Municipality received an incentive grant of R 1294 000 from the Department of Public Works to assist the Municipality in implementing the Expanded Public Works Programme for the financial year 2014/2015. EPWP in-house team was established to assist Departments or units in carrying out their day to day activities under the following sectors: Environment, Infrastructure and social sector.

	Job creation through EPWP			
Details	***Funding***	***EPWP: projects type***	***Job created through EPWP projects.***	***Training provided***

2014/2015	DPW	Social Sector	36	Yes
		infrastructure	21	Yes
		Environmental	8	Yes
2014/2015	MIG Projects	Roads,Community Halls and Creche	60	Yes

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING

The process of municipal land transfers to the Municipality that was overlooked during the restructuring of Local Municipalities. A process was commenced during the previous financial year to rectify this oversight, however little progress was made this financial year. Properties sold during the Municipalities previous administration which were not formally transferred are being finalised.

An application for Village Housing Development in terms of KwaZulu-Natal Planning and Development Act was launched and was completed.

ACHIEVEMENTS

Funding was secured through the Department of Local Government and Traditional Affairs to construct a Maze Mill within Impendle. This facility is intended to process local maize production and create some long term jobs directly and indirectly. Construction started late in 2011/2012 financial year.

CHALLENGES

Access to start-up funding remains one of the major challenges facing SMMEs, Cooperatives and individual entrepreneurs operating in Impendle.

Lack of access to land for emerging farmers also remains a major challenge facing emerging farmers operating in Impendle. This is exacerbated further by lack of relevant skills among emerging farmers. This has serious implications for any proposed agricultural production and value adding enterprise targeting emerging farmers in the Municipality.

It is of some considerable concern to the Municipality that the practise of burring velds without control across the Municipality on private and Ingonyama properties continues year after year. This has damaged the environment considerably and has depleted grazing fields for the communities of Impendle.

Land allocated for local economic development in ILM

Place	Purpose
Impendle Village	Maize Mill Plant
Impendle Village	Affordable Housing

Impendle Village	Waste Water Treatment Plant
Total	

3.11 LOCAL ECONOMIC DEVELOPMENT

The purpose of economic development and growth is to build up the economic capacity of Impendle Municipality to improve its economic future and the quality of life for all its citizens. In order to achieve the aforesaid, the Department of Economic Development and Growth is entrusted with the implementation of the following programmes:

- Investment Promotion & Marketing
- Local Business Support & SMME Development
- Tourism Development & Events Management.
- Agricultural Development

The municipality facilitated a number of training workshops for co-ops, SMMES, community gardens and individuals. Referrals for business registrations and business plans as well as mentorship programs were secured through partnerships with SEDA and there are ongoing partnerships and support systems created for the trained groups and individuals.

DESCRIPTION OF THE ACTIVITIES

Investment Promotion and Marketing

The Municipality is continuously exploring ways to increase inward investment in skills and technology, property and sustainable development, continuously promote ongoing investment and development through the provision of services at affordable, competitive prices, efficient service and a safe and secure environment. Business permissions are tailored to the needs of the changing economy. Investment promotion is through the following:

- Ongoing identification of Greenfield development areas for investors;
- Ensuring the maintenance of existing infrastructure.
- Effective information dissemination.
- Working towards transfer of land to the Municipality to make land available to potential investors and developers with respect to business permissions.
- Assist in gaining access to existing services.
- Local Business Support and SMME Development.

Purpose of the EPWP

The Expanded Public Works Programme (EPWP) is one element within a broader government strategy to reduce poverty through the alleviation and reduction of unemployment. The Programme involves creating work opportunities for unemployed persons, and so allowing them to participate economically and contribute to the development of their communities and the country as a whole.

Phase II of EPWP aims to
Significantly expand the creation of temporary work opportunities that will provide income to the poor and unemployed. Increase the duration of work opportunities for maximum impact.

Impendle Local Municipality

Impendle Municipality received an incentive grant of R 1200 000 from the Department of Public Works to assist the Municipality in implementing the Expanded Public Works Programme for the financial year 2012/2013. EPWP in-house team was established to assist Departments or units in carrying out their day to day activities under the following sectors: Environment, Infrastructure and social sector.

Expanded Public Work Programme

	Job creation through EPWP		
Details	***Funding***	***EPWP: projects type***	***Job created through EPWP projects. No.***
2014/2015	DPW: R 1300 000	Social Sector	28
		infrastructure	24
		Environmental	15
2014/2015	MIG Projects	Roads, Community Hall sand Creches	80

Currently the Municipality is having Expanded Public Works Programme (EPWP) and Community Works Programme (CWP). These projects are job creation. Currently there are three hundred and ten local people employed on these projects.
The leadership and administration of Impendle Municipality had engaged communities in the IDP Public Participation process to put an ear on the ground in order to listen to the voice of its community. This process had strengthen the relationship between the two parties resulting in a common understanding as how best the Municipality can provide services to the community.
The following pages provide additional information and photographs of some of the projects in question.
The following projects were agreed upon through these engagements:

CWP Works on Progress

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.12 LIBRARIES AND COMMUNITY FACILITIES

3.12.1 LIBRARIES

Mission Statement

Impendle and Inzinga library seeks to promote open exchange of ideas through free access to information and to provide both educational and recreational resources to meet the demand of its community.

Library Objectives

- To develop a collection of materials that support, enrich and satisfy the community of Impendle.
- To encourage use of the library and its facilities by the general public and academic community.
- To aid and instruct patrons in the use of the library to provide guidance to contents of the collection.

Impendle municipality has Community Library which became operational in 2007. The Library is situated in the Village/Town of Impendle. However, the services are not easily accessible to the majority of the community as the population is vastly spread and consists of a largely rural area, hence the establishment of Inzinga Satellite Library.

The municipality has established a satellite library in the Inzinga area which caters for a population with more than 10 schools in the surrounding areas. The satellite library became operational in 2014. It is envisaged that this facility is able to provide services to a large part of the population as Inzinga is a nodal point between Impendle Town and Loteni area.

SERVICE STATISTICS FOR 2014/2015	
Adults	**: 997**
Young Adults	**: 1026**
Juveniles	**: 614**
TOTALS	**: 2632**

Outline Service Targets
• To develop a collection of materials that support, enrich and satisfy the community of Impendle. • To encourage use of the library and its facilities by the general public and academic community. • To aid and instruct patrons in the use of the library to provide guidance to contents of the collection.

Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)
Level 6	1	Library Assistant		Fulltime
Level 6	1	Library Assistant		Fulltime
Level 6	1	Library Assistant		Contract
Level 10	1	Computer Library Assistant		Fulltime
Level 11	1	Librarian		Fulltime

Details	Actual
Postage	R 314.36
Accommodation	R2 760.00
Stationary	R10 837.55
Telephone	R2 265.42
Rentals: Office Machine	R22 390.97
Electricity	R77 659.74
Water	R1 135.61
Promotions	R25 327.70
Bank Charges	R 93.00
Security Alarm: Chubb	R5 246.16
Capital Expenses	R22 396.00
Library Staff Salaries	R536 572.13

Total Expenditure for the financial year end	**R706 998.64**

Total expenditure for the financial year end	**R706 998.64**
Less: Amount received from Arts and Culture	**R514 000.00**
Amount paid by the Municipality	**R192 998.64**

3.12.2 COMMUNITY FACILITIES; (HALLS & THUSONG SERVICES CENTRE)

EXISTING COMMUNITY HALLS

WARD	NAME OF FACILITY	USAGE	RESPONSIBLE PERSON
1	Emakhuzeni	Community Events	EPWP Personnel
1	Ridge	Community Events	EPWP Personnel
1	Ntwasahlobo	Community Events	EPWP Personnel
1	Stofelton	Community Events & War Room	EPWP Personnel
1	Loteni	Community Events	EPWP Personnel
1	Stepmore	Community Events	EPWP Personnel
1	Manguza	Community Events	EPWP Personnel
1	Nkangala	Community Events	EPWP Personnel
1	KwaThunzi Ngqiya	Community Events	EPWP Personnel
2	Imbaliyezwe	Community Events & War Room	EPWP Personnel
2	Swampu	Community Events	EPWP Personnel
3	Novuka	Community Events	EPWP Personnel
3	KwaMlaba	Community Events	EPWP Personnel
3	Smilo	Community Events	EPWP Personnel
3	Fikesuthi	Community Events	EPWP Personnel
3	Brington	Community Events	EPWP Personnel
3	Come & See	Community Events	EPWP Personnel
3	Impendle Community	Community Events	EPWP Personnel

	Hall		
4	Vezokuhle	Community Events & War Room	EPWP Personnel
4	Nhlabamkhosi	Community Events	EPWP Personnel
4	Gomane	Community Events	EPWP Personnel

Departmental Funded Maintenance

A maintenance program was done on buildings within the Municipality using departmental staff and EPWP Personnel. Challenges with community vandalism/theft is ongoing and some Municipal facilities are targeted and become derelict. However, the municipality has managed to safeguard these facilities through hiring of Security Personnel using the EPWP Grant Funding.

THUSONG SERVICE CENTRE

TSC Name	**Impendle**

District Municipality	UMgungundlovu	**Date of capture**	20 June 2015
Local Municipality	Impendle		
Location	Ward 03	**Coordinates**	
Centre Manager	Sbongile Dlamini	**Contact Number**	033 – 9966102
E-Mail Address	Sbongile.dlamini@impendle.gov.za	**Fax Number**	033 - 9960852

Service Providers at the Centre	**Contact number of Service Providers**	**Operational days and times**	**No of staff**
IEC	033 - 9960601	Mon – Fri 8h:00 – 16h:00	2
Education	033 - 9960494	Mon – Fri 8h:00 – 16h:00	2
Home Affairs	033 - 9960319	Mon – Fri 8h:00 – 16h:00	2
Rural Development	079 5554593	Mon – Fri 8h:00 – 16h:00	2
UMDM(Water & Sanitation)	033 - 9960449	Mon – Fri 8h:00 – 16h:00	2
Oval	074 4230307	Mon – Fri 8h:00 – 16h:00	1
NYDA	033 - 9960443	Mon – Fri 8h:00 – 16h:00	1
Disability Desk	033 - 9960443	Mon – Fri 8h:00 – 16h:00	1
Information Desk	033 - 9960443	Mon – Fri 8h:00 – 16h:00	1
Telecenter	033 - 9960443	Mon – Fri 8h:00 – 16h:00	1

Ithala (ATM)			

Services within walking distance	Contact numbers	Operational days and times
Library	033 - 9960330	Mon –Fri 8h:00 – 16h:00 (Sat 8h:00 - 13h:00)
SASSA	033 - 9960947	Mon – Fri 8h:00 – 16h:00
Justice	033 - 9960604	Mon – Fri 8h:00 – 16h:00
DSD	033 - 9960411	Mon – Fri 8h:00 – 16h:00
Post Office	033 - 9960607	Mon – Fri 8h:00 – 16h:00
SAPS	033 – 9960840/51	24/7
Clinic	033 - 9960828	24/7

Mobile services at the TSC	Contact numbers	Operational days and times
Agriculture (ward 1-4)	033 - 3476244	Mon – Fri 8h:00 – 16h:00
UNISA	083 4076580	Mon – Friday 8h:00 – 16h:00

Outreach Programmes from the TSC	Ward serviced	Frequency	Impact (How did it assist the community)
Mobile Thusong	02	quarterly	Provided information on government services available.
			Brought government services closer to the community members.

USAGE OF CENTRE BY COMMUNITY

Services offered by community	Operational days and times	Target Groups	Comments
Conference Facilities and Meetings	Weekdays	NGOs, NPOs, CBOs, Government Departments, Sukuma Sakhe, War Room, Municipal Meetings and Functions	The Centre is adequately utilised by community members and various departments and organisations, however, it cannot accommodate bigger events as there is no sufficient space. Future extension is required.

NPO's and NGO's Operating from the Centre

Name of NPO/NGO	Contact Number	Operating Days and Times	Services offered	Comments
Various	**079 5818527**	Whenever the Centre is required for meeting or conference purposes	Conference and Meeting facilities	Adequate but cater for a limited number of people

Services required by communities but not available at the Centre

The Community requires the services provided by Department of Labour which are currently unavailable.

LEASE AGREEMENTS

Service Provider	Lease Agreements	Yes	No	Reason for no agreement	Monthly Rental
IEC		**X**			R 2,800.00
Annex		**X**			R 1,840.00
UMDM		**X**			R 1,840.00
Education		**X**			R 943,00
Home Affairs		**X**			**R**
Rural Development			**X**	Project Manager left	
Oval		**X**		There has been an agreement with the Municipality to educate at least 5 students per year	No students applied

INFRASTRUCTURE

BASIC INFRASTRUCTURE	Yes	No	Comments
Water available and working	X		In order
Electricity available and working	X		In order
Telecommunications available and working	X		In order
Sanitation available and working	X		In order

	Yes	No	Comments
Adequate security available	X		Security available during the day. Patrols at night and on weekends since the Centre is hardly operational on weekends.

Center disability friendly	X		Ramps and toilets for people living with disability.

General Service Counter	X		In order
Staffed	X		In order

Waiting area	X		Not adequate due to size of the Centre
Adequate shelter and seating		X	Need for shelter and seating area

Official branding & flag posts	X		In order

Network connectivity	X		In order

CHALLENGES AFFECTING FULL FUNCTIONALITY & UTILISATION

Centre only operates during weekdays only. There is a need for the Centre to operate on weekends, especially on Saturdays. There is an ATM at the Centre which has to be accessible to the public at all times. There is a need for staff and security personnel to be available on weekends.
Not all essential governments departments are available at the Centre.

Building condition (Mark with X)		**Poor**	**Fair**	**Good X**	**Very good**		
Brief Description:							
The building infrastructure appears not stable enough. The building is tall and the area is prone to wind, snowfall, heavy rains and other natural disasters.							
Renovations are required to make the building more stable.							

Building requirements/rehabilitation/extensions	Y **X**	N

Reasons:
There is shortage of office space required by other Departments such as Labour , SASSA, Community Development Workers, Agriculture, DSD etc.

OPERATIONAL FUNDING RECEIVED FROM COGTA	YES	NO	AMOUNT	FINANCIAL YEAR
	X		R 400,000.00	2013/2014

Municipal budget for future maintenance of the centre	YES	NO **X The municipality is currently using resources of the EPWP Programme**

Impact of the operational funding to the functionality of the centre
Staff salaries, purchasing of furniture, Youth Development Project

OVERALL FUNCTIONALITY OF THE CENTRE	**Good**

Impendle TSC (front entrance) Ithala (ATM) next to the TSC

3.13 CEMETERIES AND CREMATORIUMS

The municipality has a cemetery which is hardly ever used as most of the population prefers to bury their next of kin in the homesteads. The municipality is largely rural and traditionally communities bury their loved within their homesteads. Only a handful of village residents' use the cemetery and the rest are pauper burials.

3.14 HIV/AIDS; CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

HIV/AIDS

The municipality has a functional Local Aids Council (LAC) which is affiliated to the District Aids Council (DAC). The municipality has established Ward Aids Councils (WACs) in all four wards and they are all functional and have been capacitated in terms of training and understanding their roles and responsibilities.

Progress to Date:

- The LAC has strengthened its working relationship with the Department of Health and in particular local clinics.
- WACs has been separated from War Rooms as they were previously meeting together but they still work together on issues of common interest.
- Three WACs (wards 2,3 & 4) have developed strategic/work plans.
- The LAC had an outreach strengthening workshop with the Department of Health which improved the functionality of WACs.
- An outreach task team was elected to focus on HAST Indicators which are MMC, HCT, Condom Distribution, TB Case Finding, TB Defaulters Rate, TB Death Rate.
- LAC has introduced all WACs to local clinics and strategic plans for WACs have been made and have integrated all stakeholders working on HIV/AIDS related programmes.

Development of The People With Disability

THE OBJECTIVES to empower people with disabilities to participate in all programmes organised by Municipality and any organizations. Municipality supported them to attend two workshops during the past year sporting activities.

THE STRATEGY of achieving these objectives they were included in Sport, Arts, Culture, Socio-economic activities and education and trainings that are linked to job opportunities. The programmes were spearheaded by the Impendle Municipality Disability Desk in conjunction with other relevant departments and bodies.

The municipality held a number of events for the people with disabilities throughout the year. The following are some of the event that took place during the year:

- On the 24 January 2013 a dialogue for people with disabilities was held where they raised their needs and concerns. Following from that dialogue a resolution was taken to align their needs to the 2013/2014 financial year budget.
- On 06 February 2014 uMgungundlovu District Municipality together with Richmond Riders & Runners Club handed over a 2 Hand Cycle to Impendle Disabled People. The event was attended by members of KZN Legislature, the Mayor and Councillors, officials from Departments of Health, DSD, SAPS, Rural Development, Sport & Recreation, IEC and municipal officials. The aim was to encourage the disabled people to take part in sport activities and showcase their talent.
- On the same day over 300 people with disabilities participated in various sporting codes which included short put, javelin, wheel chair racing, fun walk & marathon.

