

## TABLE OF CONTENTS

CHAPTER 1: MAYOR’S FOREWORD AND EXECUTIVE SUMMARY .....	4
COMPONENT A: FOREWORD BY THE MAYOR .....	4
COMPONENT B- EXECUTIVE SUMMARY .....	5
THE MUNICIPAL MANAGER’S OVERVIEW .....	5
1.1 Municipal Functions, Population and Environmental Overview .....	7
1.2 Service Delivery Overview.....	12
1.3 Financial Overview .....	15
1.4 Economic Analysis .....	16
1.5 Auditor General Report.....	22
1.6 Statutory Performance Management System Process.....	23
1.7 Vision, Mission And Core Values.....	24
1.8 Overview of The Local Municipalities Within UMzinyathi .....	24
CHAPTER 2: GOVERNANCE.....	26
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE.....	26
2.1 Political Governance Structures.....	26
2.2 Administrative Governance Structures.....	30
COMPONENT B: INTERGOVERNMENTAL RELATIONS.....	33
2.3 Introduction to Co-Operative Governance and Intergovernmental Relations .....	33
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION .....	36
2.4 Public Meetings .....	36
2.5 IDP Participation and Alignment.....	39
COMPONENT D: CORPORATE GOVERNANCE .....	41
2.6 Risk Management.....	41
2.8 Supply Chain Management.....	42
CHAPTER 3: SERVICE DELIVERY PERFORMANCE .....	46
COMPONENT A: BASIC SERVICES .....	46
3.1 Water Provision.....	46
3.2 Waste Water Sanitation Provision .....	47

3.3 Electricity .....	47
3.4 Waste Management (Refuse Collection) .....	48
3.5 Housing.....	49
3.6 Free Basic Services and Indigent Support .....	50
COMPONENT B: ROAD TRANSPORT.....	53
3.7 Roads .....	53
3.8 Transport .....	54
3.9 Waste Water (Storm Water Drainage).....	55
COMPONENT C: PLANNING & DEVELOPMENT.....	55
3.10 Planning.....	55
3.11 Local Economic Development (Tourism & Market Places) .....	56
COMPONENT D: COMMUNITY& SOCIAL SERVICES.....	62
3.12 Libraries, Archives, Museums, Community Facilities .....	62
3.13 Cemeteries and Crematoriums.....	63
3.14 Child Care, Aged Care, Social Programmes .....	64
COMPONENT E: ENVIRONMENTAL PROTECTION .....	68
3.15 Strategic and Environmental Assessments .....	68
COMPONENT F: SAFETY AND SECURITY .....	71
3.16 Traffic Department .....	71
3.17 Fire & Disaster Management.....	73
COMPONENT G: SPORTS & RECREATION .....	76
3.18 Sport & Recreation.....	76
COMPONENT H: 2014/15 ANNUAL PERFORMANCE REPORT .....	78
CHAPTER 4- ORGANIZATIONAL DEVELOPMENT PERFORMANCE .....	113
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL .....	113
4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE .....	113
4.2 OCCUPATION AND GENDER EQUITY ANALYSIS .....	113
4.3 EMPLOYMENT EQUITY PLAN.....	114
4.4 WORKPLACE SKILLS PLAN .....	114
COMPONENT B: MANAGING THE WORKFORCE .....	115

4.5 POLICIES .....	115
4.6 SUSPENSIONS .....	115
4.7 RETENTION STRATEGIES.....	116
CHAPTER 5- FINANCIAL PERFORMANCE.....	118
CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS .....	125
6.1 Report of the Auditor-General to the KwaZulu-Natal Provincial Legislature and the Council on Endumeni Municipality .....	125
6.2 2014/15 Action Plan to Address Audit Queries.....	130
CHAPTER 7: SERVICE PROVIDERS PERFORMANCE .....	133
7.1 Mun-Soft.....	133
7.2 Baud Asset.....	133
7.3 Pay day System.....	133
7.4 Imbube Security Services .....	133
7.5 Panasonic.....	134
7.6 Nashua.....	134
7.7 Newcastle office .....	134
7.8 Assessment Key .....	135
CHAPTER 8: REPORT OF THE OVERSIGHT COMMITTEE .....	138
CHAPTER 09: CONCLUSION .....	139

## Appendixes

Appendix A: List of Councillors

Appendix B: List of Ward Committee Members

Appendix C: Recommendations of the Municipal Audit Committee

Appendix D: Risk register

Appendix E: Code of Conduct

Appendix F: Annual Financial Statement

Appendix G: Traffic Department Report 2014/15

# CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## COMPONENT A: FOREWORD BY THE MAYOR



It is my privilege to present the Draft Annual Report for the 2014/2015 financial year.

The Annual Report was compiled under challenging circumstances. Council was challenged with a very difficult period, where regular council meetings did not take place, vacancies in senior positions existed for the whole of the current financial year and important decisions were delayed. Against this background and a very challenging economic period, we still succeeded to deliver services at an acceptable level.

We have also managed to obtain an unqualified audit report for the previous year.

While taking into account of the constrained fiscal environment, we continue to support Government's commitment to broadening service delivery and expanding investment in infrastructure.

There are certain challenges, but this Annual Report will take us forward and we have committed to address and resolve the major challenges such as meter-tampering and the community at large will have to co-operate in dealing with this challenge.

Should we fail to stop these unlawful practices, it will result in cash flow problems with a detrimental effect on service delivery.

Council will have to apply all efforts to resolve these challenges before much progress could be made in addressing other challenges like improved service delivery and meeting the needs of the community.

We all are very aware of the demands for increased service delivery, as much as we are aware of the fact that the needs will always be more than the resources to satisfy those needs.

We will just have to continue applying more wisdom in spending patterns and choices to be made on spending of available funds. Non-essential spending must be curbed.

The Annual Report once again was compiled with due consideration of the Budget, with one of the main priorities being the financial sustainability of Endumeni. Our strategy remains to provide core infrastructure and reliable services at affordable tariffs for our community and to improve the standard of living of all people of Endumeni.

I thank you!

A handwritten signature in black ink, appearing to read 'T M Mahaye', written in a cursive style.

**CLLR T M MAHAYE**  
**MAYOR: ENDUMENI MUNICIPALITY**

## COMPONENT B- EXECUTIVE SUMMARY

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### THE MUNICIPAL MANAGER'S OVERVIEW



As Endumeni Local Municipality, we pride ourselves of the successes we have achieved under strenuous and challenging situations. These accomplishments are as a result of the bold commitments to a reduction of poverty, joblessness, inequality and many other societal challenges affecting our people.

It would be impossible for us to achieve these without a solid Integrated Development Plan (IDP). I should emphasize that our IDP is a progression whereby a municipality formulates its tactical progress plan that is directly linked to the term of office of its Council. Therefore, the IDP seeks to bind interactions and prospects in the promoters made towards the realisation of the substantial objectives for better life for everyone.

Integrated Development Plans are the absolute significant devices accessible to the municipality in renovating structures and ought to bring a desired change that is equally important to ensure that our council make an impact on growth and development in a sustainable manner and in areas that matter to all our people. With that said, the IDP thus conveys several economic, social, environmental, legal, infrastructural and all dimensional aspects of the plan.

Mainly informed by precedence necessities, this Municipal Systems Act section 46 report is thoroughly designed towards enlightening the value of life for the community through a variety of pillars such as job creation, good governance and service delivery.

Ongoing cost cutting measures has yielded positive results wherein subsistence and travel, transport costs and other social programmes decreased. In our finance reports, expenditure line items have been reduced in an effort to contain costs and eliminate non priority spending. Firm control over expenditure is necessary put together with revenue collection and revenue enhancement initiatives.

The Endumeni council ensured that the appointment of two executive managers (Chief Financial Officer and Executive Manager: Corporate Services) earlier this year to steer the administration forward.

Revenue enhancement strategy and debt relief programme in place that was developed and approved by Council May 2014. With aforementioned, there has been a visible decrease in debtors' book and indigents' debt were completely written off. Furthermore, the concession of debts wherein customer's penalties, interest, collection fees waived on condition that capital amount is in progress until December 2015.

We also put emphasis on those households who have been stealing electricity; those perpetrators were therefore given an amnesty at a fine of R100. With that said, a meter Audit Company was

appointed in September 2014, and the audit was carried out to ensure that is run efficiently. Thus there is a slight improvement in terms of electricity theft reduction from R26m to R18m. As a result, we are in the process of establishing strategies that will be implemented as we progress in 2015-2016.

Even though Endumeni local municipality was assessed as non-functioning in the first quarter and second quarter, however the municipality strived for excellence/distinction as there has been vast improvements in the Back to Basic programme whereby Endumeni was assessed as fully functioning municipality.

In addition, the municipality has a total number of 1794 registered indigents and municipal officials embarked on a customer care campaign whereby they informed the community how to fill in the indigent form accordingly. With that said, that has made a great impact on the increase number of people registering on indigent database.

Endumeni Local Municipality will further obligate and commit itself to the following:

- A proficient service delivery to the community;
- Generate a podium for local economic development that can results creation of employment;
- Eradication of poverty;
- Noble financial planning and control, free of any form of corruption;
- The expenditure of municipal capitals in a responsible and clear routine; and
- Be dynamic personnel with an extraordinary work ethic.

In conclusion, I wish to express my appreciation to all those who contributed in process of formulating this Annual Report and further show gratitude to the council for its commitment in improving the lives of the community. Together in Prosperity we move forward and working in partnership with all people for the promotion of the sustainable, harmonious and balanced development of its urban and rural communities.

Yours faithfully

Mrs C.B Mkhize  
Acting Municipal Manager

## **1.1 Municipal Functions, Population and Environmental Overview**

### **1.1.1 INTRODUCTION**

Endumeni Local Municipality Annual Report which comprises of the Annual Performance Report is compiled in terms of section 121 (1) of the Municipal Finance Management Act No. 56 of 2003 and Section 46 of the Municipal Systems Act No. 32 of 2000, which prescribe that a municipality, including its municipal entity, is required to prepare an annual report and an annual performance report for the year under review.

The purpose of the annual report is to provide a record of the activities of the municipality and its municipal entity, and a report on performance against the budget for that financial year with the aim of promoting accountability to the local community for the decisions made by the municipality and its entity. The annual performance report on the other hand reflects the performance of the municipality and its service providers during the financial year, comparison of performances of the current and previous financial years and measures taken to improve performance.

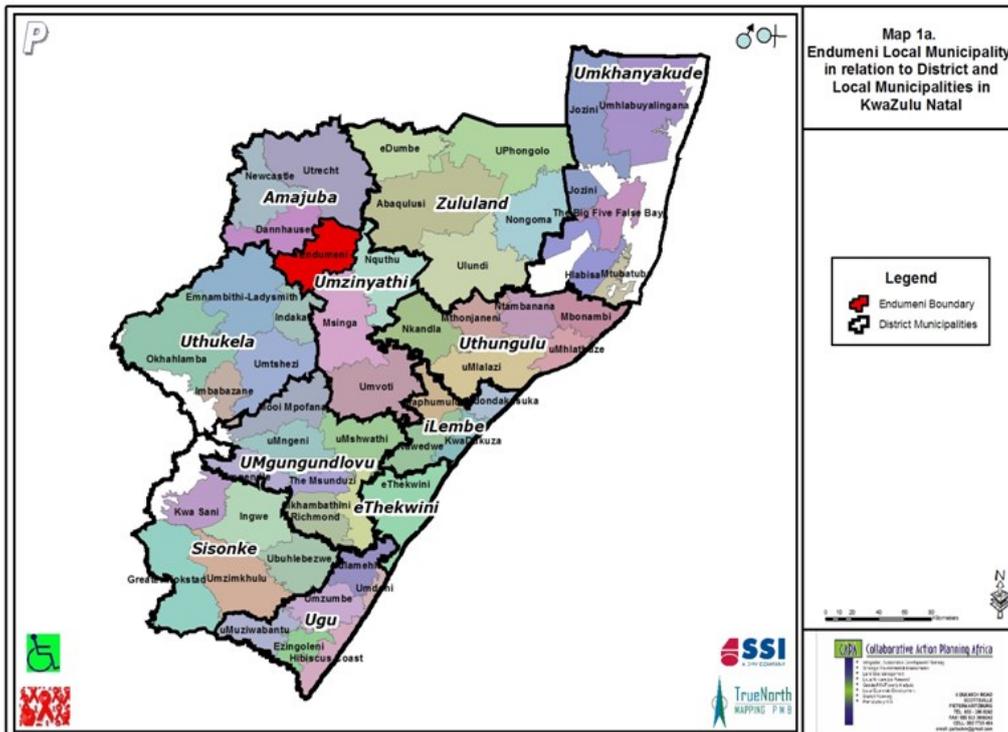
The municipality's 2014/15 annual report provides a true, honest and accurate account of the set performance and financial goals, the extent to which they were met, the resultant successes and the challenges that were experienced in pursuance thereof.

## **OVERVIEW**

### **1.1.2 GEOGRAPHICAL AREA**

Endumeni Municipality is located 360 kilometers South East of Johannesburg and 290 kilometers North of Durban. The area is in the Biggarsberg Valley in the foothills of the Drakensberg. The Municipality is generally accessed by turning off the N3 highway onto the N11 then proceeding onto the R68 into the Municipal area.

See Figure 1 below:



Endumeni municipal area is one of four local authorities forming the uMzinyathi District Municipality. The local municipalities comprising the District are:

- Endumeni (KZ 241)
- Nqutu (KZ 242)
- Msinga (KZ 244)
- uMvoti (KZ 245)

Endumeni has the smallest population but the largest economy of the local authorities in the District, focusing as it does on the main urban areas of Dundee and Glencoe.

For detailed locality maps of the area and a list of the farms of which the area is comprised, reference should be made to the above-mentioned document.

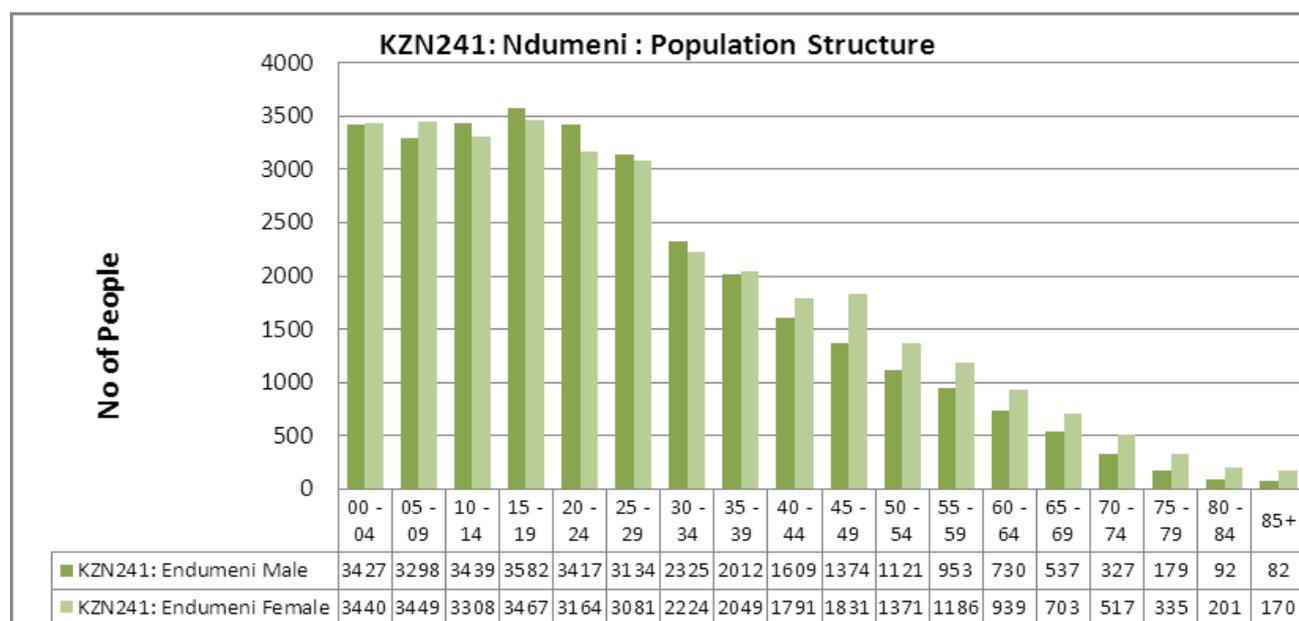
### 1.1.3 DEMOGRAPHIC TRENDS AND CHARECTERISTICS

The Endumeni Municipality (KZ 241) comprises the towns of Dundee, Glencoe and Wasbank, together with a number of farms astride MR 33, MR 68 and DR 602. It should be noted that no Ingonyama Trust land is located within the Municipal Area.