Early Childhood Development

The Municipality had built a number of crèches in all Wards. The Municipality intends to provide required tools and equipment to run these crèches in the near future.

COMPONENT G: SECURITY AND SAFETY

The municipality has its own security personnel whose functions and responsibilities are limited to safeguarding the municipal buildings, properties and the safety of the workforce. The municipality has good working relationship with the South African Police Service (SAPS) and its structures for community safety and security.

3.15 DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES

DISASTER MANAGEMENT

The Constitution of the Republic places a legal obligation on the Government to ensure the health and safety of its citizens. Section 152(1) (d) requires that local government "promote a safe and healthy environment". Section 51 of the Disaster Management Act requires that all municipalities establish Disaster Management Advisory Forums (DMAF).

It is against this background that the municipality launched its Disaster Management Advisory Forum on 03 August 2012. The Impendle Municipal area is prone and susceptible to disasters such windstorms, fires, floods, snowfalls and others that causes human suffering that the victims cannot alleviate without assistance.

Other challenges that faces the municipality are that Impendle is predominantly a rural area with a relatively insufficient infrastructure and the area is situated about 70 km from Pietermaritzburg which is the main city. Assistance takes time to arrive as there are no emergency facilities and equipment nearby and there is shortage of capacity and resources.

ILM has certain responsibilities in relation to disaster management, which include inter alia, responding to local incidents and developing disaster management plans in terms of the Disaster Management Act. The municipality set aside R 100 000 in the 2014/2015 Financial Year to deal with disasters.

ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCE AND OTHERS

The municipality is in a process of developing a range of by-laws include Pound By-laws, Street Trading and more others as Council may deem necessary.

COMPONENT H: SPORT AND RECREATION

3.16 SPORT AND RECREATION

SPORT AND RECREATION EVENTS 2014/15

The first women in sports event was played in August and it was a great success.

The Mayoral games followed in September.

The Indigenous games selections also took place at Richmond Municipality, where 10 of our players were selected to represent Umgungundlovu District municipality at the provincial games held at Ugu District Municipality.

As our OBJECTIVE FOR THIS VOTE " HEALTHY COMMUNITIES THROUGH SPORT" we also encourage Senior Citizens and particularly women to participate in Sports hence the Senior citizens games called the "Golden Games" and the "Women in Sports event".

The budget for 2014/15 of R550.000 was utilised as follows:

QUARTER 1.

R50.000	- WOMEN IN SPORTS
R10.000	- PROVINCIAL CROSS-COUNTRY CHAMPS
R10.000	- INDIGENOUS GAMES DISTRICT/PROVINCIAL CHAMPS
R200.000	- MAYORAL/DISTRICT GAMES SELECTIONS

QUARTER 2

R120.000 - COUNCILLOR AND STAFF TRAVELLING, ACCOMODATION AT THE SALGA KZN DSR GAMES AT UMZINYATHI DISTRICT MUNICIPALITY.

R50.000 - SPORT AGAINST CRIME

QUARTER 3

R50.000 - EASTER TOURNAMENT

QUARTER 4

R50.000 - IMPENDLE 120KM MARATHON

The other project that was supposed to be done was the IMPENDLE SPORTS AWARDS but the budget was exhausted before we could get to it.

Above all though the objectives of the 2014/15 budget was achieved. In the process a total of 15 players across the six (6) codes of sport we participate in were selected at Provincial level, 1 player from rugby (Eugenia Nxumalo) was selected to go to Eastern Cape & Western Cape to play in the National Under 16 tournaments.

Arts And Culture

Children at Impendle library having a cultural day with ECD and their practitioners.

In the picture above are izintombi at Inzinga preparing for Umhlanga reed dance at Enyokeni.

The Themba Njilo Foundation came and did a talent search show for people at Impendle. The event was blessed by the presence of Councillors and the Regional Secretary of the ANC Moses Mabhida Region. The Gospel group from kwaGomane won the gospel category and were selected to represent Impendle at District Level.

Below are artists performing at the Izandla-zothando/Mo-fire Talent Search event hosted by Impendle Municipality held at Thusong Centre.

Budget Expenditure 2014/15

1st quarter

R100.000 reed dance enyokeni.

2nd quarter

R15.000 artist payments for perfoming in elderly/disability event, hiring of pa sytem and catering.

3rd quarter

R25.000 transfer funding to Zandlazothando and Mo-fire for Umgungundlovu talent search.

4th quarter

Nothing was spent by the Impendle Municipal Budget…but the artists were invited by Umgungundlovu arts & culture council in several events and they were paid appearance fees totaling R55.000 jointly.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.17 EXECUTIVE AND COUNCIL

OFFICE OF THE MUNICIPAL MANAGER

This Office has seen the successful finalisation and approval of the IDP Review and the Service Delivery Budget Implementation Plan (SDBIP). The Office has also provided an effective oversight over the performance of the administration by ensuring that progress reports are submitted to the Council and National as well as Provincial Department of Cooperative Governance and Traditional Affairs (CoGTA).

Table 3.13.1: Office of Municipal Manager Indicators

Indicator	2014/15 Delivery Agenda	Annual Target	Actual Annual Achievement
Development of integrated development plan aligned to all municipal planning processes	IDP reviewed and approved	Approved IDP	IDP reviewed and
All directorates SDBIPs streamlined and linked to performance management and plans	SDBIP linked to performance agreements, annual and mid-year reports compiled	Development of annual report	Annual report 13/14 approved by Council
		Development of midyear review	Midyear Budget and Service Delivery Performance developed

		Approved performance agreements	Budget and performance review session report compiled
All information and/data in compliance reports and operational plans credible	None	Development of a system to collect and analyse information/ data	e-PMS not implemente d
Comparison of all actual project impacts against the agreed strategic plans	Quarterly, mid-year and annual reports	Monitoring and evaluation progress review reports	Monitoring and evaluation progress review reports submitted to EMT for approval
		Progress review report	S 56 monitoring and evaluation review report
All turnaround programs and projects are implemented	Development of turnaround strategy	Turnaround strategy kick-wins implemented	Q1-Q4 implementatio n progress report submitted to

MAYOR'S/SPEAKER'S OFFICE

Table : Speaker's Office Indicators

Indicator	2014/15 Delivery Agenda	Annual Target	Actual Annual Achievement
Involvement of ward committees in CBP, IDP, Budget preparations and other policy formulation	100%	100%	90%
Citizens participating in annual CBP, IDP and Budget formulation	90%	90%	90%
Capacity of identified councilors enhanced			
Involvement of ward committees in CBP, IDP, Budget preparations and other policy formulation	Ward committees Action Plan	Quarterly meetings	4 Meetings held

Number of community ward plans developed	Ward development plans	All ward plans developed	All ward plans developed
Percentage of citizens participating in annual CBP, IDP and Budget formulation	100%	100%	100%

3.18 FINANCIAL SERVICES

DEPARTMENT	FUNCTION
Revenue	Billing of All Municipal Accounts Collections and receipting of Municipal Revenue Vehicle Licensing Banking of Municipal funds and Transport dept. Debt Management Reconciliation of Accounts Indigent Register Management MPRA Management Cash Management
Expenditure	Payment of creditors Capturing and Payment of Salaries Cashbook Management VAT submission and reconciliation Reconciliations of accounts Lease Management – Vodacom; Nashua etc Budgeting – preparation of adjustment budget and annual budgets

DEPARTMENT	FUNCTION
SUPPLY CHAIN MANAGEMENT	Acquisition Management sourcing of quotations Issuing Orders Liaise with service provider and end users Coordination of tendering process for BSC,BEC and BAC Reporting Contract Management

REPORTING	Asset Management – Updating of Asset register Asset Count Asset movement monitoring Asset reconciliations Insurance Management Cash Management-Investment of funds and reconciliations, funds withdrawals and allocations Loans Management – Reconciliation of Loans account Grant Management- Maintenance of grant register Financial Reporting – AFS,IFS,QFS,Sec 71 and 66 all reporting matters to NT,PT AG ETC

Staff Complement

SNR ACCOUNTANT	**DEPUTY CFO**
Expenditure - 1 (Accountant)	Reporting –1 (Accountant)
Revenue – 3 (Accountant, Billing Clerk, Cashier)	SCM – 2 (Accountant, SCM Practitioner)

The department is highly under staffed hence in the new budget the CFO has proposed additional staff, which are `PA, Expenditure Clerk, Payroll Clerk, SCM Practitioner and Reporting Clerk
ILM has been receiving unqualified audit report for the past five years and during 2014/2015 audit report the municipality also received unqualified audit opinion with only one matter of emphasis.

3.19 HUMAN RESOURCE SERVICES

Impendle is continuously striving to improve the working conditions of its employees, and for continuously capacitating them through training and other interventions. Most importantly, the Municipality is committed to promoting Employment Equity, particularly, the promotion of women to management and other higher positions.

In order to realize these ideals, Impendle had placed the development of workplace skills plan and Employment Equity Plan at the Centre of its performance for 2014/15. The Municipality has managed to develop both the workplace skills plan and Employment Equity Plan as planned. In addition, the Impendle has a policy on Individual Performance Management System (IPMS) for Senior Management in order to appropriately assess the performance of its employee.

Table 3.16.1: Human Resources Indicators

Indicator	2014/15 Delivery Agenda	Target	Actual Annual Achievement
Workplace Skills Plan submitted	April 2015	100% Employees trained	50%
Council approved EE Plan and 5 year Implementation Plan by Council	No. of women employed in the three highest levels	1	0
Approved policy on Individual Performance Management System (IPMS)	Draft IPMS policy	IPMS policy approved by Local Labour Forum and Municipal Council	Draft Policy on IPMS

Table 3.16.2: Employment Equity Targets, 2014/2015

Employment Equity	Target	Actual
Black people employed in the three highest levels of management	4	4
Women employed in the three highest levels of management	3	3
People with disabilities employed in different categories and levels	2%	0
Black people employed in different categories and levels	100%	100%

3.20 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Municipality has adopted the Information and Communication Technology Strategy which is a policy document with projects that must be implemented. The Municipality together with the uMgungundlovu District through Government Information Technology Officers Council (DC22 GTOC) has developed an ICT Blue Print which is a document setting objectives to be achieved and mechanism for implementation. It promotes uniformity of all ICT activities within the UMgungundlovu Family of Municipalities. The Strategy consists of the following policy documents:

- Disaster Recovery Plan
- Business Continuity Plan
- ICT Governance Framework
- Master System Plan (Business Plan (Strategy)

COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD and PERFORMANCE ASSESSMENTS

The above-mentioned strategic priorities as identified in the IDP, cascades into the Performance Management System of the Municipality through the 5 year organisational score-card ***(Appendix 1).***
For the 2014/15 financial year, a total of 115 Key Performance Indicators which were derived from five National KPA(relevant and applicable) are evaluated against targets set as summarized below:-

KEY PERFORMANCE AREA	TARGET MET	TARGET NOT MET	TARGET NOT MET BUT IN PROGRESS	TOTAL NUMBER OF TARGETS
Service Delivery and Infrastructure Development	7	1	1	9
Financial Viability	30	1	1	32
Social and Local Economic Development	8	4	2	14
Good Governance and Public Participation	11	4	3	13
Municipal Transformation and Institutional Development	27	14	6	47
Total	83	24	13	115

From the above table there are a total of 115 key performance indicators, having 83 of targets achieved. All the key performance indicators on the organisational score-card are linked to the IDP. With 24 of targets were not achieved, with 13 **o**f targets being partially achieved which is caused by, the key performance indicators are still on progress or they were nearly completed when that certain project or plan ended.

The graph below illustrates the Percentage performance against each KPA as included in the organisational score-card for the 2014/15 financial year.

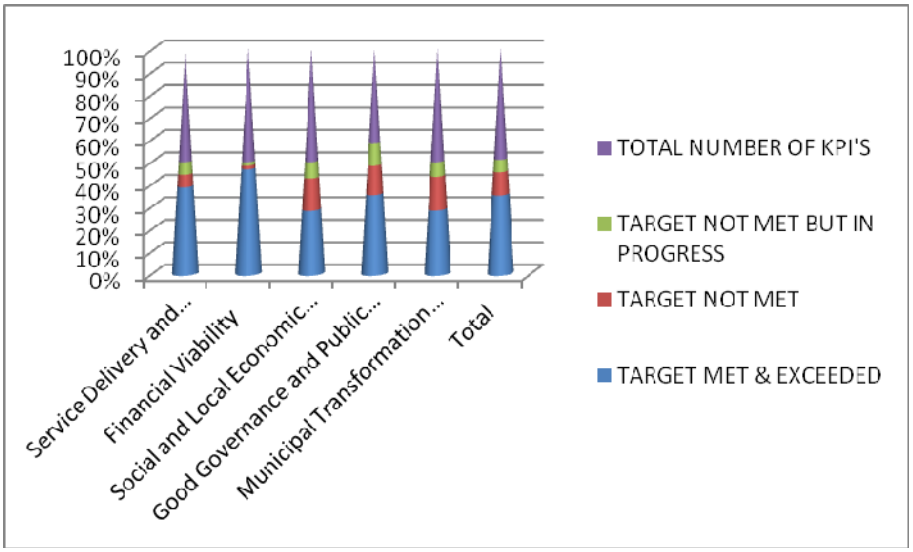


Figure 1 Performance against National KPA's 2014/15

SERVICE DELIVERY BUDGET IMPLEMENTATION PLANS (SDBIP) 2014/15

Performance on SDBIP's for each of the departments with the assessment being done on reviewed Actuals against Portfolio of evidence submitted by departments. This is still subject to an auditing and verification process. This report is also subject to a formal evaluation process being conducted by the Municipal Manager.

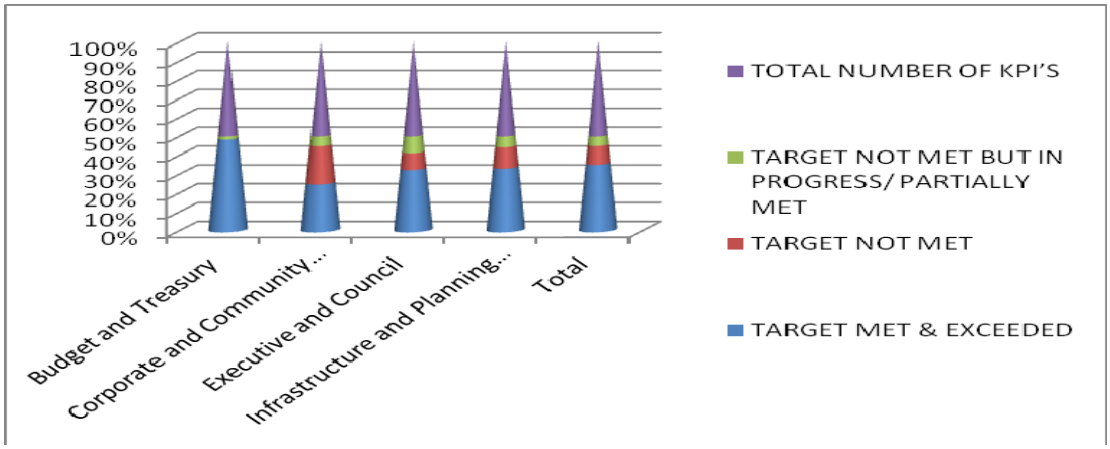
The methodology used for the assessment is based on the rating calculator for Municipal Manager's and managers directly accountable to the Municipal Manager, as well as the Dashboard used by the Auditor-General. The Score-cards were reviewed against actuals reported against submission of Portfolio of evidence which was also subject to an internal audit process.

	TARGET MET & EXCEEDED	TARGET NOT MET	TARGET NOT MET BUT IN PROGRESS/ PARTIALLY MET	TOTAL NUMBER OF KPI'S
Budget and Treasury	30	0	1	31
Corporate and Community Services	15	12	3	30
Executive and Council	15	4	4	23
Infrastructure and Planning Services	12	4	2	18
Total	72	20	10	102
Percentage	71%	20%	10%	

The total number of KPI's on the performance score-cards on the Departmental SDBIP's is 102, of which targets on the score-cards forms the basis of this assessment.

From the table above, 72 KPI's (71%) of targets have been met for the year under review on the SDBIP's holistically, with 20% of targets either partially met or still in progress. Only 10% of the targets are not met at all where an intervention is required.

The following is a Graphical representation of performance by Department.