#### (a) Population Size

During Census 2011 the municipality had a population of approximately 64 59 504 people, which showed an increase from the population of the previous years. Statistics SA survey 2007 estimated that population was approximately 54 440 people, while on the same year Global Insight estimated 57 013. However, it is noted that the population is increasing at a decreasing rate. In 2010 the growth rate was estimated at 1.3% while in 1996 was standing at 2.4%. This decrease in growth can be attributed to various social factors including HIV/AIDS rate and other factors.

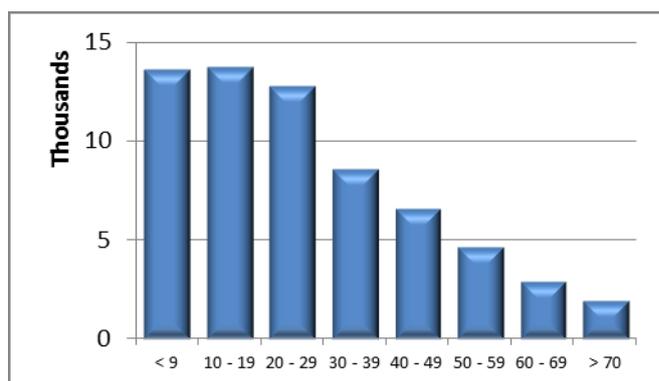
The recent Census results indicate that the population of Endumeni has increased to 64 864 people. Females are still in the majority of 33 226.



Source: Statsa 2013

Endumeni has a total number of 13 734 households and Africans enjoy a larger share of these households than any other race. African households account for 80% of the population while other racial groups share the remaining percentage. Compared to 1996 the municipality had 9 600 households. Clearly this increase has put pressure to the municipality to provide necessary infrastructure and associated services.

## (b) Age Distribution



### AGE (YEARS)

< 9	13613
10 - 19	13796
20 - 29	12796
30 - 39	8610
40 - 49	6604
50 - 59	4631
60 - 69	2908
> 70	1903

For both the province and the district, over 60% of their populations are under the age of 29 years old. In addition, over 65% of the municipal populations are between the ages of 15 – 64 years old, which indicate that the majority of the population is within the working age bracket. Undoubtedly, this places pressure on the municipal economy to create job opportunities that should absorb ever-increasing labour force. Hence, as the strategy unfolds the need persists to engage private sector partners and influence their investments programme, thereby ensure creation of much needed job opportunities within the economy. Furthermore, the skilling of existing labour is indeed of paramount importance to the municipality.

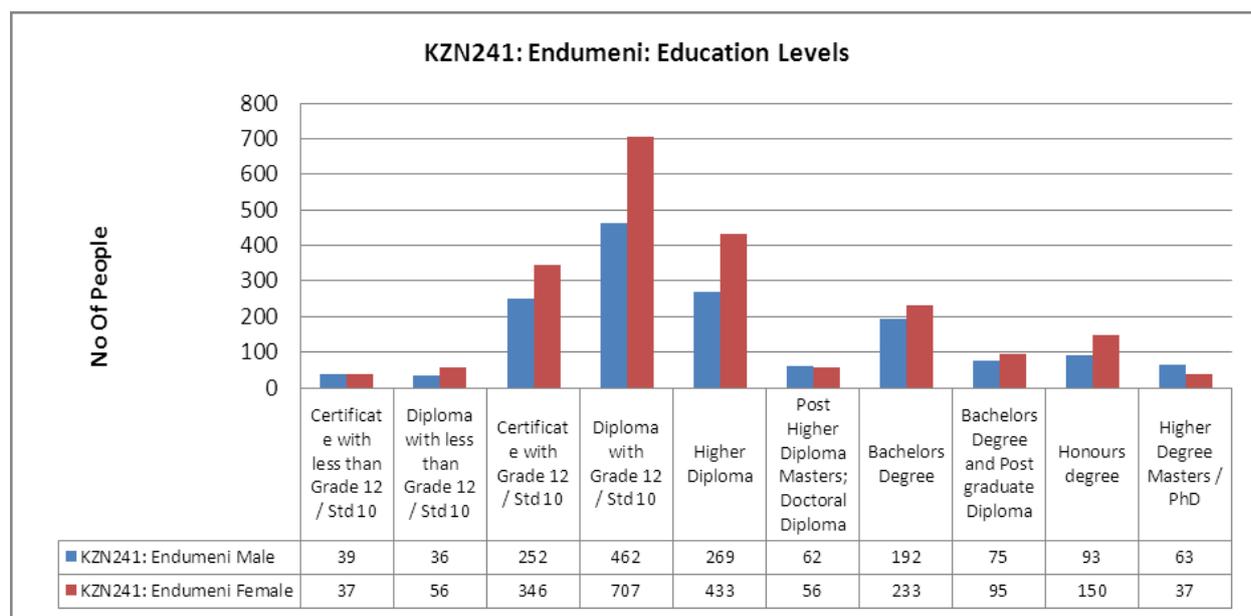
The section below on strategic development alludes to intervention measures that will expedite creation of job opportunities for the rural and urban jobless masses.

The profile of the district and the province are relatively similar, with about 48% of the population comprising males, and about 52% comprising females.

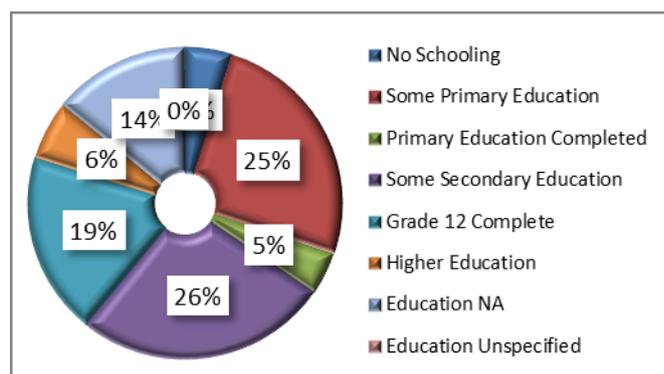
## (c) Education Level

The education level is an important indicator of the future prosperity or challenge facing an economy. In this regard it can be deduced that the municipality of Endumeni has to play a vital role in stimulating the economy that will cater for the needs of the majority of the population.

Graph 2 : Education



Source: Statssa 2011



<b>HIGHEST EDUCATION</b>	
No Schooling	3145
Some Primary Education	16407
Primary Education Completed	2872
Some Secondary Education	17055
Grade 12 Complete	12290
Higher Education	3913
Education NA	9096
Education Unspecified	84

Source: Statsa 2011

The Statsa figures indicate that in terms of functional literacy for people over 20 years, the functional literacy rate has increased from 72.25% in 1996 to approximately 95% in 2011. In terms of the highest level of education for people 15 years and older, the Global Insight figures indicate that there has been a decline in the number of people with no schooling from 1996 to 2011. The figures also indicate an improvement in the number of people with Grades 10 – 11, Matric only, as well as Matric and some form of post- Matric qualification.

Statistics South Africa confirms that, the education profile of the Endumeni Municipality population has improved from the situation in 2001. The number of people who do not have formal education has decreased from 4362 in 2001 down to 3 145 in 2011. Similarly, the number of people with secondary education has increased from 15562 in 2001 to 17 055 in 2011.

More interestingly there is an increase in number of women with higher level of education. The overall picture is that the area has more motivated people to upgrade their education level.

Over 75% of the population of Endumeni lives in formal urban housing, whilst another 10% of the community lives in informal housing in Endumeni. Thirteen Percent of the population lives on rural farms in the area. Present estimates are that an additional 1750 sites are required.

## **1.2 Service Delivery Overview**

Endumeni Local Municipality applied efforts to resolve challenges before any progress was made in addressing the challenges of improved service delivery and meeting the needs of the community. The municipality is aware of the demands for increased service delivery, as much as it is aware of the fact that the needs will always be more than the resources to satisfy those needs. Below are the projects that were implemented in order to increase Service Delivery. 100% of MIG was spent.

The following projects were approved for funding through the Municipal Infrastructure Grant (MIG) for 2014/15 Financial Year and are regarded as capital projects in the IDP:

- I. Sibongile Buffer Strip
- II. Colley Street Extension roads and storm water
- III. McKenzie street rehabilitation
- IV. Uithoek /boundary street reconstruction
- V. Watt road reconstruction
- VI. Argyll /browning streets reconstruction
- VII. Ruigtefontein gravel roads
- VIII. The Sthembile Glencoe Ext 2

### **Sibongile Buffer Strip**

The Sibongile Buffer Strip project had a budget for R60 000 000.00 and the target was 725 new low cost houses. Only 100 units were built due to that there was a delay with the implementing agent. The material was delivered late and there was slow productivity on site.

### **Colley Street Extension roads and storm water**

Colley Street is project that was started in 2013/2014 financial year and was completed 2014/2015. It is an upgrade of infrastructure and installation of storm water & street lights. Due to the delays of the buffer strip phase 1, no maintenance was done except for the maintenance done by the contractor. There is no commitment in this project.

### **McKenzie street rehabilitation**

The budget for Mckenzie street that was allocated to the project on the year under review was 100% spent, the target for the 2014/2015 financial year is 0.5KM. 89% work done is achieved and 100% budget for the project was spent. The budget is an overlap to 2015/2016 financial year where we anticipate completion.

### **Uithoek /boundary street reconstruction**

Uithoek Boundary Street was budget for in the 2014/2015 financial year for design and tender. However that budget was not spent because the project was not prioritised.

### **Watt road reconstruction and Ruigtefontein gravel roads**

The reconstruction of Watt road was budgeted for this amount includes Mckenzie and Ruigtefontein R16 751 092.90, 100% of the budget was spent in the year under review. The project is an overlap to 2015/2016. 2.4KM's is the target for the entire project.

### **Argyll /Browning streets reconstruction**

Argyll / Browning was registered and approved by MIG. The budget for Argyll/Browning Street was diverted to Watt Road. The road cannot be developed until an alternative route for trucks is sourced /developed. Hence the budget allocated was moved to complete Watt road.

### **Strathford Farm Electrification**

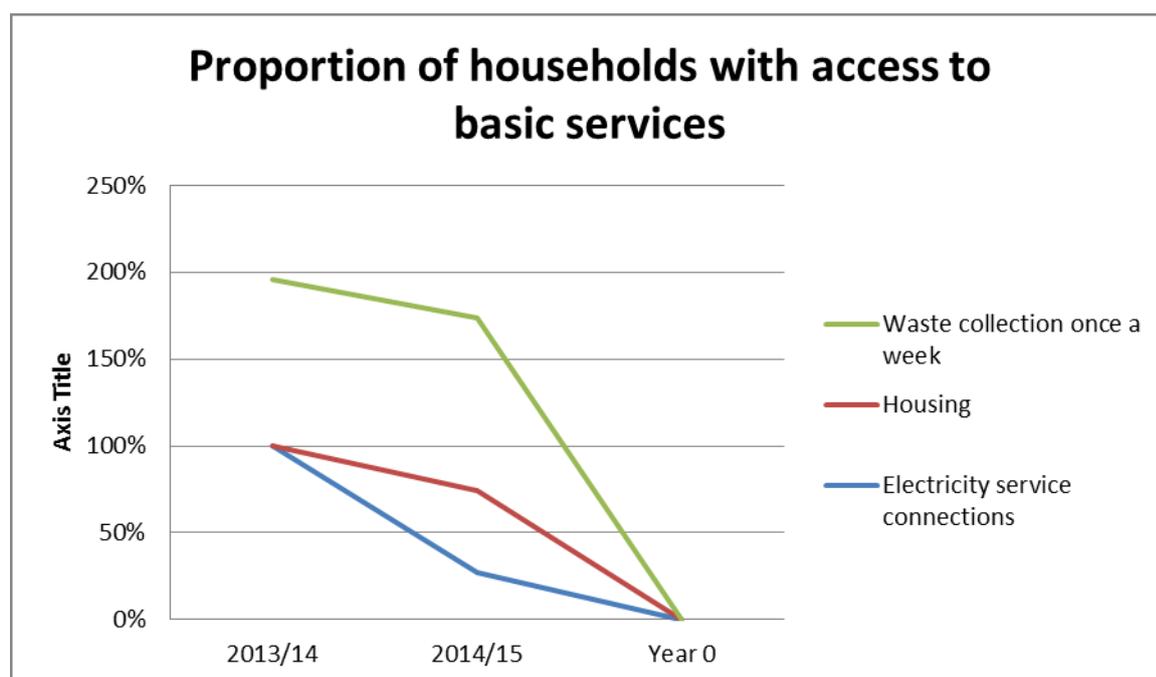
The municipality had a target of 686 houses to be electrified in Strathford Farm. However, only 192 houses were electrified in Strathford Farm.

## Sithembile Glencoe ext 2

The targeted electrification of 492 households in Sithembile Glencoe Extension 2 was delayed due to an objection on the award of the tender of the preferred bidder. A roll over to 2015/2016 has been applied for and the municipality is waiting for feedback. If granted, the 492 targeted electricity connections will be carried out in the new financial year.

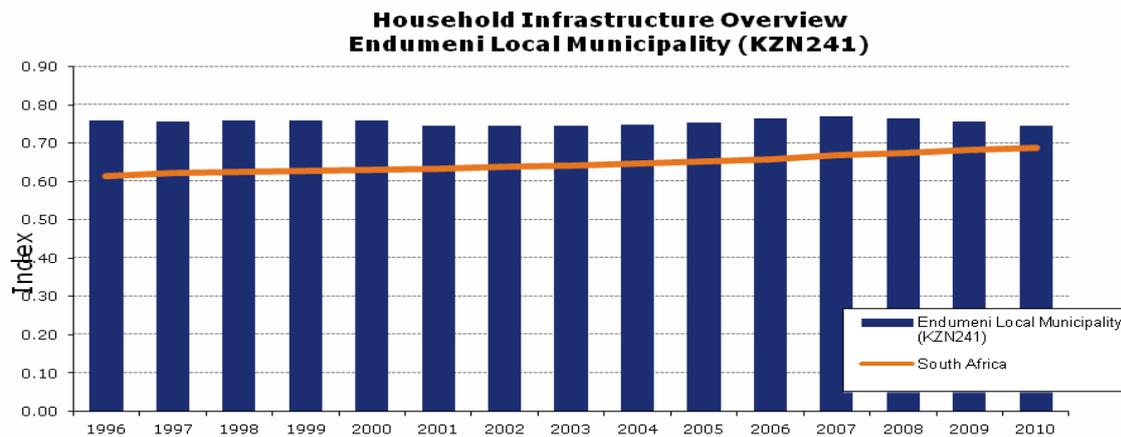
The Sithembile Glencoe Extension 2 low cost housing project had a budget of R42 000 000.00 with target of 492 houses but only 472 were constructed. The remaining sites have various envisaged sites challenges including 2 on which sites graves were found; 3 that were found to be rocky and; 2 that are on the flood line and therefore cannot be developed. The municipality is still engaging with human settlements to find a solution.

The municipality has a waste management collection plan that is monitored on a weekly basis. The plan incorporates the removal of waste from residential areas as well as industrial areas. There is an attendance register that is signed by employees upon completion of the weekly chores.



### 1.2.1 INFRASTRUCTURE OVERVIEW

The graph below indicates a composite index of the above levels of infrastructure provision for the Endumeni. The index indicates that there has been an improvement in the levels of infrastructure provision and it has remained at 0.76; it has been above the national averages for this same period.



Source: IHS Global Insight Regional eXplorer version 593

Graph 10: Infrastructure Overview

### 1.3 Financial Overview

The budget has been prepared after due consideration of the difficult economic conditions, the current performance of the municipality as well as its financial position, spending, service delivery capacities and financial and economic indicators. Financial sustainability remains the municipality's primary long term goal. Management have tried to find a balance in ensuring the financial sustainability of the municipality whilst ensuring that the tariffs are cost reflective and are affordable to the community.