Departmental SDBIP Performance 2014/15

In relation to the departmental performance against the budget (operating and capital expenditure), the following table and graph illustrates comparisons of these two aspects:-

DEPARTMENT	OPEX PERFORMANCE (EXPENDITURE)		OPEX%	CAPEX PERFORMANCE		CAPEX%	%age of KPIS MET
	Budget	Actual	%age	Budget	Actual	%age	KPIs
Budget and Treasury	10,830,000	12,810,591	118%	0	0	0%	75%
Corporate Services and Community Services	17,020,000	8,969,927	53%	0	0	0%	43%
Executive	7,046,000	7,520,974	107%	0	0	0%	67%
Infrastructure and Planning	15,439,000	14,022,709	91%	21,767,000	20,577,907	95%	66%
Total	**50,340,000**	**43,324,201**	86%	**21,767,000**	**20,577,907**	**95%**	**62%**

The Graph below illustrates performance of department in relation to each other against the Operating, Capital expenditure and the non-financial performance based on %age of targets met

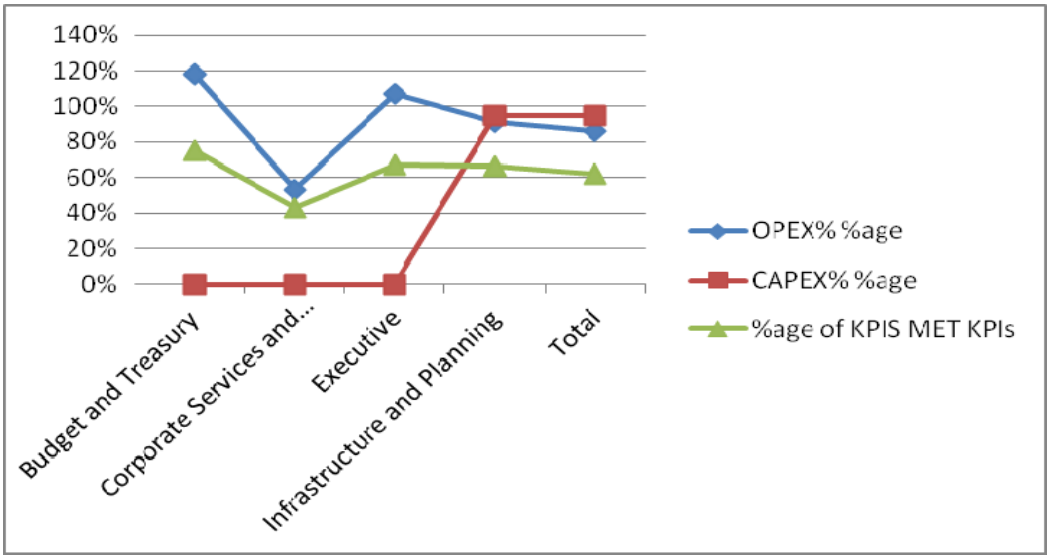


Figure 2 : Departmental Performance : Financial/Non financial

CAPITAL PROGRAMME PERFORMANCE 2014/15

A detailed capital status report highlighting the status of the capital programme as at the 30 June 2015 is included in the Annual Report ***Appendix***.

This assessment is based on reported information only as well as a technical review against the submitted Portfolio of evidence. The assessment is also subject to an internal audit and verification process.

The status of the capital program is illustrated below:

DEPARTMENT	COMPLETED	IN PROGRESS	INTERVENTION	TOTAL NUMBER OF PROJECTS	Budget spent
Budget and Treasury	0	0	0	0	0%
Corporate and Community Services	0	0	0	0	0%
Executive and Council	0	0	0	0	0%
Infrastructure and Planning Services	11	5	2	18	95%
%AGE	61%	28%	11%	18	

It should be noted that only the Infrastructure and Planning Services Department that have capital projects, other Department perform supporting services within the Municipality. From the above table 61% of projects were completed during the 2014/15 financial year with 28% of project still in progress. 11% of projects were either not commenced with or require an intervention.

The total number of projects under review is 18 of which 61% have already been completed. 28% of the projects are in progress, of which many of the projects are not aligned to the cash flow projections approved at the beginning of the financial year e.g Novuka Road.

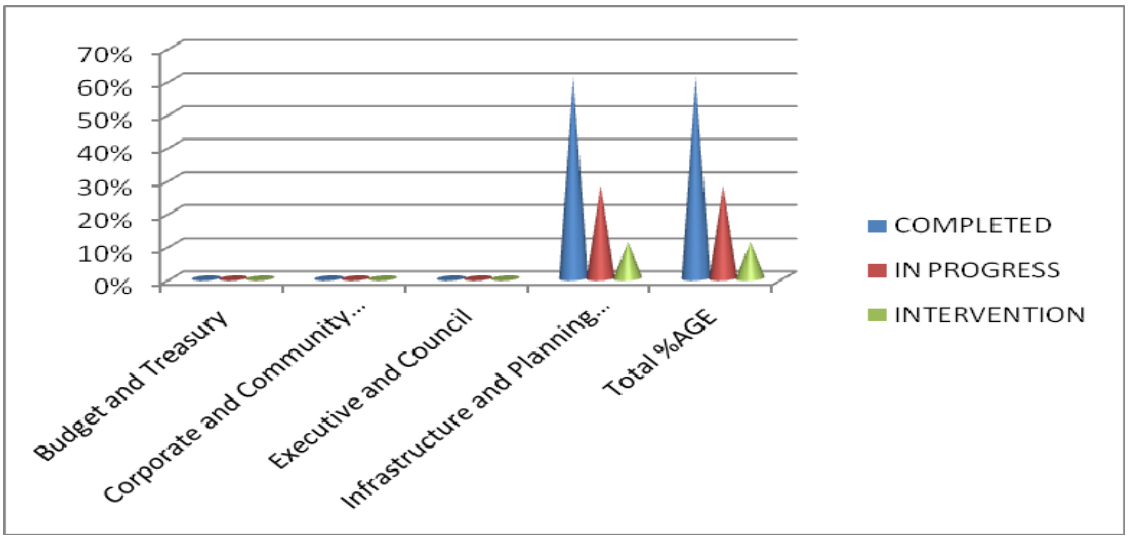
Whilst reasons for variance and recommended corrective action have been specified for projects that challenges such as Lotheni Electrification are being experienced against, adjustments through roll-overs as indicated for a few projects are inevitable. There is also a need to find savings on some projects to fund the completion of others.

Project Implementation plans encouraged at the beginning of the year to serve as a tool to be used for the planning and monitoring of projects against cash flow projections are not being utilized effectively. Interdepartmental co-ordination and co-operation is also encouraged at the planning stage to ensure alignment with planned targets.

For this purpose, joint door-to-door visits to Departments between Office of the Municipal Manager and Budget and Treasury Office were carried out during year. Regular Extended Management Committee Meetings (Manco) were also convened to monitor and curtail expenditure. The year under review also saw the Financial Recovery Committee

actively monitoring the performance against the expenditure with joint Council Representatives/Extended Manco meetings.

The performance against the capital programme has seen a steady progressive performance of 72% in relation to the poor performance expenditure of 54% in the previous financial year.



OVERALL COMMENT

1. The progress and performance made in respect of meeting organisational and operational targets are commended.
2. Additional monitoring, evaluation and review at a Departmental level on at least a monthly basis is compulsory to encourage adherence to planned programmes especially the capital programme.
3. Internal co-ordination systems and processes require review to ensure improved co-ordination.
4. Alignment of the Financial System to the Performance Management system must be fast tracked.
5. Internal Auditing processes should be seen as supportive of and value-adding to the performance management process.
6. Record keeping and document management approaches will determine the quality of the evidence to be submitted for evaluation purposes
7. Performance management capacity to be increased organisational wide to improve processes

1. That Heads of department ensure that the performance information and the Portfolio of Evidence is submitted timeously;

2. That evidence submitted be signed off in order to ensure that information is valid and correct

3. That Head of department and responsible managers conduct monthly meetings to monitor compliance with all targets and reporting requirements

4. That alignment of financial and non-financial performance information be fast tracked, and that BTO support departments in this regard

5. Regular monitoring and oversight required for all targets set

6. That project task teams be established for all projects where co-ordination and integration is required
7. That a system be developed to ensure monitoring of all service providers

8. That Intergovernmental Relations structures be established to better align and co-ordinate development priorities and reporting requirements for the municipality

9. That a baseline study be conducted on basic services to ensure alignment with internal statistics, StatsSA and other sources.

PERFORMANCE HIGHLIGHTS 2014/15

BASIC SERVICE DELIVERY PERFORMANCE and ACHIEVEMENTS 2014/2015

Basic Service	*Key Performance Indicators*	*Demand 2014/15*	*Baseline*	*ACTUAL ACHIEVED AS AT 30 JUNE 2015*	*BACKLOGS AS AT 30 JUNE 2015*	*%AGE BACKLOGS AS AT 30 JUNE 2015*
Community Facilities	Number of Community Hall/Crèche's	3	0	3	0	0%
Electric Provision	No. of HH have connection to electricity	367	0	0	367	100%
Refuse Removal	Number of Households with access to basic (or higher) refuse removal	8203	247	67	8136	99%
Roads	Kilometres of new municipal roads constructed	5km	0	5km	0km	0%

ASSESSMENT OF SERVICE PROVIDERS 2014/15

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement and is currently being done by SCM . The end user departments monitors performance of Service providers who fail to perform the necessary action is taken including the termination of the contract or cancellation of an order is taken by the relevant department.

The following assessment key is used for this purpose :-

Assessment Key	
Good (G)	The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract
Satisfactory (S) / In Progress	The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract / contract still in progress
Poor (P)	The service has been provided below acceptable standards

The following are the service providers engaged in each business unit during the 2013/14 financial year.

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
	African Link	Travel and Accommodation Services	R171.00 per person	01/12/2013	Existing Contract	N/A	
	Project management Unit	Isaluleko Projects Managers	R 1,793, 000.00	18-Nov-13	Still onsite		
	Internal Auditing	Aarot Solutions	R 214,240.00	24-Jul-13	30 June 2016		
	Electrification of Lotheni	Khuphukani Electrical cc	R 8, 640,785.04	14-Nov-13	Still onsite		
	Construction of Ntokozweni Road	Burewa Trading 206	R1,068,154.99	29-Apr-14	16 Aug 2014		
	Installation of Silo & weigh bridge	Mageza & sons Construction	R 3, 314,322.00	29-Oct-13	Complete		
	Electrification of Swampo area	Ezweni Electrification	R 1,091,458.80	14-Aug-13	Complete		

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
	Construction of Impendle Mill	Eyamakhosazane Trading cc	R 754,933.30	13-Sep-13	Complete		
	Hlelolusha Hall & Creche (ward 4)	Goqo Bussiness Enterprise cc	R 2,754,917.05	04-Jan-14	Complete		
	Mayilitshe Hall & Creche (ward 2)	Bright idea Project 2044	R 2,635,169.77	04-Jan-14	Complete		
	Construction of Mahlutshini Hall	Mnguni Well cc	R2,666,125.98	18-Jun-14	Still on site		
	Construction of Ntokozweni Hall	Pat Construction and Civil Works	R2,155,709.62	29-May-14	Complete		

BID NO.	DESCRIPTION	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT TERMINATED	REASON FOR TERMINATION	Assessment of Service Provider's Performance
	Upgrade of Mafahleni Street	Mageza & sons Construction	R3,670,984.74	23-Jun-14	Complete		
	Concrete remedial works at Impendle Maize Mill Plant	Amacorp 70 cc	R235,222.90	14-Oct-13	Completed		
	Installation of Sprinkler System at Impendle Mill Plant	Mageza & sons Construction	R2,696,100.00	29-Oct-13	Complete		

Organisational Scorecard

Color Coding		
Achieved	In Progress/Partially Achieved	No Achieved

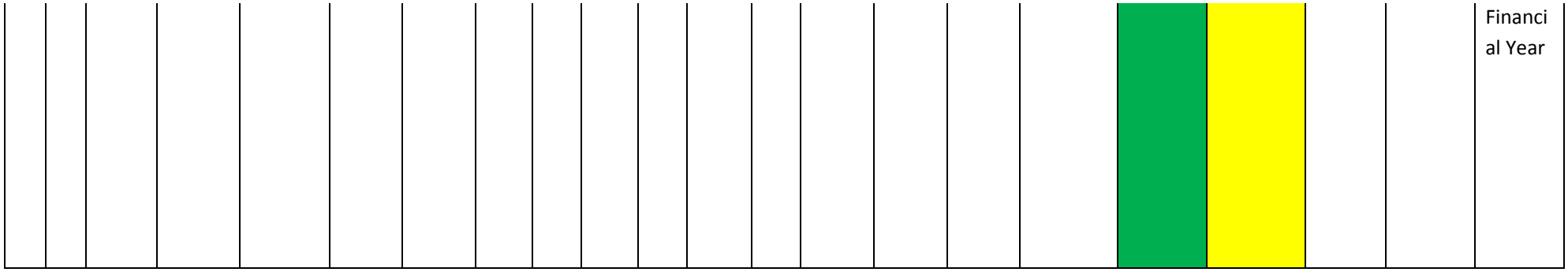
ORGANISATIONAL SCORECARD AND PERFORMANCE REPORT FOR 2014-2015 FINANCIAL YEAR																					
Organisational	National KPA	Objective	Strategies	Measurable Outputs	Performance Measure/ Indicator	Annual Target	Q1		Q2		Q3		Q4		Total Budget For the Year	Responsible Official/ Department	Annual Target Achieved 2014-15	Annual Target Achieved 2013-14	Portfolio of Evidence	Reason For Varience (Blockages(	Planning Intervention (Corrective Measure
							Target	Actual	Target	Actual	Target	Actual	Target	Actual			Yes/No	Yes/No			
															R		Current Year	Previous Year			

01 IGR 1	**Municipal Transformation and Institutional Development**	To promote effective Good Governance within the district Family of Municipalities	Participate in the IGR within the District	Mayor's Forum meetings attemded as per legislative prescripts	No. of Mayor's Forum meetings held	4	1	1	1	1	1	1	1	1		Com Officer: OMM			Minutes and attendance of meeting		
01 IGR 2				MM Forum meetings attended as per legislative prescripts	No. of MM Forum meetings attended	4	1	1	1		1	1	1	1		Com Officer: OMM			Minutes of meeting and/or attendance register		

01IGR3				Cluster meetings held as per Calendar of scheduled meetings	No. of ICT and Communications Cluster is held	4	1	1	1		1	2	1	3		Com Officer: OMM			Minutes of meetings/attendance register		
01IA4		To ensure optimal Institutional Structure for efficient and effec	Review and Implement Organogram with adequete capacity	Adopted organisational strucure	Date of Adoption	Sep-14	1	0	Inhouse	N/A	N/A	N/A			N/A	N/A			Structure and Council Resolution		No new posts created

		tive service delivery																		
CORP 01		To Provide skills development programme for staff Councillors and unemployed	Secure funds for Skills Development programmes	Budget Spent for Workplace Skills Plan and Seta programmes	Actual Amount Spent	R 2,067,000.00	N/A	N/A		N/A	N/A		N/A	N/A	R 2,067,000	R 2,067,000.00			Training Requisitions		Trainings will be budgted in the new Financial Year. Service Providers appointed for SETA funded trainings

CORP 02		youth		TO ensure that Critical s Skills Gaps is closed	Number of Staff Trained	50	N/A	N/A	50000.00	N/A	N/A	In house	50	50	20	N/A			Training Attendance register		Service Providers have been appointed for SETA funded Trainings which will commence later in 2013. Trainings will be budgted in the new

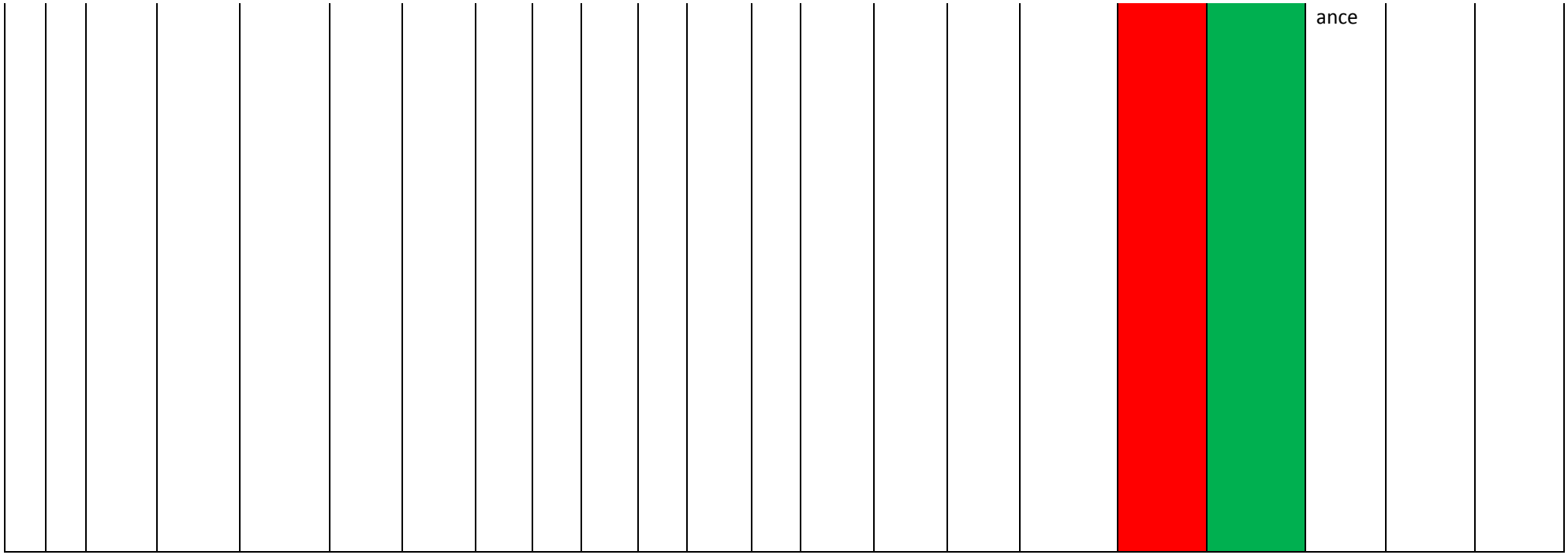

Financi
al Year

CORP 03		To ensure that the Employment Equity Targets are met	To implement the Employment Equity policy	Employment Equity target groups employed	No of peopple from Employment Equity Target Group employed in the 3 Highest level of mana	1	1	1	Inhouse	N/A	N/A	N/A	0		N/A	N/A			Appointment letters		

					gemen t															
CORP 04				Update Employment Equity Report	Date of Submission	Oct-14	N/A	N/A	N/A	1	1	N/A			N/A	N/A			Confirmation of receipt Dept of Labou		

																		r		
CORP 05				Update Employment Equity Plan	Date of Adoption by Council	Jun-14	N/A	N/A	N/A	N/A	N/A	In house			N/A	N/A			EE Plan; Council Resolution		
CORP 06		To ensure that critical post are filled	Fill all vacant funded post	Funded vacant posts (other than S57 posts)	No of Critical vacant Posts filled	7	N/A	N/A	Inhouse	N/A	N/A	N/A	0		1	1			Appointment letters		To provide for in the next financial year

		To ensure adequate Human Resource Management	Annual review of HR Policies	Review HR Policies	No of Policies Reviewed	7	N/A	N/A		N/A	N/A	In house			7	0			Recruitment and Selection, Leave Management,Busary Policy, Housing Allowance, Training Policy, S&T, Travell Allow		Propesed date were postponed ,the reviewed date will be adhere to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CORP 08					Date of Approval	Jun-15	N/A	N/A		N/A	N/A	N/A	Jun-15		N/A	N/A			Council Resolution		Policies and the HR Manual will be reviewed in April 2014 to inform 2014/2015 budget.