There is a need for firm control over expenditure together with revenue collection and revenue enhancement initiatives

The Municipality has budgeted R 246 802 361 operating revenue, of which 89% collection rate is anticipated and has been achieved.

There has been a challenge of electricity theft which resulted in a loss of R 14 289 417 for the 2014/15 financial year, due to this challenge the municipality had to budget for the cost to engage a meter auditing company and thus has costs the municipality R 2 592 698. There was also a challenge of high non-payment of rates and services which led to the need for a high provision of bad debts amounting to R 6 707 026. This contribution was financed. The Management has also written off indigent debts where the property valuation is below R50 000, as these consumers are generally in the indigent category and this debt was clearly uncollectable.

MIG funding of R 14 383 000 was made available for the implementation of capital projects mainly road infrastructure and was fully expended in 2014/15 financial year (100%). This indicates that the municipality has a capacity to spend more in instances where the allocation is reviewed and increased in accordance with the conditions of the grants. INEP

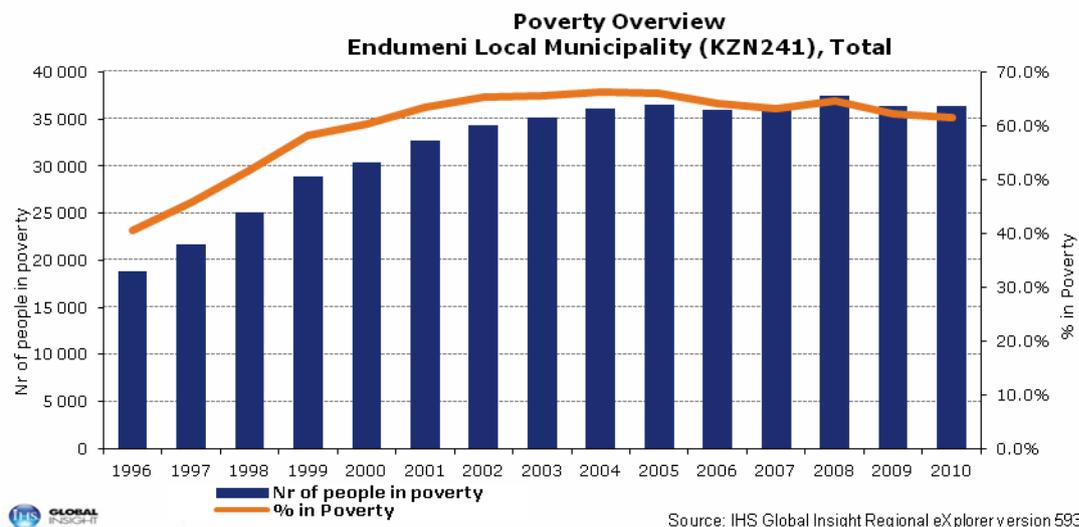
funding of R 8 000 000 was also made available to fund electrical projects of which rollover of R 4 800 000 was applied for in 2014/15 financial year and was approved for 2015/16 financial year

## 1.4 Economic Analysis

### (a) Number of People in Poverty

Poverty is defined as the state of one who lacks a usual or socially acceptable amount of money or material possessions. This variable indicates the number of people that lack the goods and services commonly taken for granted by members of mainstream society.

In terms of percentages, in 1996 40.7% of residents of the Endumeni lived in poverty, while in 2010 61.9% lived in poverty. This figure peaked at 66% in 2005. While the poverty rate is at 61% Africans are the most affected. At least 69.9% of Africans are languishing in poverty and as far back as 2005 the rate was at 78%. Again, this calls for strategic interventions that will speedily minimise the number of people in poverty.



Graph 11: Poverty Overview

### (b) Poverty Gap

The poverty gap can be defined as the amount of income that would be required to bring every poor person exactly up to the poverty line, thereby eliminating poverty. It can also be defined as the total income shortfall, expressed in proportion to the poverty line, of families with income below the poverty threshold, divided by the total number of families.

For the UDM this figure stood at R327 million in 1996, and rose to R1,037 million in 2009. This figure peaked in 2008. In case of Endumeni at least 47 million is required to bring all the residents currently below poverty line to the equilibrium level. This is the level where all affected will have 1 dollar per day.

### **(c) Percentage Of People Living Below \$1 And \$2 Per DAY**

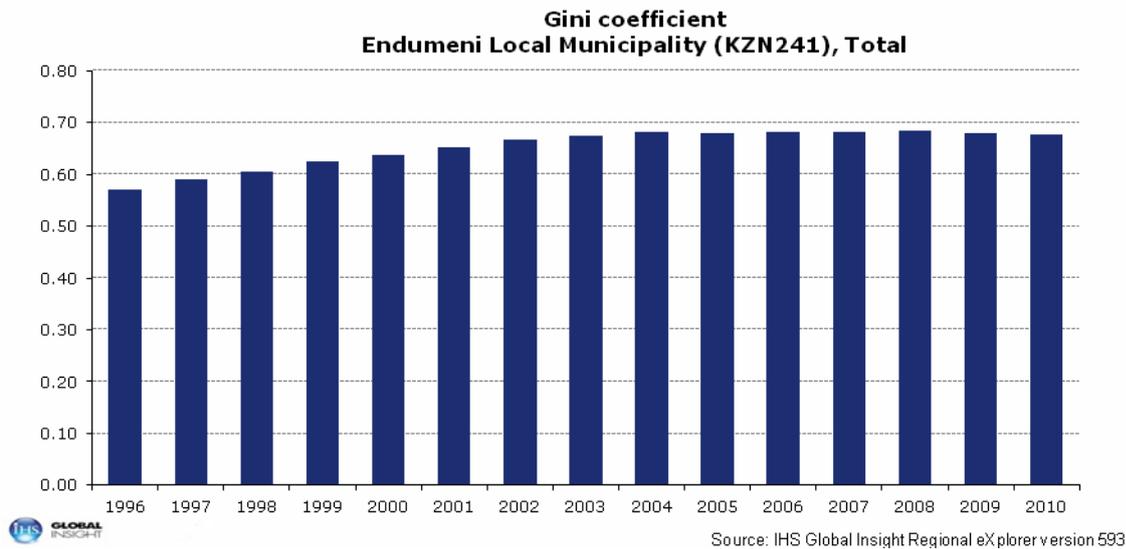
In 1996 9% of the population of UMzinyathi lived below \$1 per day and 26.2% lived below \$2 per day. This figure improved to 0.4% living below \$1 per day and 10% below \$2 per day in 2010. The year 2002 saw the highest number of people living below \$1 per day (12%) and the highest number of people living below \$2 per day (33.8%).

In 1996 at least 4% of the population of Endumeni lived below \$1 per day and 12% below \$2 per day. However, there has been a noticeable improvement on these figures. Currently Global Insight reports that 0.4% live below \$1 per day and 11.5% below \$2 per day respectively.

### **(d) Gini Coefficient**

The Gini Coefficient is the most commonly used measure of inequality. The coefficient varies between 0, which reflects complete equality and 1, which indicates complete inequality (one person has all the income or consumption, all others have none).

The Gini Coefficient for the UDM rose from 0.59 in 1996, to 0.61 in 2009, and peaked at 0.63 in 2003 and 2004. This indicates a relatively high level of inequality in the UDM society. The Gini coefficient for the UDM in 2009 was lower than the national average. On the other hand, the Gini Coefficient of Endumeni is reported to be 0.68 in 2010 while it was 0.57 in 1996. The inequality gap has increased in Endumeni living government with the challenge to narrow this unhealthy economic gap.



*Graph 12: Gini coefficient*

### (e) Human Deprivation Index

The Human Deprivation Index or HDI is a summary of human development and can be defined as a measure of multi-dimensional poverty. In 2004 it was estimated that the HDI for the UDM was the second lowest figure for DM's in KZN behind the uMkhanyakude DM.

The HDI for the UDM in 2009 was 0.36 which was lower than the national average of 0.56 for the same period. The HDI for Endumeni was 0.54 in 2010 and was standing at 0.56 in 1996.

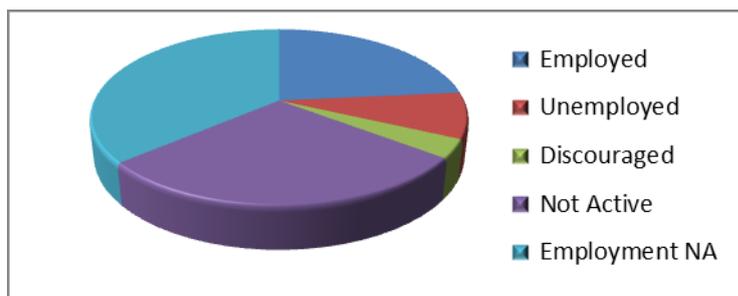
### (f) Minimum Level Of Living

The Minimum Level of Living (MLL) can be defined as the minimum financial requirements of members of a household to maintain an acceptable living standard, which is above the Poverty Line. Sufficient quantities of relevant expenditure items based on minimum health standards are allowed for when calculating the MLL, but rational expenditure on them is assumed. The MLL is measured in monetary value.

#### 1.4.1 Economically Active Population

The Global Insight data indicates that in 2010 the economically active population (EAP) for the Endumeni represented 18.9% which was an improvement on the 17.9% in 1996. The Asian community proved to be more economically active at 30% as compared to other racial groups. The 2010 EAP figures represented some 5 237 females and some 5 985 males. The EAP rate peaked in 2005 at 21.1%.

### (a) Employment Profile



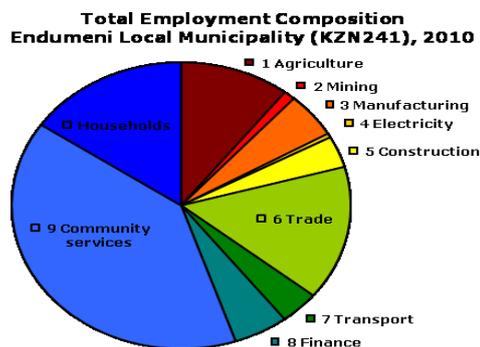
EMPLOYMENT STATUS	
Employed	15227
Unemployed	5466
Discouraged	2222
Not Active	18444
Employment NA	23503

Source: Statistics South Africa

Statistics South Africa suggest that, the number of economically inactive population has now increased to 18 444 from 12 039 in 2007. The rate of the unemployed has decreased from 6 964 in 2007 to 5 466 in 2011.

### (b) Employment per Sector

As can be seen from the graph below, in 2010 the *Community Services* sector employed the highest percentage of residents followed by household (996 people), Trade (976 people) and Agriculture at 674 people.



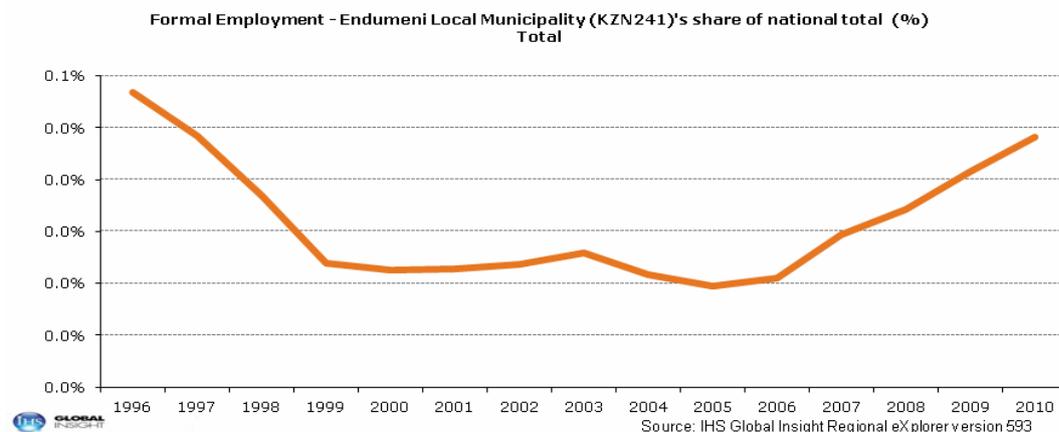
Source: IHS Global Insight Regional eXplorer version 593

Chart 1: Employment composition

It is however noticeable that, agriculture and mining sector that used to dominate the economy of Endumeni have dwindled dramatically. While their potential to contribute significantly in the local economy is not questionable but rather the strategies required to turn around their fortunes need to be devised and implemented accordingly. Amongst other things, the fall of agriculture has been partly attributed to the large hectares of land transferred to previously disadvantaged communities that is under-utilized. Undoubtedly, the revitalization of land reform programme and implementation economic reforms within the farms around Dundee, Wasbank and Glencoe remains central to the LED strategy of the municipality.

The revival of the mining sector is warmly welcomed, since it has a potential to re-create job opportunities in the area and impact on the positive growth of Dundee and Glencoe towns.

### c) Overall Formal Employment



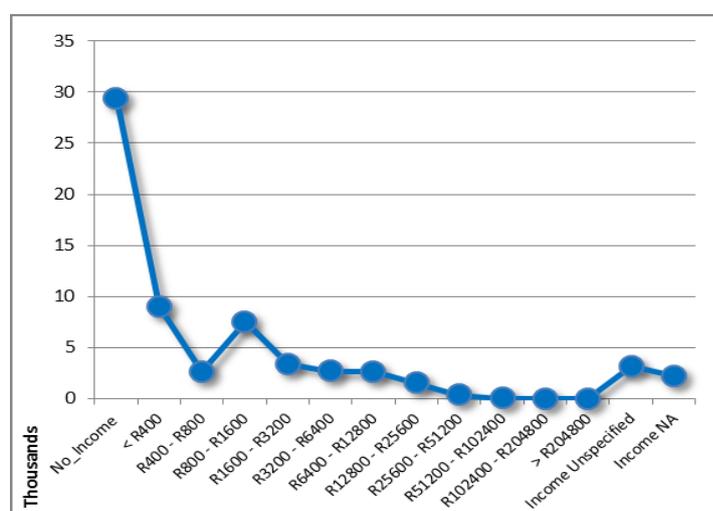
Graph13: Formal employment

It is noticeable that, Endumeni is contributing very little in terms of national employment standards. Again, the argument asserted earlier in this report that alludes to dwindling state of key sector is still a determining factor in our little employment contribution at national level. However, it is encouraging that, the Endumeni's contribution to national employment figures is now increasing as from 2006 to 2010.

### 1.4.2 Income Levels

#### (a) Annual Household Income

The following graph summarises the annual individual income at current rand prices. As can be seen, there has been an improvement in the annual individual and household income from 1996 to 2010.

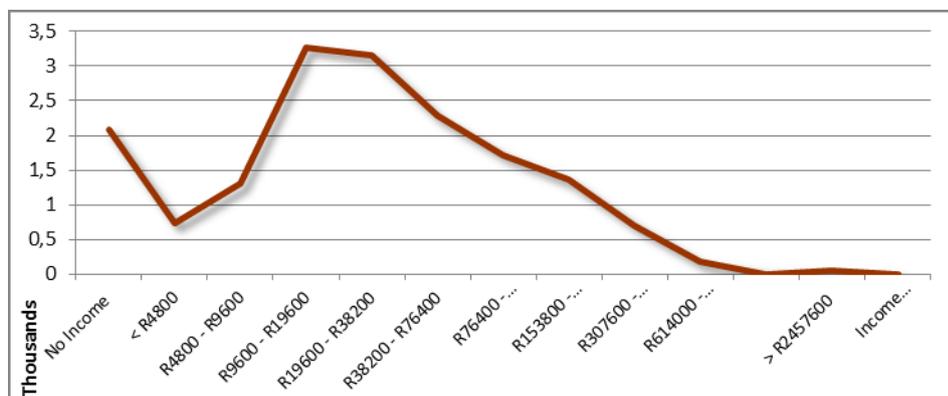


INDIVIDUAL MONTHLY INCOME	
No Income	29354
< R400	9068
R400 - R800	2625
R800 - R1600	7536
R1600 - R3200	3385
R3200 - R6400	2719
R6400 - R12800	2629
R12800 - R25600	1550
R25600 - R51200	386
R51200 - R102400	88
R102400 - R204800	49
> R204800	40
Income Unspecified	3188
Income NA	2245

Graph 14: Individual income

However, it should be noted that people with no income are still high at 29 354 and at the top market bracket we have only 40 earning above R 204 000.