CORP 09		To Promote Employee Wellness and Health and Safety	Development of Employment Wellness and Health and Safety Policy	Wellness and Safety Policy developed	Date of Adoption	Jun-15	N/A	N/A	N/A	N/A	N/A	In house	Jun-15	0	N/A	N/A			Policy, Council Resolution		Policies and the HR Manual will be reviewed in the next financial year
CORP 10			Organise/conduct Health &Wellness Fairs/Programmes	Wellness and safety programmes implemented	No of programmes undertaken	2 Programmes	1	0	In house	N/A	N/A	N/A	0		N/A	N/A			Pictures, Confirmation/Appointment of the Service		DOH and Medical Agencies i.e Bonitas / LA Health will be

																			Providers		engaged.
CORP 11		To Improve the standard of administrative	Review of Electronic Records Management Syste m		Date of Review	Jun-15	N/A	N/A	Inhouse	N/A	N/A	Inhouse	Jun-15	0	Inhouse				Reports from RQ Tech		

		and auxiliary support	To Review Records Management Policy	Records Management Policy and implementation programmes conducted	Date of Adoption	Jun-15	N/A	N/A	In house	N/A	N/A	N/A	Jun-15	0	N/A	N/A			Policy, Council Resolution		
CORP 12			Develop of Council, LLF, Sports and Portfol	Council Meetings Callendar Adopted	Date Adopted	Dec-14	N/A	N/A	N/A	N/A	N/A	N/A			1	1			Calendar and Council Resolution		

CORP 13			io Committee Meetings calender	Monthly meetings with the Council	No of Council Meeting held	12	3	4		3	4		3	4	3	4			Attendance Register and Council Minutes		
CORP 14				Monthly meetings with the Corporate and Community Portfolio Committee	No of meetings held	4	1	0		1	0		1	0	1	0			Attendance Register and Minutes		

CORP 15				Monthly meetings with the Local Labour Forum (LLF) Porfolio Committee	No of meetings held	4	1	0		1	0		1	2	1	2			Attendance Register and Minutes		
CORP 16				Monthly meetings with the Sport Portfolio Commi	No of meetings held	4	1	0		1	0		1	0	1	0			Attendance Register and Minutes		

				ttee																
		To improve Organisational Development	Promote the Human Resource Development	Hold Staff meetings	No of the meeting	4	1	2	1	0	1	3	1	1		HODs	Yes		Minutes of Meetings and attendence register	Projects were not moving as intended and the Post of the I&PDS is vacant	

		ent and transformation	Promote Acountability in the affairs of the Municipality	Submission of agenda items/reports to the MM for inclusion in the Council agenda	Reports Submitted	48	12	12	12	12	12	12	12	12	In House	HODs	Yes		Minutes of Council		
		To improve access to basic levels of services		Prepare and Implement a departmental business plan	Developed Business Plan/ Progress Report on the Implementation	4	1	1	1	1	1	1	1	1	In House	HODs	Yes		Business Plans		

					of the plan																
01 ICT 3		Provide a secure IT infrastructure which delivers appropriate levels of data Confidentiality,	By ensuring that the ISS Policy is being implemented from the security side	Montlhy checks up on functional of devices	No. of check ups on functional of devices	12	3	0	3		3	3	3	3		Act M: ICT	Yes		Log in screen shot		

		Integrity and Availability.																		
01 ICT 4		To ensure that ICT serice providers cotracts are uptodate	Review of Developed and sign SLAs	Siged SLAs	No. LSAs signed	2	2	2	N/A	N/A	1	0	N/A	N/A					Copy of Signed SLAs	There was no services required for that period	

01 ICT 5		To promote A close alignment between IT and Business Units.	Monitoring and Supervise implementation of Policies	Annual Review ICT Policies by ICT Steering Committee	Number of reviewed ICT Policies submitted for Council Adpotion	5 by December	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		MM			ICT Policies, Minutes, Council resolution		

01 ICT 6		Focussing on the continuous Development of People, Processes and Technology	Ensure realible IT business process systems high avaiablity to the end users	Municipal training of users on basic end user application	No of training courses conducted	4	N/A	N/A	3	0	1	0	1	0					Attendance Registers, Appointment letters of Service Providers	There was no training as a decision is still awaited for the award of training providers that will provide the specific training	

		To improve Organisational Development and transformation	Coordinate the activities of the portfolio committee for infrastructure and Planning	Hold Portfolio Meeting	No. of Meeting	12	3	1	3	0	3	3	3	2	Inhouse	HODs			Minutes and attendance Register	Postponements	Set dates must be adhered to

01 IA 1				Quarterly Audit Reports submitted to Council	No. of Audit Reports submitted	4	1	1	1	1	1	1	1	1		GM: IA			Audit Reports, Council Resolution		
01 IA 2		To provide reasonable assurance on the adequacy and effectiveness of the Audit Comm	Implementation of the Audit committee charter	Coordinate the Audit Committee Meetings	No of Meetings	4	1	1	1	1	1	2	1	1		GM: IA			Audit Committee Minutes, Attendance Registers		

		ittee																		
01 IA 4		To provide reasonable assurance on the adequacy and effectiveness of Risk Management	Quarterly Monitoring of the Risk register	Reviewed Risk Regiser	Reviewed Risk Register	4	1	1	1	0	1	1	1	0		MM			Risk Report	Time constraints	

01 PMS 1		To ensure accountability through performance driven operations	Development of the SDBIP	OPMS reviewed and implemented	Date of submission of SDBIPs	30-Jun	N/A	N/A	N/A	N/A	N/A	N/A	30-Jun	26-06-2015		MM			Council Resolution		
01 PMS 2					No. of Municipal Performance Reports submitted	4	1	0	1	1	1	1	1	1		MM			Performance Reports	Reports and Council Resolution	
01 PMS 3			Development of Sec 56 Performentce agreements with performance plans	IPMS for Section 56 / 57 Managers reviewed and implemented	No. of Performance agreements signed	4	4	4	N/A	N/A	N/A	N/A	N/A	N/A		MM			Signed Performance Agreements		

01 PMS 4					No. of Section 56 / 57 employee appraisals conducted	4	1	0	1	0	1	1	1	1		MM			Minutes of appraisal Meetings		
01 PMS 5		To ensure that the Public is kept informed	Development of Annual Report in terms of MFMA	Annual Report developed and adopted	Date of adoption by Council	31-Mar-15	N/A	N/A	N/A	N/A	31-Mar-15	30/3/2015	N/A	N/A	N/A	MM			Council Resolution		
01 ID 1				Oversight Report adopted	Date of adoption by Council	31-Mar-13	N/A	N/A	N/A	N/A	31-Mar-13	30/3/2015	N/A	N/A	N/A	MM			Council Resolution		

			Development of the IDP Process Plan	adoption of the IDP Process Plan	date of Adoption	30-Aug	30-Aug	30-Aug	N/A	N/A	N/A	N/A	N/A	N/A					Council Resolution		
01 IDPCS		To ensure integration of developmental programs and projects in the Municipal area	Develop comprehencive IDP Document	Holding IDP Rep Forum Meetings	2 Rep forum meetings conducted	2	N/A	N/A	N/A	N/A	1	0	N/A	N/A		IDP/PMS MANAGER			Minutes and attendance register	BudgetaryConstraints	

01 IDP 1			A credible IDP developed	Date of adoption of Draft IDP	31-Mar	N/A	N/A	N/A	N/A	31-Mar	30/3/2015	N/A	N/A	N/A	M: IDP			Council Resolution		
			A Credible IDP adopted.	Date of adoption of final IDP	30-Jun	N/A	N/A	N/A	N/A	N/A	N/A	30-Jun	26-06-2015		M: IDP			Council Resolution		
01 CS 2		To ensure that the Public is kept informed	Ensure Effective Functioning of Ward Committees	quarterly Minutes of ward Committee Meetings	No. of Minutes of the ward committeee meetings submitted	16	4	3	1		4	3	4	4		Act Com M			Copy of Minutes		

		Promote sustainable Land Use Management	Development of Land Use Schemes (LUSs)	LUSs approved by Council	Date of Approval	Mar-15	N/A	0	N/A	0	Mar-15	0	N/A	0%	Operational	IPSM			Council Resolution		
			Processing Development Aplications	Development Applications Aproved	No. of Development Applications Approved	5	1	1	1	2	1	1	1	1	Operational	IPSM			Council Resolution		
		Provide research and plan outputs as requir		GIS support to all units of the ILM	Shared Services Reports	24	6	1	6	1	6	6	6	1	Operational	IPSM			GIS Reports		

		e																		
01 MTAS		To Review and update the Turnaround Strategy		Reviewed Strategy	Date of Adoption	30-Sep	1	1	N/A	N/A	N/A	N/A	N/A	N/A					Council Resolution Back to Basics replacing Turnaround Strategy		

COMM01	**Social and Economic Development**	To Promote Social Cohetion	Promotion of art and culture activities	Development of Arts, Culture Programme Implementation Plan	Date of adoption	**Sep-14**	Sep-14		Inhouse	N/A		N/A	N/A		N/A	N/A			Council Resolution and Completed Plan		To Engage the DOA&C to assiste in the reviewal of the Plan to ensur alighnement with their plans.

COMM02			Implementation of Art and Culture Plan	No. of Arts and Culture Activities	4 (Workshop, Reed Dance, Competitions, Indoni	2		N/A	N/A		N/A	N/A		N/A	1			Pictures & Reports		
COMM03	To Promote sports and recreation	Hold Meetings with Sports Council	Hold quarterly meetings	No of Meetings held	**4**	1		Inhouse	1		Inhouse	1		Inhouse	1			Minutes and attendace register		
COMM04		Facilitating Annual Sport	Hold annual sports events	Number of sport	6	1		62,500	3		187,500	1		62,500	1			Pictures & Reports		

		Events		s events															
COMM05			Participate in SALGA Games	Date of the Event	December 2014	N/A		N/A	31 December 2014		350,000	N/A		N/A	N/A			Pictures & Reports		
COMM06	To Promote Youth Development	Conduct youth summit	Municipal Youth Forum Established	Date Established	**Dec-14**	1	0	Inhouse	N/A		N/A	N/A	N/A	N/A	N/A			Minutes of meetings		To develop a Business plan and request funding from

																				DOS
COMM07		To effectively manage and coordinate HIV/AIDS response	To the Review the strategy	Reviewed the HIV & AIDS Strategy	Date Reviewed and Adopted	31 March 2015	N/A		N/A	N/A	31 March 2015	0	N/A	N/A	Inhouse	N/A			Council Resolution		have requested the District Advisory Forum from the Office of the Primier to

		throughout the Municipality																		assist.
COMM08			Early Childhood Development	Hand over Creches to DSD and DOE	No of creches handed over	Jun-15	N/A		N/A	3333		33,333	3		33,333	3			Pictures & Reports		DSD did not have budget to take them

COMM09			Support Elderly Activities	Hold Wellness Games	4	4	4		N/A	N/A	37,500	N/A	N/A	37,500	N/A			Pictures & Reports		Will engage the DOSS
COMM10			Advocacy campaigns conducted	Nood Campaigns	4	1	0	18,750	1	0	18,750	1	0	18,750	1			Pictures & Reports		
COMM11		To promote local writers	Ubucikho Bokubhala	Support to emerging writers/poets	2	1	1	25,000	N/A		N/A	1	1	25,000	N/A			Attendance Register		

			Critical Skills Awareness Expo	Conduct Annual Career Expo	No of Career Expo conducted	Mar-15	N/A	N/A	N/A	N/A	Mar-15	0	N/A	1		N/A			Pictures & Reports		To be revisited in the new financial year.
		To create conducive environment for job creation	Development of Economic Development Policies	Reports submited to Council	No. of reports submited to council	2	1	1	1	3	N/A	3	1	1	Operational				Report submitted to council		
		To create job opportunities	Implementation of EPWP and CWP	Business plan for labor intensive	No. of Jobs created	68 + 1080	68+1080	Time sheet	68+1080	Time sheet	68+1080	70 +968	1148		R1.6m				Time sheet, business plan		

				programmes																
	Basic Services and Infrastructure Development	To improve access to basic levels of services	Construction of New Roads	Construction of 0.6km New Nhlabamkhosi Gravel Road	No. of Km Constructed	0.6 Km	100 %	100%	N/A	N/A	N/A	N/A		N/A	R 211,031,460.00	IPSM			Progress Report		
		To improve access to basic		Construction of 1km New Ntokozweni	No. of Kms of Road Constructe	1 km	100 %	90 %	100 %	90.00 %	N/A	N/A		N/A	R 1,203,750.00	IPSM			Progress Report		

		levels of services		Gravel Road	d														
		To improve access to basic levels of services		construction of 1.5 kms for Mafahleni Road	No. of Kms of Road Constructed	1.5 km	100 %	98 %	N/A	98.00 %	100 %	100.00%	N/A	N/A	R 5,300,000.00	IPSM			Completion Certificate/Closeout report		
		To improve access to basic level		Completion of Mayilitshe Creche	Completed Creche	100.00%	100 %	85 %	100 %	100%	N/A	N/A	N/A	N/A	R 3,300,984.00	IPSM		New	Progress Report/ Completion Certificate		

		s of services																	
		To improve access to basic levels of services		Completion of Hlelolusha Creche	Completed Creche	100.00%	100%	100%	N/A	N/A	N/A	N/A	N/A	N/A	R 3,300,984.00	IPSM		New	Completion Certificate		
		To improve access to basic levels of		Completion of Ntokozweni Creche	Completed Creche	100.00%	50%	30%	100%	60%	100%	100%	N/A	N/A	R 3,560,904.00	IPSM		New	Progress Report		

		servi ces																	
		To impr ove acces s to basic level s of servi ces		Comple tion of Mahluts hini Creche	Compl eted Crech e	1	50%	40. 00 %	100 %	60 %	100 %	60 %	N/A	N/A	R 3,560,9 04.00	IPSM		New	Progres s Report and site Minute s		
		To ensur e busin ess Conti nuity throu th	Ensure that all vehicle s and Plant are maintai ned	Monthl y monitor ing of records books	No. of report s submi ted Manc o	12	3	3	3	2	3	3	3	3	Operati onal	IPSM		New	Fleet ststeme nts		

		Effective fleet																		
		Quarterly assessments		100% of grant funding spent	MIG Reports	12	3	3	3	3	3	3	3	3	Operational	IPSM		New	Manco Minutes		
				Quarterly Audit Reports submitted to Council	No. of Audit Reports submitted	4	1	1	1	1	1	1	1	1		GM: IA			Audit Reports, Council Resolution		
	Good Governance and	To provide reasonable assurance on the adequ	Implementation of the Audit committee charter	Coordinate the Audit Committee Meetings	No of Meetings	4	1	1	1	1	1	2	1	1		GM: IA			Audit Committee Minutes, Attendance Registers		

		acy and effectiveness of the Audit Committee																		
		To provide reasonable assurance on the adequacy and effectiveness of Risk Management	Quarterly Monitoring of the Risk register	Reviewed Risk Regiser	Reviewed Risk Register	4	1	1	1	0	1	1	1	0		MM			Risk Report	Time constraints	