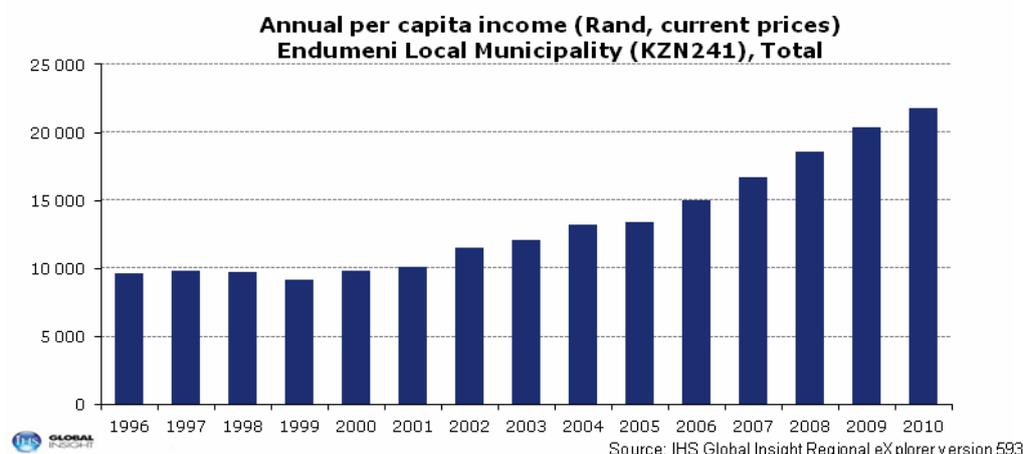
The following graph indicates the number of households per income category. As can be seen from this data, there has been a real decline in the households earning at the lower income levels and an associated increase in the number of households earning at the higher income levels.



Graph 14: Individual Income

### (b) Annual per Capita Income

Annual per capita income has also improved during this period from R9, 612.00 in 1996 to just below R21, 813.00 in 2010.

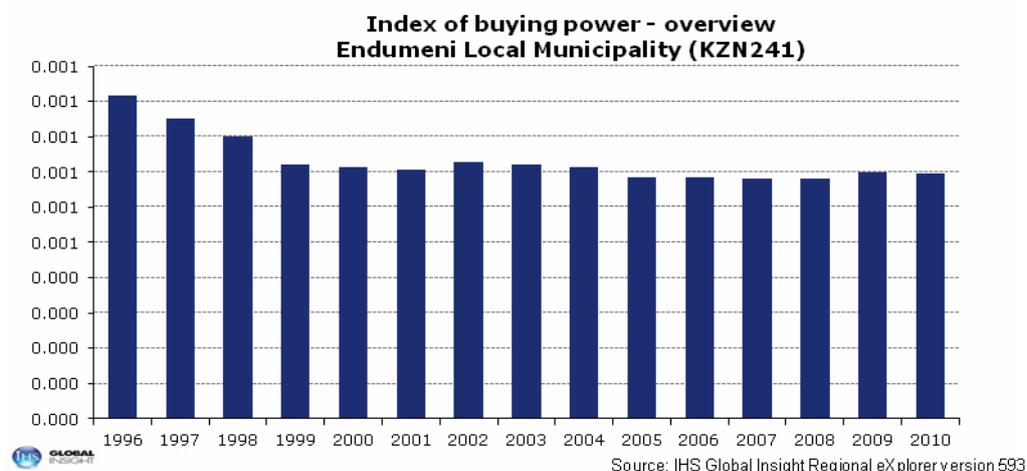


Graph 16: Annual per Capita Income (1996 – 2010)

### (c) Index of Buying Power

An *Index of Buying Power* is a popular indicator of a geographical area's relative consumer buying power. The index is calculated using weighted data for income, retail sales, and population in the area being evaluated. The index can be used by retailers when considering new store locations.

The Index of Buying Power for the Endumeni has decreased marginally from 0.0009% in 1996 to 0.0006% in 2010. The retail share of the national total has also decreased from 0.07% in 1996 to 0.04% in 2010. Income share of the national total has remained static at 0.1% for the period 1996 to 2010.



*Graph 17: Index of Buying Power (1996 – 2010)*

## 1.5 Auditor General Report

The Endumeni Local Municipality received an unqualified audit opinion with additional matters. For the 2013/14 financial year there were 3 matters that affected the Audit outcome. In the 2014/15 financial year there was only one issue, the reports roads indicators did not relate logically and directly to the realisation of strategic goals and objectives of the municipality.

There were also a number of issues that appeared in the management report to name a few:

- I. Assets
- II. Information Technology Governance
- III. Predetermined objectives
- IV. Human Resource Management
- V. Non-compliance

Where did we go wrong: The correct unit of measure for targets was not implemented in a proper manner indicators did not follow the SMART principle.

An action plan has been developed and timelines have been assigned in order to address all the issues that have been raised by the Auditor General. The action plan will be reported on a monthly basis.

### 1.6 Statutory Performance Management System Process

NO	KEY MILESTONES	REPONSIBILITY	DATE
1.	Approved Municipal/ Organisational Scorecard – S44 MSA	MM/IDP Manager	30/06/2015
2.	Approved Departmental SDBIP's/ Scorecards – S53 MFMA.	Mayor/MM	28/06/2015
3.	Signed S57 Managers' Performance Agreements – S53 MFMA and S57 MSA.	Mayor/MM	14/08/2015
4.	Performance reports twice a year – Reg 13 PPMR.	Mayor/MM/PMS Manager/S54/6	25/01/2016 25/07/2016
5.	Internal Audit reports on performance information must be submitted to the MM and Performance Audit Committee – S45 MSA and Reg 14 PPMR.	MM/Internal Audit/PAC	31/10/2015 31/01/2016 30/04/2016 31/07/2016
6.	Schedule Performance Audit Committee meetings twice a year – Reg 14 PPMR.	MM/Internal Audit/PAC	31/01/2016 31/07/2016
7.	Mid-year budget and performance assessment – S72 MFMA.	MM/CFO/S57 Managers/PMS Manager	25/01/2016
8.	Review PMS Policy and prepare draft PMS scorecard for inclusion into draft IDP (Ensure draft scorecard indicators are aligned to IDP objectives).	All	31/03/2016
9.	Complete Datasheet and submit to DCoGTA – S47 MSA.	MM/CFO/S57 Managers/PMS Manager	31/08/2015
10.	Draft 2010/2011 Annual Performance Report – S46 MSA.	MM/PMS Manager	31/08/2015
11.	Prepare 2010/2011 Performance Audit Working Paper File and submit to AG- after necessary approvals.	MM/PMS Manager/Internal Audit	31/08/2015
12.	Table Annual report with Council – S127 MFMA	Mayor/MM/CFO/PMS Manager	31/01/2016
13.	Adopted Annual Report with Council – S121 MFMA.	MM/Council	31/03/2016
14.	Adoption of Oversight Report – S129 MFMA	Council/Oversight	31/03/2016

		Committee	
15.	Post Annual Report on Website – S75 MFMA.	MM/IT Manager	05/04/2016

## **1.7 Vision, Mission And Core Values**

### 1.7.1 Vision

“Endumeni, being at the heart of the KwaZulu-Natal battlefields, strives to be a dynamic municipality participating with its entire people for the promotion of sustainable and harmonious development within its urban and rural communities.”

### 1.7.2 Mission

“To provide an effective and transparent system of good governance aimed at addressing the challenges of our municipality in a manner benefiting our core values;”

### 1.7.3 Core Values

Transparency

Humanism/ Ubuntu

Enthusiasm;

Responsiveness;

Excellence;

## **1.8 Overview of The Local Municipalities Within UMzinyathi**

### **DISTRICT MUNICIPALITY**

#### **a) Endumeni Local Municipality**

Main town is the Commercial centre Dundee;

Most diversified economy;

Commercial cattle farming and dairy production; and

Centre of the Battlefields tourist region.