		To ensure accountability through performance driven operations	Development of the SDBIP	OPMS reviewed and implemented	Date of submission of SDBIPs	30-Jun	N/A	N/A	N/A	N/A	N/A	N/A	30-Jun	26-06-2015		MM			Council Resolution		
					No. of Municipal Performance Reports submitted	4	1	0	1	1	1	1	1	1		MM			Performance Reports	Reports and Council Resolution	

			Development of Sec 56 Performentce agreements with performance plans	IPMS for Section 56 / 57 Managers reviewed and implemented	No. of Performance agreements signed	4	4	4	N/A	N/A	N/A	N/A	N/A	N/A		MM			Signed Performance Agreements		
					No. of Section 56 / 57 employee appraisals conducted	4	1	0	1	0	1	1	1	1		MM			Minutes of appraisal Meetings		
		To ensure that the Public is kept	Development of Annual Report in terms of	Annual Report developed and adopted	Date of adoption by Council	31-Mar-15	N/A	N/A	N/A	N/A	31-Mar-15	30/3/2015	N/A	N/A	N/A	MM			Council Resolution		

		informed	MFMA																	
				Oversight Report adopted	Date of adoption by Council	31-Mar-13	N/A	N/A	N/A	N/A	31-Mar-13	30/3/2015	N/A	N/A	N/A	MM			Council Resolution		
			Development of the IDP Process Plan	adoption of the IDP Process Plan	date of Adoption	30-Aug	30-Aug	30-Aug	N/A	N/A	N/A	N/A	N/A	N/A					Council Resolution		
		To ensure integration of developmental programs	Develop comprehencive IDP Document	Holding IDP Rep Forum Meetings	2 Rep forum meetings conducted	2	N/A	N/A	N/A	N/A	1	0	N/A	N/A		IDP/PMS MANAGER			Minutes and attendace register	BudgetaryConstraints	

		and projects in the Municipal area																		
				A credible IDP developed	Date of adoption of Draft IDP	31-Mar	N/A	N/A	N/A	N/A	31-Mar	30/3/2015	N/A	N/A	N/A	M: IDP			Council Resolution		
				A Credible IDP adopted.	Date of adoption of final IDP	30-Jun	N/A	N/A	N/A	N/A	N/A	N/A	30-Jun	26-06-2015		M: IDP			Council Resolution		

		To ensure that the Public is kept informed	Ensure Effective Functioning of Ward Committees	quarterly Minutes of ward Committee Meetings	No. of Minutes of the ward committeee meetings submitted	16	4	3	1		4	3	4	4		Act Com M			Copy of Minutes		
		Promote sustainable Land Use Management	Development of Land Use Schemes (LUSs)	LUSs approved by Council	Date of Approval	Mar-15	N/A	0	N/A	0	Mar-15	0	N/A	0%	Operational	IPSM			Council Resolution		
			Processing Development Aplications	Development Applications Aproved	No. of Development Applications Approv	5	1	1	1	2	1	1	1	1	Operational	IPSM			Council Resolution		

					ed															
		Provide research and plan outputs as required		GIS support to all units of the ILM	Shared Services Reports	24	6	1	6	1	6	6	6	1	Operational	IPSM			GIS Reports		
		To Review and update the Turnaround Strategy		Reviewed Strategy	Date of Adoption	30-Sep	1	1	N/A	N/A	N/A	N/A	N/A	N/A					Council Resolution Back to Basics replacing Turnaround Strategy		

	Finacial Vaibility		Effective financial management	Capital budget secured for capital projects	% of capital expenditure on capital project within the budget year	14,727,000.00	certificates of expenditure	Implentation plan	certificates of expenditure	implementation pla	certificates of expenditure	implementation pla	certificates of expenditure	N/A	R 14,727,000.00	IPSM			Implementation plan		
BTO 1		To improve expenditure control		Monthly reconciliation of bank balances (Bank Reconciliations)	Number of Reconciliations	12	3	3	3	3	3	3	3	3	3	Financial Services Department/CFO			Reconciliation Reports		

BTO 2				Monthly reconciliation of Creditors	Number of Reconciliations	12	3	3	3	3	3	3	3	3	3				Creditors Reconciliation		
BTO 3				Payment of creditors	Creditors Age Analysis	Within 30 days	Within 30 days	within 30 days	Within 30 days	within 30 days	Within 30 days	within 30days	Within 30 days	within 30 days		Financial Services Department/CFO			Age Analysis		
BTO 4				Compliance with prescribed dates of monthly returns (Section 71 Reports)	Number of monthly returns	12	3	3	3	3	3	3	3	3	3	Snr Account: Budget			Copies of Returns Submitted / Confirmation of Submission (email print outs)		

BTO 5				Compliance with prescribed dates of annual returns	Date of Submisstion	May-13	N/A	N/A	N/A	N/A	N/A	N/A	N/A	May-14	Jun-15		Snr Account: Budget			Copies of Proof of Submitted		
BTO 7		To improve the procurement system		No. of days to place an order	No. of days for requisition less than R30 000 to be converted to a purchase order outstanding	5 days	within 5 days	within 5 days	within 5 days	within 5 days	within 5 days	within 5 days	within 5 days	within 5 days	within 5 days		Financial Services Department/CFO			Report from Pastel		

BTO 8				No. of days to finalise specification of Bid / Tender reduced	No. of days	within 15 days	with in 15 days	wit hin 15 day s	with in 15 days	wit hini 15 day s	withi n 15 days	wit hin 15 day s	within 15 days	within 5 days		Financial Services Departme nt/CFO			Minute s of the Meetin gs		
BTO 9				No. of days to finalise evaluatio n of Bid / Tender	No. of days from close of tender	within 15 days	with in 15 days	wit hin 15 day s	with in 15 days	wit hin 15 day s	withi n 15 days	wit hin 15 day s	within 15 days	within 15 days		Snr Acc: SCM and Reporting			Minute s of the Meetin gs and Tender Adverti sement		
BTO 10				No. of days between the evaluatio n process and the adjudicat ion process	No. of days taken to adjudi cate	within 15 days	with in 15 days	wit hin 15 day s	with in 15 days	wit hin 15 day s	withi n 15 days	wit hin 15 day s	within 15 days	within 15 days		Snr Acc: SCM and Reporting			Minute s of the evaluati on and adjucati on meetin gs		

BTO 11				Legislative compliance (including completion of declaration of interest form by Supply Chain and Finance Personnel)	% of submission of declarations of interest forms completed by Staff	100%	100 %		N/A		N/A		N/A	N/A		Snr Acc: SCM and Reporting			Signed Declaration Forms		
BTO 12		To improve the budgeting and reporting proces		Budget / IDP Process Plan Approved by Council	Date of Submission and Council Resolution	30-Aug	30-Aug	N/A	N/A	N/A	N/A	N/A	N/A	N/A		Financial Services Department/CFO			Council Resoultion		

BTO 13		ses		Submission of all monthly returns (Section 11 Reports)	No. of returns submitted	12	1	1	1	1	1	1	1	1		Financial Services Department/CFO			Section 71 Reports and submission notice (email)		
BTO 14				Submission of all quarterly returns	no of returns submitted	4	1		1		1		1	1		Financial Services Department/CFO					
BTO 15				Submission of all bi annual returns	no of returns submitted	2	N/A		1		N/A		1	1		Financial Services Department/CFO			Proof of Submission		
BTO 16				AFSs submitted on time	Date of submission	30-Aug	30-Aug		N/A	N/A	N/A	N/A	N/A	N/A		Financial Services Department/CFO			Aknowledgemetn of Receipt by AG		

BTO 17				Revaluation of assets and review of economic life span	Revaluation Report	30-Jun	N/A		N/A	N/A	N/A	N/A	30-Jun			Financial Services Department/CFO			Revaluation Report		
BTO 18				Fixed Asset Register reconciled with General Ledger	no of reconciliations	12	3		3		3		3	3		Financial Services Department/CFO			Reconciliation Reports		
BTO 19		To improve income control		Total No. customers - billed	Number of customers billed/ Total No, of Customers-database (%)	100%	100 %		100 %		100%		100%			Fin			Billing Reports		

BTO 20				Cash collected from customers	No. of days outstanding	Within 30 days	Within 30 days	Within 30 days	Within 30 days	Within 30 days	Within 30 days	Within 30 days	Within 30 days	Within 30 days		Financial Services Department/CFO			Billing Reports		
BTO 21				Suspense Account Reconciliation	Monthly reconcilliation of Suspense Account	12	3	3	3	3	3	3	3	3		Financial Services Department/CFO			Bank Reconciliation / Suspense Account Reconciliation Report		
BTO 22				Property Valuation roll	Revised Valuation Roll	########## ####	N/A		N/A		1		N/A			Financial Services Department/CFO			Supplementary Valuation Rolls		
BTO 23				Weekly Banking	Reviewed Weekly Banking Report	52 Weeks	12 Weeks	12 Weeks	12 Weeks	12 weeks	12 Weeks	12 weeks	12 Weeks	12 weeks		Financial Services Department/CFO			Bank Deposit Slips		

BTO 24				Debt coverage ratio	Ratio [(Total operating revenue received) - (operating grants received) / debt service payments due, including interest and capital]	16:01	16:01	16:01	16:01	16:01	16:01	16:01	16:01	16:01		Financial Services Department/CFO			Rations Analysis Report		

BTO 25				Outstanding service debtors to revenue	No. of days debtors are outstanding (Total outstanding debtors / Actual revenue received for services) x 100	30 days	within 30 days	within 30 days	Within 30 days	within 30 day	Within 30 days	within 30 days	within 30 days	within 30 days		Financial Services Department/CFO			Age Analysis		

BTO 26				Cost coverage ratio	Ratio [All available cash at a particular time) + (Investments) - Conditional grants)]/ Monthly fixed operating expenditure)	1:01	1:01	1:01	1:01	1:01	1:01	1:01	1:01	1:01		Financial Services Department/CFO			Ratio Analysis Report		

BTO 27				Quarterly collection rate on billings	% Collection rate *(Total receipts for services/ Total billings for services)*	75%	75%	75 %	75%	75 %	75%	75 %	75%	75%		Financial Services Department/CFO			Ratio Analysis Report		

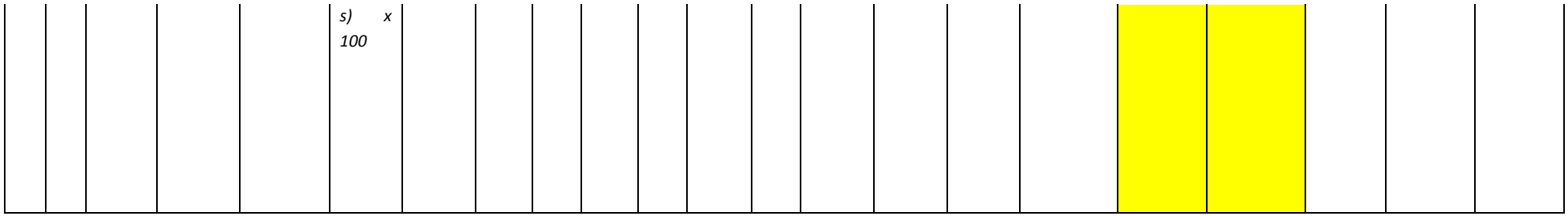
BTO 28				Percentage growth in revenue collected by the municipality as a % of projected revenue target	% Growth in revenue collected *(Actual revenue collected for this quarter/ Targeted revenue collection for this quarter) - (Actual revenue*	80%	50%	50 %	60%	60 %	70%	60 %	80%	80%		Financial Services Department/CFO			Rations Analysis Report		

					collected previous quarter/ Targeted revenue collected previous quarter) x 100%																		

BTO 29				Grants as a % of revenue received	% Achieved *(Total grants received/ Total revenue received) x 100 (DORA)*	25% own revenue	28% own revenue		30% own revenue		32% own revenue		35% own revenue			Financial Services Department/CFO			Grants vs Revenue Received Report		
BTO 30				R debtors outstanding as a % of revenue received for services	% Achieved *(Total outstanding debtors/ Actual revenue receive*	Nil	%		%		%		%			Financial Services Department/CFO			Ration Analysis Report		

					d for service s) x 100															
BTO 31				% of debt over 90 days	% of debtors >90 days *(Total outstanding debtors >90days/ Total outstanding debtors) x*	100%	94,5 %	94, 5%	94,8 %	94, 8%	95%	95 %	95,5%	95,5%		Financial Services Department/CFO			Age Analysis		

					100															
BTO 32				Debtors collected as a % of money owed to the municipality	% Debtors collections *(Actual revenue received for services/ Total outstanding debtor*	100%	15%	15 %	20%	20 %	25%	25 %	30%	30%		Financial Services Department/CFO			Ratio Analysis Report		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CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Table 4.4.4: Comparison of the staff establishment, 2014 and 2015

	Employees				
	Year 2013/14		Year 2014/15	2014/15	2014/15
Description	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Finance Department	14	16	16	0	0%
Infrastructure & Planning Department	19	22	19	3	14%
Corporate & Community Services Department	34	36	34	2	6%
Executive Department	5	8	8	0	0%

Vacancy Rate: Year 2014/15		
Designations	*Total Approved Posts No.	Vacancies (Total time that vacancies exist using fulltime equivalents) No.
Municipal Manager	1	0

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CFO	1	0
Other S57 Managers (excluding Finance Posts)	2	0
Security Officers	12	0
Senior employees: Task Grade 13-15	5	0
Skilled employees: Task Grade 9-12	17	3
Skilled employees: Task Grade 6-8	7	0
Semi Skilled & Unskilled employees: Task Grade 4-5	32	

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2013/14	6		%
2014/15	5	3	%

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

The Municipality has reviewed Human Resources policies and policies were consolidated into a Human Resources Policy Manual which was adopted by Council.

- *The need for the policy stems from section 67 of the Municipal Systems Act which requires the Municipality, amongst other things, to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration, in accordance with the applicable law and subject to any applicable collective agreement.*

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- *The Manual is intended to create a framework for decision-making in respect of human resources management in the Municipality. As such it attempts to establish a set of rules for the consistent interpretation and application of collective agreements and legislation governing human resources management in the Municipality.*
- The policies contained in the document cover most of the human resources management issues that the Municipality experiences from day to day.

- *The Manual contains the human resources policies and procedures of the Impendle Municipality.*
- *The policies and procedures prescribed in the Manual apply to all employees of the Municipality.*
- *The Municipal Manager and departmental heads are responsible and accountable for the implementation and application of the policies and procedures.*
- *The policies and procedures contained in the Manual must be read together with, and interpreted consistently with, the relevant collective agreements and legislation.*
- *Whenever there is a conflict or inconsistency between any policy contained in the Manual and any collective agreement or legislation, the provisions of such collective agreement or legislation prevails.*
- *Where the policies and procedures contained in the manual differ from the conditions of service currently applicable to the section 57 employees, in terms of their employment contracts the specific conditions of service in the employment contracts will prevail.*

During the 2014/15 financial year a review of policies was done and the Municipality developed comprehensive human resources Policy Manual.
The policies basically consist of both human resources and corporate operational and procedural policy framework.
The goals of the human resource policy framework are to:

The goals of the human resource strategy are to:

- Ensure that the required number of employees with the required skills and expertise are available when needed
- Ensure sound labour relations
- Ensure that employees are developed in accordance with the Work Place Skills Plan
- Enhance the quality of institutional and individual performance;
- Ensure that all relevant human resource systems are established and implemented
- Promote Occupational Health and Wellness Services

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to

				adopt
1	Recruitment, Selection, Appointment, Placement, Demotion & Transfer	Yes	Yes by council	25 June 2015
2	Relocation Policy	Yes	Yes by council	25 June 2015
3	Labour Relations	Yes	Yes by council	25 June 2015
4	Employee Remuneration	Yes	Yes by council	25 June 2015
5	Allowances: Housing and Car	Yes	Yes by council	25 June 2015
6	Essential Services	Yes	Yes by council	25 June 2015
7	Employee Benefits Schemes	Yes	Yes by council	25 June 2015
8	Subsistence and Travelling	Yes	Yes by council	25 June 2015
9	Working Hours and Attendance	Yes	Yes by council	25 June 2015
10	Leave	Yes	Yes by council	25 June 2015
11	Occupational Health, Employee Wellness and Workplace Safety	Yes	Yes by council	25 June 2015
12	Training and Development	Yes	Yes by council	25 June 2015
13	Career Opportunities and Succession Planning	Yes	Yes by council	25 June 2015
14	Use of Municipal Equipment and Vehicle	Yes	Yes by council	25 June 2015
15	Leave	Yes	Yes by council	25 June 2015
16	Occupational Health	Yes	Yes by council	25 June 2015

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4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and cost of injuries on duty					
Type of injury	**Injury leave taken (days)**	**Employees using injury leave (No)**	**Proportion employees using sick leave (%)**	**Average injury leave per employee (days)**	**Total estimated costs (R0.00)**
Non	N/A	N/A	N/a	N/A	N/A

Number and periods of suspension				
Position	**Nature of alleged misconduct**	**Date of suspension**	**Details of disciplinary action taken or status of case and reasons why not finalized**	**Date finalized**
N/A	N/A	N/A	N/A	N/A

Employees by Group and Gender

Designations	**Gender**	**Total number of employees in group**
Lower skilled (levels 1-2)	**Female**	12
	male	16
Skilled (3-5)	**Female**	10
	Male	09
High skilled production (6-8)	**female**	15
	Male	01
Highly skilled supervision (9-12)	**female**	
	Male	02
Senior management (13-15)	**female**	08
	Male	09
MM and S57	**Female**	
	Male	04
Total		96

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COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.4 SKILLS DEVELOPMENT AND TRAINING

Learnerships, Skills Programs and Apprenticeships Planned for 2014/2015

Title	Type
National Certificate: Construction Painting	Learnership
National Certificate: Construction Tiling	Learnership
National Certificate: Construction Plastering	Learnership
National Certificate: Construction Carpentry	Learnership
National Certificate: Construction Masonry	Learnership
Further Education and Training Certificate: Plumbing	Learnership
Councillor Induction	

Summary Learnership, Skills Programme and Apprenticeship Data	
Total Number of 18.2 Learners	234
Total Number of Employed Learners	67
18.2 Learners as a % of Employed Learners	364.76%

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

EMPLOYEE EXPENDITURE **Table 4.4.6: Employee related costs, 2013, 2014 and 2015**

	2013	2014	2015
Employee related costs – salaries and wages	11 784 302	12 578 852	
Employee related costs – contributions for UIF, pensions, and medical aid	1 613 985	2 254 845	
Travel, motor car, accommodation, subsistence and other allowances	202 792	498 867	
Housing benefits and allowances	33 522	29 158	

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Overtime payments	137 846	94 145	
Performance bonuses	N/A	N/A	
Long-service awards	-	341 640	
Provision for bonuses	594 256	704 098	
Current service cost	N/A	N/A	
Provision for leave	N/A	1 007 556	
Total employee related costs	**13 006 298**	**17 509 161**	

CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Actual spend employee costs in Impendle is above the expected norm. Costs on Repairs & Maintenance are below the benchmark norm of 20%. However the actual ratio is slightly above the budget range of 5, 4% (Adjusted).

Table 5.1.1: Operating Ratios (Provisional), 2015

Financial Performance	2013-14 '0000	2014-15 '0000
Property rates	1 732	4 298
Service charges	315	685
Investment revenue	1 185	625
Transfers recognized - operational	56 811	51 115
Other own revenue	247	586
Total Revenue (excluding capital transfers contributions)	49 216	57 309
Employee costs	15 890	15 857
Remuneration of Councilors	1 618	1 956
Debt impairment	621	-
Depreciation & asset impairment	106	7 076
Finance charges	82	71
Materials and bulk purchases	-	-

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Transfers and grants	10 966	11 232
Other expenditure	15 785	13 869
Total Expenditure	44 861	50 062
Surplus/(Deficit)	16 966	8 600
Transfers recognized - capital	16 241	
Contributions recognized - capital & contributed assets	-	-
Surplus/(Deficit) after capital transfers & contributions	16 106	
Share of surplus/ (deficit) of associate	-	-
Surplus/(Deficit) for the year		
Capital expenditure & funds sources	16 241	12 225
Capital expenditure	32 513	19 852
Transfers recognized – capital		
Public contributions & donations	–	–
Borrowing	–	–
Internally generated funds		
Total sources of capital funds		
Cash flows		
Net cash from (used) operating	12 256	7 054
Net cash from (used) investing	23 479	12 457
Net cash from (used) financing	135	2 386
Cash/cash equivalents at the year end	7 660	4 643

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Financial Performance of Operational Services R'000						
Description	Year1	Year 0			Year 0 variance Original Adjustment Budget	
	Actual	Original Budget	Adjustment Budget	Actual		
Operating Water Waste Water (Sanitation) Electricity Housing	 - - -	 - - -	 - - -	 - - -	 - - -	 - - -
Component A: sub-total	-	-	-	-	-	-
Waste Water (Storm water Drainage) Road Transport	- -	- -	- -	- - -	- -	- - -
Component B: sub-total	-	-	-	-	-	-
Planning Local Development Plan	- -	- -	- -	- -	- -	- -
Component c: sub-total	-	-	-	-	-	-
Community and social science Environmental Protection Health Security and safety Sport and recreation Corporate policy office and others	- - - - - - -	- - - - - - -	- - - - - - -	- - - - - - -	- - - - - - -	- - - - - - -
Component D: sub-total	-	-	-	-	-	-
Total Operating Expenditure						

5.2 GRANTS

Table 5.2.1: Financial Overview, 2015

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Grant Performance R'000						
Description	Year 2013/14	Year 2014/15			Year 14/15 Variance Original budget	Adjustment budget
	Actual	Budget	Adjustment Budget	Actual		
Operating Transfers and Grants						
National Government:	**22 053**	**30 791**	**30 791**	**29 607**		
Equitable share	19 625	28 057	28 057	26 874		
Municipal Systems Improvement	855	934	934	933		
Finance Management	1 570	1 800	1800	1 800		
Levy replacement	-			-		
Other transfers/grants [insert description]	-					
Provincial Government:	915	661	661			
Fredom flame	34	-	-	-		
Public participation	198	-	-	1		
Library, Cybercadet, Thusong Centre	595	661	661	749		
Sports and Recreation	38	-	-	61		
Other transfers/grants [insert description]	-					
District Municipality:	-	-	-	-		
[HIV/AIDS]	-	-	-	20		
Other grant providers:						
Expanded Public Works Programme	1 011	1 294	1 294	1 294		

5.3 ASSET MANAGEMENT

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0

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Asset 1				
Name	Lotheni Electrification (Electrification Project)			
Description				
Asset Type	Community Asset			
Key Staff Involved	Infrastructure Department			
	Year -11/12	Year -2012/13	Year -2013/14	Year -2014/15
Asset Value	8 641 785.04			
Capital Implications	Capital asset			
Future Purpose of Asset	Community			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			
Asset 2				
Name	Hlelolusha Hall (MIG Project)			
Description	Community Hall and crèche			
Asset Type	Community			
Key Staff Involved	Infrastructure Manager			
	Year -11/12	Year -2012/13	Year -2013/14	Year -2014/15
Asset Value	2 757 917.05			
Capital Implications	Capital Asset			
Future Purpose of Asset	Community Asset			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management policy			
Asset 3				
Name	Mahlutshini Hall (MIG Project)			
Description	Hall and Creche			
Asset Type	Community Asset			
Key Staff Involved	Infrastructure Manager			
Staff Responsibilities	Overlook the progress of the project			
	2011/12	2012/13	2013/14	2014/15
Asset Value	2 666 125.98			
Capital Implications	Capital asset			
Future Purpose of Asset	Community			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			

FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

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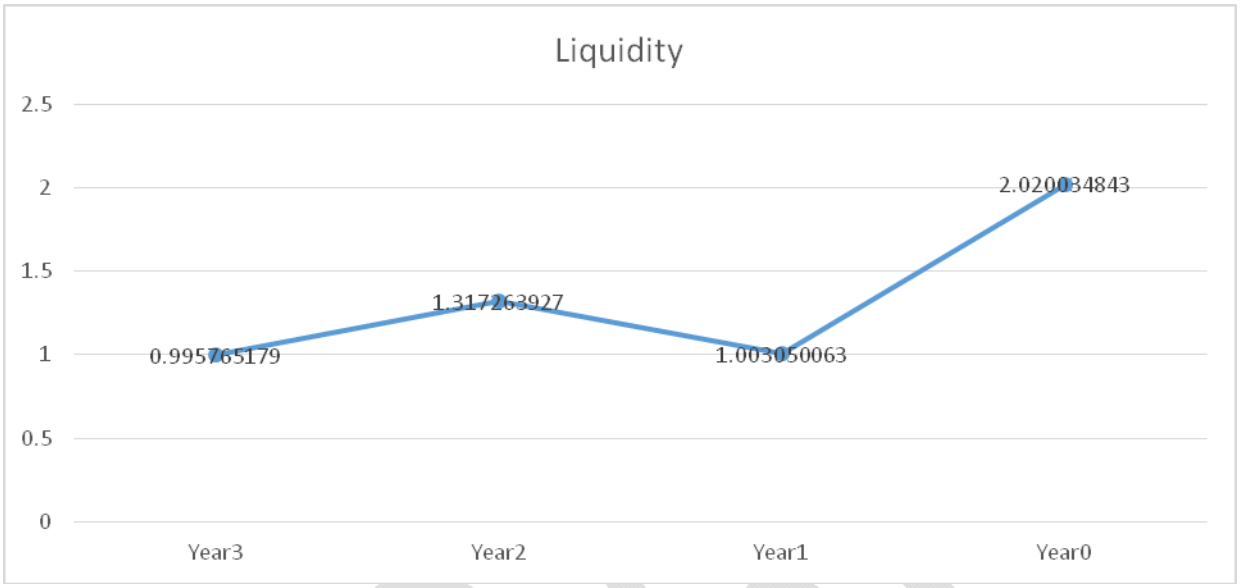
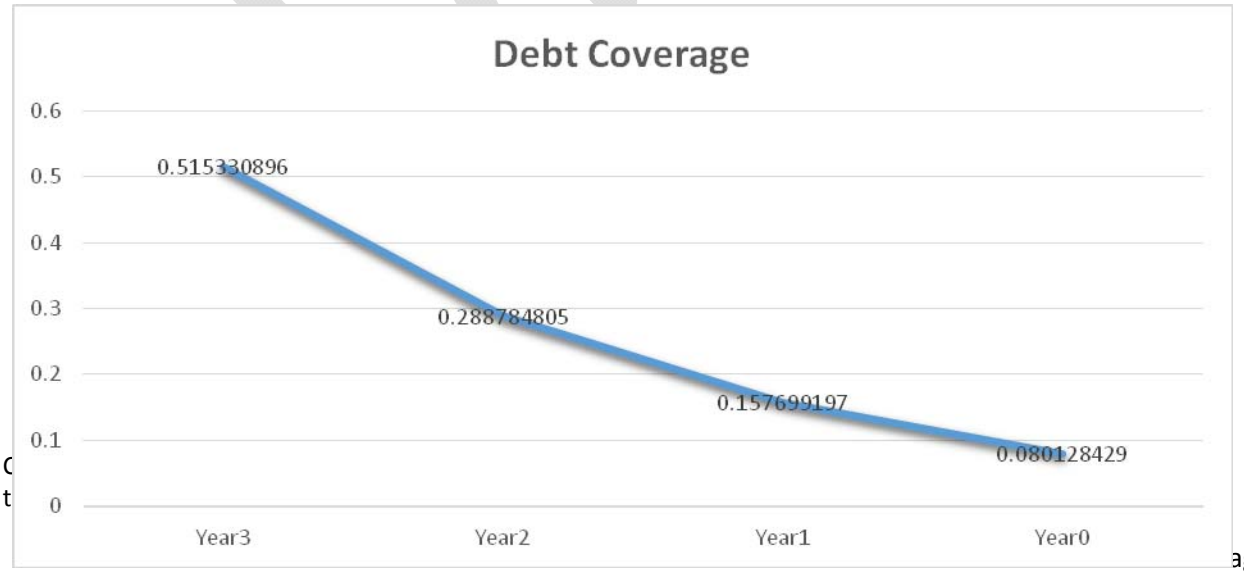
	11/12	12/13	13/14	14/15
	0.9957	1.3172	1.0030	2.0200
Liquidity Ratio	65179	63927	50063	34843
Current Assets	18811	20548	9537	9276
Current Liabilities	18891	15599	9508	4592

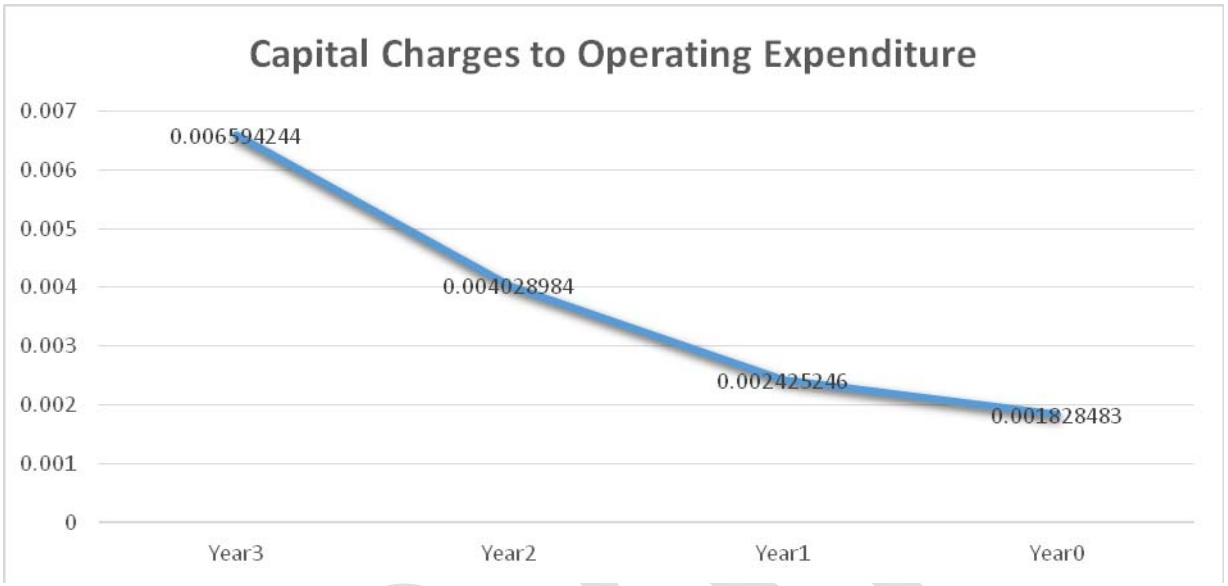


	11/12	12/13	13/14	14/15
	0.5153	0.2887	0.1576	0.0801
Debt coverage	30896	84805	99197	28429
Debt	18891	15599	9508	4592
Revenue	36658	54016	60292	57308



Expenditure

Interest paid	173	129	82	71
Operating expenditure	26235	32018	33811	38830



	11/12	12/13	13/14	14/15
Employee Cost	5.1583	1.5531	4.4161	2.5604
	14856	94044	47309	715
Employee Cost	11632	12935	15589	15857
Operating Revenue	2255	8328	3530	6193

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COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.4 CAPITAL EXPENDITURE

Capital Expenditure 2014/15: Financial Services					
Capital Projects	Year 2014/15				
	Budget	*Adjustment*	*Actual Expenditure*	*Variance from Total Project original budget Value*	
Project A Electrification	3 000	3 000	3 000	100%	
Project B MIG	11 736	11 736	11 736	100%	
Project C Milling	-	-	315	0%	
Project D Mafahleni street	-	-	1 240	0%	

5.5 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2013/14-2014/15						
Details	2013/14	2014/15				
	Actual	Original Budget	Adjustment Budget	Actual	Adjustment to	Actual to OB Variance (%)

					OB Variance (%)	
Source of finance						
External loans Public contributions and donations	-	3 000	3 000	2 789	-%	-%
Grants and subsidies	56 761	47 482	47 482	51 115	1.15%	1.37%
Other	-	-	-	-	0%	%
Total	56 761	47 482	47 482	59 600	1.15%	1.37%
Percentage of finance						
External loans Public contributions and donations	-% -%	-% -%	-% -%	-% -%	-% -%	-% -%
Grants and subsidies	99.9%	0.05%				
Other						
Capital expenditure						
Water and Sanitation	-	-	-	-	0%	1.40%
Housing	-	-	-	-	-%	-%
Roads and storm water	-	-	-	-	%	%
Other	-	-	-	-	-%	-%
Total	-	-	-	-	-%	-%
Percentage of expenditure						
Water and sanitation	-%	-%	-%	-%	-%	-%
Housing	-%	-%	-%	-%	-%	-%
Roads and storm water	-%	-%	-%	-%	-%	-%

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Other	-%	-%	-%	-%	-%	-%

5.6 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
	Current: 2014/15			Variance: Current 2014/15	
	Original budget	Adjustment budget	Actual Expenditure	Original variance Adjustment	
A– Electrification	3 000	3 000	3 000	100%	
B – MIG Projects	11 736	11 736	11 376	100%	
C -					
D -					
E -					
* Projects with the highest capital expenditure in Year 0	MIG Projects 11 736	11 736	11 736	100%	
Name of Project - A	Lotheni Electrification				
Objective of Project	Electricity Electrification of the community that do not have the electricity				
Delays					
Future Challenges					
Anticipated citizen benefits	Improve accessibility by providing electrification for Impendle citizens.				
Name of Project - B	MIG Projects				
Objective of Project	Provide a basic service to the community, the community can also use the crèches for Community Activities				
Delays					
Future Challenges					
Anticipated	MIG projects provide services such as roads, community halls and crèches,				

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citizen benefits					
Name of Project - C	Milling				
Objective of Project	Production of maize meal				
Delays	Installation of the SILO Weigh bridge				
Future Challenges					
Anticipated citizen benefits	The community will be able to produce the maize for the Mill, hence this will create job opportunities				
Name of Project - D					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					

5.7 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.8 CASH FLOW

Cash Flow Outcomes				
Description	Year 2013/14	2014/15 Original	Adjustment	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other		8 401	14 459	
Government – operating	59 332	32 749	32 749	49 402
Government – capital	11 241	14 736	14 736	14 736
Interest	1 185	350	350	624
Dividends				
Payments				

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Suppliers and employees	(53 173)	(37 001)	(52 077)	(54 703)
Finance charges	(82)	(66)	(44)	(71)
Transfers and Grants		(4 290)	(4 290)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	12 256	14 877	5 881	7 054
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts	37 624	-	-	13 218
Proceeds on disposal of PPE	17			
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables	(17 772)	-	-	-
Decrease (increase) in non-current investments	14 127	-	-	1 124
Payments		()	()	
Capital assets	14 736		14 736	13 421
				(22 783)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(23 478)	()	()	(12 457)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts	341			-
Short term loans				
Borrowing long term/refinancing		3 000	3 000	
Increase (decrease) in consumer				

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deposits				
Payments				
Repayment of borrowing	(448)	()	()	2 385
NET CASH FROM/(USED) FINANCING ACTIVITIES				
	(136)	()	()	2 385
NET INCREASE/ (DECREASE) IN CASH HELD	(11 358)	(1 016)	(6 991)	(3 016)
Cash/cash equivalents at the year begin:	19 018	5 242	2 418	7 660
Cash/cash equivalents at the year end:	7 660	6 257	-	4 643
Source: MBRR A7				

5.9 BORROWING AND INVESTMENTS

KZN224 Impendle - Table B8 Cash backed reserves/accumulated surplus reconciliation -										
Description	**Ref**	**Budget Year 2014/15**								
		Original Budget	**Prior Adjusted**	**Accum. Funds**	**Multi-year capital**	**Unfore. Unavoid.**	**Nat. or Prov. Govt**	**Other Adjusts.**	**Total Adjusts**	**Adjusted Budget**
			3	4	5	6	7	8	9	10
R thousands		A	A1	B	C	D	E	F	G	H
Cash and investments available										
Cash/cash equivalents at the year end	1	6 257	-	(4 573)	–	–	–	–	(4 573)	1 684
Other current investments > 90 days		(1 467)	-	7 443	–	–	–	–	7 443	5 976
Non-current assets -	1	-								

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Investments			–	-	–	–	–	–	-	-
Cash and investments available:		4 790	**-**	2 870	**–**	**–**	**–**	**–**	2 870	7 660
Applications of cash and investments										
Unspent conditional transfers		7 500		(5 373)	–	–	-	–	(5 373)	2 127
Unspent borrowing		-	-	2400	-	-	-		2 400	2 400
Statutory requirements		1 810	-	-	-	-	-	-	–	1 810
Other working capital requirements	2	(1 028)	-	-	-	-	-	3 214	3 412	2 384
Other provisions		-	-						–	-
Long term investments committed		–	–					–	–	–
Reserves to be backed by cash/investments		1 443	-					1 443	1 443	9 655
Total Applications of cash and investments:		**6 104**	**-**	**(2 973)**	**–**	**–**	**-**	**1 969**	**(1 004)**	**5 101**

COMPONENT D: OTHER FINANCIAL MATTERS

5.10 SUPPLY CHAIN MANAGEMENT

The municipality has implemented all Supply chain policies, together will all the policies in the Budget and Treasury office the policies go to the council for review and adoption.
The head of the SCM unit has completed attending a course at Wits, the SCM Accountant has attended a Municipal Finance Management Program and an SCM practitioner has also completed requirement modules with Wits, there is one interns in the SCM unit which has completed the Municipal Finance Management course.

5.11 GRAP COMPLIANCE

The Municipality is fully GRAP Compliance, GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications

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CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT B: AUDITOR-GENERAL OPINION

6.1 AUDITOR GENERAL REPORT YEAR 2014/2015

REPORT ON THE FINANCIAL STATEMENTS

Introduction

Introduction

1. I have audited the financial statements of the Impendle Municipality set out on pages xx to xx, which comprise the appropriation statement, the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Impendle Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matter

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

Material impairment

8. As disclosed in note 14 to the financial statements, a material debt impairment provision of R2,76 million was incurred as a result of the assessment that debts might be irrecoverable.

Additional matter

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

Unaudited supplementary schedules

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

Report on other legal and regulatory requirements

11. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

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Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2015:

    - IPS 28: construction of 0,6 km new Nhlambamkhosi gravel road
    - IPS 30: construction of 1,5 km for Mafahleni road
    - IPS 31: completion of Mayelitshe crèche
    - IPS 37: % of capital expenditure on capital project within the budget year
    - LED 4: number of jobs created

13. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

14. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priorities. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.

15. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following development priorities:

    - IPS 28: construction of 0,6 km new Nhlambamkhosi gravel road
    - IPS 30: construction of 1,5 km for Mafahleni road
    - IPS 31: completion of Mayelitshe crèche
    - IPS 37: % of capital expenditure on capital project within the budget year
    - LED 4: number of jobs created

Additional matter

17. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected development priorities, I draw attention to the following matters:

Achievement of planned targets

18. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for IPS 28, IPS 30, IPS 31, IPS 37 and LED 4. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Unaudited supplementary information

20. The supplementary information set out on pages xx to xx does not form part of the annual performance report and is presented as additional information. I have not audited this information and, accordingly, I do not report thereon.

Compliance with legislation

21. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements, performance report and annual report

22. 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 disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

23. 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.

Internal control

24. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

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Leadership

25. The accounting officer did not exercise adequate oversight over financial reporting and compliance as well as internal control.

Financial and performance management

26. Adequate processes were not in place to communicate timely and relevant information to oversight and regulatory parties. This is evidenced by material corrections in the financial statements as well as repeat and new compliance audit findings.

Pietermaritzburg

27 November 2015

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

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6.2 AUDIT ACTION PLAN

NO.	ISSUE/FINDING	AUDITOR'S CONCLUSION	PERSON RESPONSIBLE	RECURRING ISSUE Y/N	MANAGEMENT RESPONSE	FUTURE CORRECTIVE ACTIONS	KPI	TIMEFRAME
1	Per inspection of the annual financial statements submitted for audit, it was noted that the Leave pay provision of R130 276 has been classified under general expenses and not salaries and wages.	The responses provided are satisfactory, and the change has been verified in the amended annual financial statements. The finding however, still results in non-compliance for the current year and will be reported as such.	CFO	N	The error will be corrected in the AFS, by re-mapping from expense item to another expense item .Intensifying the AFS Reviews process	Intensify the review of AFS, and preparation of FS on regular basis	Review Reports, AC.IA and PT	31/03/2016
2	During the audit of property, plant and equipment and upon subsequent inspection of the annual financial statements, it was noted that the disclosure requirements of GRAP 17 and GRAP 3 has not been taken into account in relation to the change in the remaining useful lives of infrastructure assets. The municipality consequently did not disclose the change in accounting estimate note.	The responses provided are satisfactory, and the change has been verified in the amended annual financial statements. The finding however, still results in non-compliance for the current year and will be reported as such.	CFO	N	Note 41 on the Annual Financial Statement will be amended accordingly for complete disclosure.Intensify reviews of AFS	Intensify the review of AFS, and preparation of FS on regular basis	Review Reports, AC.IA and PT	31/03/2016
3	Per inspection of the annual financial statements, it was noted that the Property, plant and equipment accounting policy does not meet the disclosure requirements as set out in GRAP 17, *Property,* plant and equipment	The responses provided are satisfactory, and the change has been verified in the amended annual financial statements .The finding however, still results in non-compliance for the current year and will be reported as such.	CFO	N	Accounting Policy 1.4 of the Annual Financial Statement will be amended accordingly for complete disclosure.Intensify reviews of AFS	Intensify the review of AFS, and preparation of FS on regular basis	Review Reports, AC.IA and PT	31/03/2016
4	During the audit of employee costs, it was noted that the back pay for the following councilors were done twice resulting in an overpayment of the back pay.	Finding resolved	CFO - all HOD'S	N	Make correction on note 43 to disclose the irregular expenditure on councillours, Payment of Salaries can only take place once the report is authorised by HOD	Release payments once the HOD Authorised it	Monthly review reports by HOD	Monthly
5	Per inspection of the annual performance report submitted for auditing, it was established that the following performance targets selected for testing per the service delivery and budget implementation plan are not consistent in the annual performance report.	Management response has been considered sufficient, the revised annual performance report was received and the changes verified. This finding is the basis on which the additional matter paragraph on material misstatements corrected in relation to the annual performance report and has been reported on as such.	Performance Manager	N	The annual performance report was reviewed and corrected according to AG's recommendations	IDP/PMS Manager will ensure that the AG recommendations are adhered to	Correct reporting template	
6	Per inspection of the organisational structure received in August 2015 for audit, it is noted that it has been last approved in 2011.An updated and signed organogram was not subsequently provided for audit	The responses provided are satisfactory; however we wish to be provided with proof of the tabling and the amended organogram. We will track implementation of the initiatives through our	Corporate Manager	N	The municipality will table the Organogram in Council, 29/11/2015		Minutes and Resolution on Organogram Adoption	

	purposes despite it been requested in request for information ZN 02 of 2015.	quarterly dashboard intervention.						
7	Per enquiry on 26 August 2015 of the information technology manager, Ayanda Mkhize on matters relating to the municipality's IT structures, policies and processes which support the municipality's strategies and objectives, and whether controls have been adequately designed, implemented and are operating effectively, it was established that formal off-site backup arrangements had not been documented and approved by management. Consequently, backups were not taken to the off-site backup location periodically.	The responses provided are satisfactory, and we will track implementation of the initiatives through our quarterly dashboard intervention.	Accountin g Officer	N	Create back up on the rest of the information, off site within Impendle.Create a backup retrieval laboratory	Create back up on the rest of the information, off site within Impendle.Creat e a backup retrieval laboratory	Backup site and Back up lab	31/03/2 016
9	Per inspection of the waste/landfill site on 23 October 2015 and from numerous visual sightings of the waste/landfill site and surroundings from the road, it is evident that a large quantity of litter and waste lies scattered within and beyond the perimeter fencing of the site, some of which has been blown into the nearby stream and the open field adjacent to the site.	The responses provided are satisfactory, and we will track implementation of the initiatives through our quarterly dashboard intervention.	Technical Manager	N	Municipality is undergoing a process to convert current Landfill site into a sorting & transfer station. Funding for this plan was secured through KWF\German Bank. The funding allows for purchase of waste delivery truck, personel, machinery i.e bobcart etc. According to the MOU signed with Environmental Affairs, the municipality will has agreed to absorbe mantainence costs. However, current operations have been structured in such a manner that it is contained within the site through cleansing done by EPWP YJIW Programme. Whereas some recycling initiatives is done by women led cooperative. A waste pad and mechanization is also now available to measure quantities coming into the site for recording with SAWIS.	Conversion of the landfill site into local sorting and transfer station with appropriate personel, machinery and mantenance plan.	Acceptabl e operationa l local sorting & transfer station	01-Dec-16
10	During the planning phase of the audit and whilst gaining an overall understanding at a financial statement level, it was established that the municipality has a number of policies which it utilises amongst others for the purposes of providing strategic direction, enhancing internal	The responses provided are satisfactory, and we will track implementation of the initiatives through our quarterly dashboard intervention.	Corporate Manager	N				

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	control and enforcing compliance with applicable laws and regulations. These policies are utilised by staff of the municipality on a day-to-day basis whilst performing their respective tasks, and by both the internal and external auditors whilst carrying out auditing procedures to test compliance.							
11	Upon performing walkthrough tests of the systems description of performance indicators for the Impendle local municipality, it was noted that there are no approved and documented standard operating procedures that clearly describe the input, processing and output processes. In this regard, the following is relevant:		Performance Manager	N	The Standard Operating Procedures (SOPs) for all performance indicators have been developed and ready to undergo the approval processes	SOPs reviews will be part of the annual review of performance indicators	Counci Resolution	30-Mar-16
12	During the audit of receivables, it was noted that the following debtors were outstanding for a period of 180 days, contravening the above listed legislated requirements for the municipality to collect all money that is due and payable to it	The responses provided are satisfactory, and the supporting documentation inspected verified the initiatives of the municipality, however we will track implementation of the initiatives through our quarterly dashboard intervention.	CFO	N	The municipality will continue with its plan already initiated for data cleansing	The municipality has acquired the services of data cleaners, and also using the assistance offered by Cogta through Rugocom,and the debt collection sytems within the municipality	Improved debt collection Ratio	On going

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APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

	ATTENDANCE : COUNCILLORS : IMPENDLE LOCAL MUNICIPAL COUNCIL MEETINGS : July 2014 – June 2015 **TOTAL NUMBER OF MEETINGS HELD FOR THE PERIOD JULY 2014 – JUNE 2015**												
		JUL	**AUG**	SEPT	OCT	**NOV**	**DEC**	JAN	FEB	MAR	APR	**MAY**	**JUN**
% ATT	**NAME**	Ordinary	Ordinary	Ordinary	Ordinary	**Ordinary**	**Ordinary**	Ordinary	Ordinary	**Ordinary**	Ordinary	**Ordinary**	**Ordinary**
96,6	**Cllr SG Ndlela**	✓	✓	✓	Commitments	✓	✓	✓	✓	✓	✓	✓	✓
100	**Cllr CD Gwala**	✓	✓	✓	✓	✓	Commitments	Commitments	Commitments	✓	Commitments	Commitments	Commitments
100	**Cllr KM Dlamini**	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
71,43	**Cllr S Mlaba**	✓	✓	✓	✓	Commitments	✓	✓	Commitments	✓	✓	✓	✓
100	**Cllr P Mtolo**	✓	Commitment	✓	✓	✓	✓	Commitments	Commitments	✓	✓	✓	✓
100	**Cllr N**	✓	Commitment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
100	**Cllr HT Zuma**	✓	Commitment	✓	✓	✓	✓	✓	With leave	Commitments	✓	✓	✓

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral Committee) and Purposes of Committees	
Mayoral Committee	**Purpose of Committee**

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Oversight & Public Accounts	Monitor financial governance of the municipality; Oversight over the annual reports of the municipality; Monitor expenditure in terms of budget allocations against agreed service delivery and performance targets and hold executive and senior managers accountable for
Public Places and Street Naming	The process for the control and regulation of the naming and renaming of geographical features in Impendle Metropolitan and to keep and maintain the names bank, which is a database consisting of existing geographical names within the municipal area.
Remunerations	Deal with matters of remunerations and benefits payable to employees and councillors; set guidelines for an equitable fair procedure for the determination of salaries / wages of employees and act in line with the guidelines and procedures provided by SALGA and the Bargaining Council on salaries / wages of employees.
Rules	Develop and administer the implementation of Standing Rules and Orders for the entire operations of Council; monitor municipality's adherence and compliance to national and provincial legislation and regulation.
Budget Steering Committee	Oversee the drafting and development of the municipal budget and full compliance to MFMA provisions

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Administration Structure	
Department	Manager
Executive Department	Mr. SI Mabaso
Finance Department	Mr. OV Kunene
Corporate and Community Services	Mr. GS Ngcobo
Infrastructure and Planning Services	Mr. ZC Tshabalala

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APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal Functions	Function Applicable to Municipality (Yes/No)*
Constitution Schedule 4, Part B Functions:	
Air pollution	NO
Building regulations	YES
Child care facilities	NO
Electricity an gas reticulation	NO
Firefighting services	NO
Local tourism	YES
Municipal airports	NO
Municipal planning	YES
Municipal health services	YES
Municipal public transport	YES
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under the Constitution of any other	YES
Potoons, ferries, jetties, piers, and harbors, excluding the regulation of international and national shipping and matters related	NO
Stormwater management systems in built-up area	YES
Trading regulations	YES
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	
Beaches and amusement facilities	NO
Billboards and the display of advertisements in public places	YES
Cemeteries, funeral parlours and crematoria	YES
Cleansing	YES
Control of public nuisances	YES
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation -are and burial of animals	
Fencing and fences	YES
Licensing of dogs	YES
Licensing and control of undertakings that sell food to the public	YES
Local amenities	YES
Local sport facilities	YES
Markets	YES
Municipal abattoirs	NO

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Municipal parks and recreation	YES
Municipal roads	Yes (Maintenance)
Noise pollution	YES
Pounds	YES
Public places	YES
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	YES
Street lighting	YES
Traffic and parking	YES
*If municipality indicate (Yes or No).	

APPENDIX E – WARD REPORTING July 2014-June 2015

APPENDIX E – WARD REPORTING					
Functionality of Ward Committees	Name of Ward Councilor and elected Ward committee members	Committee established (Yes / No)	NO. of monthly committee meetings held during the year	No. of monthly reports submitted to Speaker's Office on time	No. of quarterly public ward meetings held during the year
Ward Name (Number)	1 Cllr SL Mlaba	Yes			
	2 KM Dlamini	Yes	9	9	1 (Aprl,May,June14)
	3 CD Gwala	Yes	11	11	0
	4 SG Ndlela	Yes	10	11	2 { July,Aug,Sept 13 & Oct,Nov,Dec 13)

APPENDIX F – WARD INFORMATION

Capital Projects: Seven Largest in 2014/15 (Full List in Annexure X)				
No.	**Project Name and Detail**	**Start Date**	**End Date**	**Total Value** **R'000**

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Top Four Service Delivery Priorities for Ward (Highest Priority First)		
FOCUS AREA	IMPLEMENTING DEPARTMENT	**BUDGET**
Construction and upgrading of Access Roads	Technical department	**R4 820 219**
Constructions of Community Centres and early childhood Centres	Technical department	**R6 285 780**
Electrification Programme	Technical Services	**R5 000 000**
Construction of Mill	Technical Services	**R3 100 000**
Rehabilitation of Impendle Town	Technical Services	**R8 052 789**

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

AUDIT COMMITTEE REPORT

FOR THE PERIOD 01 JULY 2014 TO 30 JUNE 2015

1. Introduction

The Audit Committee has pleasure in submitting its report for the above mentioned period, to the Impendle Local Municipality Council. This report is submitted in terms of the provisions of section 166(2) (b) of the Municipal Finance Management Act of 2003 ("the MFMA") and covers the financial period from 01 July 2014 to 30 June 2015.

The report records the outcome of the work done by the Audit Committee for the period indicated above. The committee from time to time made recommendations as preventative or corrective measures to the weaknesses identified by Internal Audit in the municipality based on reports and information supplied to the Audit Committee.

The recommendations or advice were made based on certain information at a point in time as supplied to the Audit Committee and are subject to change after due consideration of new information received as well as subsequent deliberation with the Municipality.

2. Audit Committee Membership and Attendance

Impendle Local Municipality is a small municipality and with the view of synergising oversight responsibilities, the audit committee and performance audit committee responsibilities were entrusted to one committee, hence the Audit Committee.

The Audit Committee consists of members listed hereunder and meets, at least four times a year for audit issues and performance audit issues, as per the approved Audit Committee Charter.

Name of Member	Portfolio of Member	No. of Meetings Attended
Mr P J Mahlaba	Chairperson	06
Mrs N M Mtshali	Member	06
Mr S Mbongwe	Member	05

3. Overview of Activities

The Committee held six (6) meetings during the period under review on the following dates: 19 August 2014; 23 August 2014; 08 December 2014; 22 January 2015; 27 March 2015; and 30 June 2015.

The chairperson further had various meetings with the Manager for IDP and Performance Management to guide him on issues of Performance Management System, SDBIP and Annual report for 2014/15 financial year.

4. Audit Committee Responsibilities

The Audit Committee has complied with its responsibilities arising from section 166 of the MFMA and clause 14(2) (a) of the Municipal Planning and Performance Management Regulations of 2001. The Audit Committees' work was guided and regulated by an Audit Committee Charter, and discharged all its responsibility as contained therein. The Audit Committee's work was also guided by its work programme that it adopted during the year.

5. Internal Audit Institutional Arrangement

The Internal Audit Charter as adopted by the Audit Committee regulates the work of the Internal Audit Activities.

In terms of S165 (1) of the MFMA each Municipality is required to have an internal audit, S165 (3) allows the municipality to co-source the internal audit function if the municipality requires assistance to develop its internal capacity.

In the beginning of 2013/14 financial year, AaroT Solutions, a private entity, was engaged by the Impendle Municipality to perform internal audit function on an outsourced basis, after the shared service model's contract with uMngeni, uMkhambathini, Mpofana Local Municipalities and uMgungundlovu District Municipalities, had come to an end. During the 2014/2015 financial year, Aarot Solutions continued to render internal audit functions to the Municipality.

The Internal Audit unit performed, according to the Audit Committee, adequately while discharging its internal audit function and also performed various audits to improve performance and mitigate risks.

6. **Internal Audit Function**

During the submission and consideration of the Annual Audit coverage plan for 2014/15 financial year the Audit Committee raised concerns on the adequate coverage. The concerns were noted, however, the Accounting Officer raised the issue of financial constraints and the Audit Committee urged that the matter be given more attention as adequate coverage is critical for internal audit to add value within the Municipality.

During the period under review Internal Audit presented, to the Audit Committee, among others, the following reports:

- Review of prior Annual Financial Statements;

- Review of Supply Chain management;
- Review of Bank Reconciliation for quarters 2 and 3;
- Compliance Review; and
- Performance Management Review for quarters 1 and 2.

7. Systems of Internal Control

The systems of internal control are designed to provide reasonable assurance that the assets are safeguarded and the liabilities and working capital are effectively and efficiently managed and they remain a management responsibility.

The weak system of internal control were still prevalent in the Municipality which meant that a Clean Audit opinion was still challenge to achieve or unattainable. There were some improvements in other systems of internal control, however, the Municipality still needed to improve significantly.

8. Monthly Financial Management Reports

Monthly management reports were reviewed by Audit Committee. These included bank reconciliations, debtors and creditors age analyses, income and expenditure reports and budget and variance reports. Several pertinent matters were raised with management who in turn furnished satisfactory answers.

Section 71 and 66 reports were reviewed by Internal Audit and reports submitted to the Audit Committee. The Audit Committee also performed the Mid-Year Budget Review as well as the Mid-Term Performance Assessment Report. In all instances recommendations, and/or requests from the Committee were implemented by management.

9. **Annual Financial Statements for the Year Ended 30 June 2014**

The Audit Committee considered and noted the municipality's comprehensive plan on the preparation of the Annual Financial Statements for the year ending 30 June 2014. In addition, the Audit Committee reviewed and noted errors on the Annual Financial Statements which the Chief Financial Officer was asked to rectify before the submission to the Auditor-General.

The Audit Committee concurs with the Auditor-General's conclusions on the submitted Annual Financial Statements.

10. **Performance Management & Performance Information**

Internal Audit's annual audit coverage plan included review of Performance Management System and Performance Information. Internal Audit could not exercise its responsibilities as there was no effective performance management during the period under review. Based on the Internal Audit verbal reports and review of the annual performance report the following concerns were noted:

- Portfolios of Evidence were not done timely and in cases where they were done, they were sometimes not always adequate and not submitted for auditing;

- Performance Assessments were not done timely; The Performance Assessment Committee asked the Management to reconsider their scoring, as this was done without the submission of portfolio of evidence to support the scores; and
- Targets were not always specific, measureable, attainable, and realistic and time bound (SMART).

Deficiencies in Annual Performance Report were highlighted and it was noted that it was not compiled timely and submitted to the Auditor-General. The Accounting Officer was advised to ensure that the annual performance reports and the annual report were done timely with accurate information and in compliance with the guidelines from National Treasury. The Audit Committee is also very concerned about the Annual Report preparation and presentation as they were not done timeously to allow the Audit Committee to effectively and efficiently perform its oversight function.

These areas need concerted effort to ensure that there is effective and efficient management of performance within the municipality.

11. Information Technology (IT)

A review on the Information Technology Governance, Security Management, Program Change Management and General Application Controls was conducted by Audit-General during the year under review. The weaknesses raised by the Auditor-General were noted by the Audit Committee. The Accounting Officer committed to pay attention to Information Technology.

12. **Risk Management**

Risk management has been formalised within the Municipality through the drafting a Risk Management Policy and Enterprise Risk Management Framework. However, the committee felt that this was not adequate as the Risk Management Committee, Chief Risk Officer and Risk Officers/Champions were neither appointed nor risk management process effective. In the absence of the above risk management structures, risk management function was not effective.

13. Governance

The Committee noted the confirmation of commitments by the Mayor to address the deficiencies of internal control as well at the status as per the Dashboard report. This will be monitored continuously by the Audit Committee. The Audit Committee did raise issues of governance with the Accounting Officer on the following:

- Lack of management of performance of senior management, and
- Inadequate reporting as required by National Treasury in the annual report.

14. Conclusion

The Audit Committee notes with the progress made by the Municipality in improving overall governance, systems of internal control, risk management and performance management. In addition, the Audit Committee concurs and accepts the conclusion of both the Internal Audit and the Auditor-General.

The Audit Committee wishes to express its sincere gratitude to the Council and all those involved in the improvement of systems at the Municipality and to the Municipal Manager and Senior Management for their support during this financial year.

Chairperson of the Audit Committee
Ms N M Mtshali

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Contracts (20 Largest Contracts Entered into 2014/2015)					
Name of Service Provider (Entity of Municipal Department)	**Description of Services Rendered by the Service & Provider**	**Start Date of Contract**	**Expiry Date of Contract**	**Project Manager**	**Contract Value R' 000**
Nashua	Lease of heavy duty multi-purpose photocopy machines	09/12/2010	08/12/2013	GS Ngcobo	Dependent upon monthly consumption, will not exceed R1m
Vodacom	Supply of municipal cellphones and modems	01/03/2011	28/02/2013	GS Ngcobo	Payment of R monthly and will not exceed R1m
African Link and Lexus Nexus	Supply of transport and accommodation services	01/05/2011	30/04/2013	SG Ngcobo	Charged as and when required by the municipality. Will not exceed R1m
Konica Minolta	Supply of library multi-purpose photocopy machine	20/04/2011	30/04/2013	GS Ngcobo	Dependent upon monthly consumption, will not exceed R1m
RQ Tech	Supply of electronic document management system	01/09/2010	31/08/2012	NN Zondi	Payment when support is provided

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Softline Pastel (Pty) Ltd	Supply of financial system	11/04/2011	10/04/2013	TG Pitout	Support services which will not exceed R1m

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
Vote No./Description	**2013/14**	**Current Year 2014/15**			**2014/15 Variance**	
	Actual	**Original Budget (R' 000)**	**Adjusted Budget (R' 000)**	**Actual**	**Original Budget**	**Adjustments Budget**
Executive & Council		6 994	7 046	5 137 507	%	%
Budget & Treasury		9 197	10 835	6 572 494	%	%
Infrastructure				3 042 395	%	%
Community & Social Services		9 603	9 603	3 684 758	-	-
Corporate Services		7 201	6 211	3 336 820	%	6%
Public Safety		6 766	0	198 576	-	-
Housing		700	856		%	%
Sports & Recreation		750	350	88 972	%	%
Planning		9 045	20 811	1 164 650	%	%
Road Transport		11 770	16 395		%	%
Environmental Protection		0	0	0	%	%
Health		660	0		%	%
Market Stalls						
Tourism		227	0			
Waste Water Management		-	-			
Total Revenue by Vote		**62 913**	**72 107**	**23 226 172**		
Variances are calculating by dividing the difference between actual and original/adjustments budgets by the actual.						

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APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source R' 000						
Description	**2013/14**	**Current Year 2014/15**			**2014/15 Variance**	
	Actual	**Original Budget (R' 000)**	**Adjusted Budget (R' 000)**	**Actual**	**Original budget**	**Adjustments Budget**
Property rates	1 390	1 501	2 031	1 732	%	%
Property rates – penalties & collection charges	0	2	2	0		
Service charges – electricity Revenue	0	0	0	0	0%	0%
Service charges – water Revenue	0	0	0	0	0%	0%
Service charges – sanitation Revenue	0	0	0	0	0%	0%
Service charges – refuse Revenue	0	50	35	0	%	%
Service charges – other	0			0		
Rentals of facilities & Equipment	192	457	352	240	%	%
Interest earned – external Investments	1 561	350	955	1 186	%	%
Interest earned – outstanding debtors	0	120	0	0	%	%
Fines	22	5	25	24	%	%
Licenses and permits	23	32	30	28	%	%
Agency services	0	35	40	0		
Transfers recognised – Operational	0	30 115	26 406	0	%	%
Other revenue	5 086	30 218	21 500	225	%	%
Gains on disposal of PPE	-	-	-	-	%	%
Environmental protection	-	-	-	-		

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Total Revenue (excluding capital transfers and contributions)	**8 274**	**62 885**	**29 876**	**3 435**	**%**	**%**
Variances are calculating by dividing the difference between actual and original/adjustments budgets by the actual.						

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants Excluding MIG R' 000						
Details	**Budget**	**Adjustments Budget**	**Actual**	**Variance**		**Major Conditions Applied by Donor**
	R' 000	**R' 000**	**R' 000**	**Budget**	**Adjustments Budget**	
Financial Management Grant	1 650	1 650	80	100%	100%	
Municipal Systems Improvement Grant	890	890	856	100%	100%	
National Electrification Program Grant	5 436	5 886	5 000	108%	100%	
Library Services Grant	634	634	21	100%	100%	
Sports & Recreation Grant	200	200	89	0%	100%	
Provincial Grant Corridor (Milling)	-	4813	6 856	0%	100%	
Provincial Grant Small Town Rehabilitation	-	4813	8 328	0%	100%	
Total	R8 810	R18 886	R21 230			
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual						

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

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

Capital Expenditure – New Assets Programme R' 000							
Description	**2012/13**	**2013/14**			**Planned Capital Expenditure**		
	Actual	**Original Budget**	**Adjustment Budget**	**Actual Expenditure**	**FY + 1**	**FY + 2**	**FY + 3**
Capital expenditure by Asset Class							
Infrastructure - Total							
Infrastructure: Road transport - Total		4 492	9 117	23 638 818			
Roads, pavements & bridges		4 492	9 117	23 638 818			
Stormwater							
Infrastructure: Electricity - Total							
Generation							
Transmission and Reticulation							
Other							
Community – Total		6 614	6 614	8 292 914			
Parks and gardens							
Sports fields and stadia							
Swimming pools							
Community halls		6 614	6 614	8 292 914			
Libraries							
Recreational facilities							
Fire, safety and emergency							
Security and policing							
Buses							
Cemeteries							
Social rental housing							

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Investment properties – Total				2 526 387			
Housing development							
Other				2 526 387			
Other assets			5 000	405 398			
General vehicles				119 806			
Specialised vehicles							
Plant & equipment							
Computers – hardware/equipment							
Furniture and other office equipment				261 969			
Markets							
Civic land and buildings				23 623			
Other buildings			5 000				
Surplus assets – (investment of Inventory)							
Other							
Intangibles							
Computers – software & programming							
Total Expenditure on New Assets		**11 106**	**20 731**	**34 863 517**			

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APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2014/2015

Capital Programme by Project 2014/15 **R' 000**

Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act – Adj) %	Variance (Act – Ob) %
Nhlabamkhosi hall and creche			21 247		
Nhlabamkhosi link road			148 495		
Similobha creche			8 881		
Swamp creche			279 518		
Nkangala hall & creche			31 381		
Maksem hall			864 413		
KwaKhetha hall			1 334 532		
KwaKhetha road			266 062		
Gomane hall & creche			512 755		
Bus stop-Gravel road			556 252		
Maromeni Gravel road			860 660		
Stepmore road			531 504		
Mayilitshe creche			409 880		
Hlelolusha creche			1 908 899		
Shelfish hall & creche			649 848		
Zamokuhle creche			100 367		
Zamokuhle hall			79 538		
Ntokozweni creche			198 535		
Ntokozweni road			237 811		
Mahlutshini crèche & hall			183 767		

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APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 2014/15

Capital Programme by Project by Ward 2014/15

Capital Project	Ward (s) Affected	Works Completed (Yes/No)
Lower Makhuzeni creche	1	Y
Nkangala community creche	1	N
Nkangala Glen/Umkomaas river causeway	1	N
Manguza hall	1	N
Stepmore road phase 1	1	N
Mgodi community hall	2	Y
Swampu compensation road	2	Y
Brington crèche	3	N
Maksem creche	3	Y
Fikesuthi creche	3	Y
Taxi rank	3	N
Novuka Mlaba creche	3	Y
Similobha crèche	3	Y
Come & See crèche	3	N
Mlaba crèche	3	N
KwaKhetha road	3	N
Nhlabamkhosi community hall	4	Y
Gomane community hall	4	N
Bus stop road	4	N
Maromeni road	4	N
Mahlutshini electrification	1	N
Compensation, Nzinga, eKukhanyeni electrification	2	Y
Mill project	3	N
Small Town Development	3	N

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

MFMA Section 71 Returns Not Made During 2014/15 According to the Reporting Requirements	
Return	**Reason Return Has Not Been properly Made on Due Date**
None	N/A

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