#### **b) Nquthu Local Municipality**

Main town is Nquthu;

Entirely rural region; and

Subsistence agriculture is the main activity in the area

**c) Msinga Local Municipality**

Main towns are Pomeroy and Tugela Ferry;

Densely populated mountainous and rocky region; and

Rural region with subsistence farming.

**d) Umvoti Local Municipality**

Main town is the commercial centre Greytown;

High potential farm land and low population density; and

Strong in crop production and forestry.

## CHAPTER 2: GOVERNANCE

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### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1 Political Governance Structures

##### 2.1.1 Political Structure

###### MAYOR

In terms of s49(1)(a) of the Municipal Structures Act No. 117 of 1998, the Mayor of a municipality presides at meetings of the executive committee. Performs the duties including any ceremonial functions, and exercises the powers delegated to the Mayor by the municipal council or the executive committee.

His Worship Cllr Thulani Mahaye



###### DEPUTY MAYOR

In terms of s49(2) of the Municipal Structures Act No. 117 of 1998, the Deputy Mayor exercises the powers and performs the duties of the Mayor if the Mayor is absent or not available or if the office of the Mayor is vacant. The Mayor may delegate duties to the Deputy Mayor.

Cllr Thandanani Mkhize



## SPEAKER

In terms of s37(a) of the Municipal Structures Act No. 117 of 1998, the Speaker of a municipal council presides at meetings of the council. Performs the duties and exercises the powers delegated to the speaker in terms of s59 of the Municipal Systems Act No.32 of 2000.

Cllr Sduduzo Mdluli



In terms of the political governance structures which were in place during 2014/15 financial year, they were as follows:

### **2.1.2 Executive Committee**

During the year under review, the municipality had an effective and functional Executive Committee. The Executive Committee is the principal committee of Council for the municipality. The Executive Committee receives reports from other committees of Council, which must then forward these reports together with their recommendations to Council when it cannot dispose of the matter in terms of its delegated powers. The Executive Committee had 11 meetings out of 12 meetings during 2014/15 financial year.

## EXECUTIVE COMMITTEE MEMBERS

His Worship Cllr T Mahaye

Deputy Mayor Cllr TB Mkhize

Cllr AM Raubenheimer

### 2.1.3 Council

#### COUNCILORS

The Endumeni Local Municipality has **12** Cllrs. Refer to appendix A for a full list of Cllrs.

During the year under review, the municipality had an effective and functional Council. The municipal Council ensured to strive within its capacity to achieve the objectives as set out in Section 152 of the Constitution which indicates that Council must annually review:

- The needs of the community;
- The priorities to meet those needs;
- Its processes in involving the community;
- Its organisational and delivery mechanism for meeting the needs of the community
- Its overall performance in achieving the objectives as set out in Section 152 of the Constitution.

Council had 09 meetings whereas the target was 4 meetings during 2014/15 financial year.

### 2.1.4 Portfolio Committees

During the year under review, the municipality had an effective and functional Portfolio Committees which were established in line with Section 79 of the Municipal Structures Act (No 117 of 1998). The establishment of the committees was to ensure effective and efficient performance of the municipality in terms of service delivery, and also to assist the Executive Committee. The portfolio Committees serve to report to the Executive Committee in accordance with the performance directives of the Executive Committee.

The Section 79 Committees established, were established in the following manner:

<b>Portfolio Committee</b>	<b>Number of Meetings</b>
Finance	06
Technical Services	11
Corporate Services	11
Municipal Manager's Forum	07

### 2.1.5 Municipal Public Accounts Committee

During the year under review, the municipality had a functional Municipal Public Accounts Committee which was in charge with the responsibility to:

- Assist Council to hold the executive and administration to account;
- Councillors are therefore responsible for exercising oversight over both the executive and administration;
- Proper administration of oversight requires Councillors to be fully informed of their own agenda, business or affairs; and
- Councillors are accountable for the performance of the council; hence they must supervise the Municipal Council agenda, in order to achieve the desirable performance.

The Municipal Public Accounts Committee had 7 meetings during 2014/15 financial year.

### 2.1.6 Audit Committee

During the year under review, the municipality had a functional Audit Committee which was in charge with the responsibility to:

- Consider the current areas of greatest financial risk and how management is managing these effectively.
- Consider with the internal and external auditors any fraud, illegal acts, deficiencies in internal control, or other similar issues.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review changes in accounting policies. • Review any legal matters which could significantly impact the financial statements.
- To provide Council with the oversight of the financial reporting process, the audit

The Audit Committee had 4 meetings during 2014/15 financial year.

## 2.2 Administrative Governance Structures

### 2.2.1 ADMINISTRATIVE GOVERNANCE

The Endumeni Local Municipality during the 2014/15 financial year had 4 departments, namely: Office of the MM, Finance Department, Corporate Services and Technical Services. During the financial year two section 56 positions were filled on fixed term appointments; one s56 position was filled by acting personnel. The s54 position is filled by acting personnel since the Municipal Manager is still on suspension.

#### TOP ADMINISTRATION STRUCTURE

##### ACTING MUNICIPAL MANAGER



Name :Mrs CB Mkhize

Title : Acting Municipal Manager

Tel : 034 212 2121

Email : [mkhizeb@endumeni.gov.za](mailto:mkhizeb@endumeni.gov.za)

##### CHIEF FINANCIAL OFFICER



Name : Mrs CB Mkhize

Title : Chief Financial Officer

Tel : 034 212 2121

Email : [mkhizeb@endumeni.gov.za](mailto:mkhizeb@endumeni.gov.za)

##### EXECUTIVE MANAGER CORPORATE SERVICES



Name : Mr M Hlengani

Title : Executive Manager Corporate Services

Tel : 034 212 2121

Email : [mhlengani@endumeni.gov.za](mailto:mhlengani@endumeni.gov.za)

#### ACTING EXECUTIVE MANAGER TECHNICAL SERVICES



Name : Mr M Ntanzim

Title : Acting Executive Manager Technical Services

Tel : 034 212 2121

Email : [ntanzim@endumeni.gov.za](mailto:ntanzim@endumeni.gov.za)

In terms of the administrative governance structures which were in place during 2014/15 financial year, it was structured as per the following departments:

- Top Management Committee;
- Office of the Municipal Manager;
- Technical Services;
- Corporate Services;
- Community Services;
- Planning and Economic Development; and
- Budget and Treasury;

### 2.2.1 Top Management Committee

During the year under review, the municipality had a functional and effective Top Management Committee. The committee consisted of the Accounting Officer, Chief Financial Officer and Senior Managers. The functions being performed by the Top Management Committee was to assist the Accounting Officer in managing and coordinating the financial management and overall administration of the municipality.

#### (a) Department: Finance

- Promote sound financial management throughout the municipality;
- Be responsible for all income and expenditure, all assets and the discharge of all liabilities;
- Ensure compliance with the Municipal Finance Management Act (MFMA) No. 56 of 2003;
- Prevent fruitless and wasteful expenditure; and
- Disclose all information on debts.
- The Finance department also managed the following sections:
  - . Income,
  - Supply Chain Unit;
  - Computers;
  - Expenditure
  - Asset Management
  - Budget and Reporting.

#### (b) Department: Technical Services

- Sanitation,
- Civil Engineering,
- Electrical,
- Mechanical
- Communications & Public Participation
- Local Economic Development
- Integrated Development Plan (IDP) and Performance Management Plan (PMS)
- Projects
- Building Inspections & Plans
- Technical Administration

**(c) Department: Corporate Services**

- Human Resources & Administration;
- Safety & Security;
- Legal & Estates
- Information Technology

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

### **2.3 Introduction to Co-Operative Governance and Intergovernmental Relations**

In terms of s3 (1) of the Municipal Systems Act No. 32 of 2000, municipalities must exercise their executive and legislative authority within the constitutional system of co-operative government envisaged in section 41 of the constitution.

For the purpose of effective co-operative government organized local government must seek to:

- a) Develop common approaches for local government;
- b) Enhance co-operation, mutual assistance and sharing of resources among municipalities;
- c) Find solutions for problems relating to local government generally and;
- d) Facilitate compliance with the principles of co-operative government and intergovernmental relations.

The 3 spheres of government are interdependent and yet interrelated, all of them are crucial to each other to ensure alignment throughout. The alignment can be improved through the mutual participation of IGR structures and forums. Endumeni Local Municipality does not have IGR personnel in place however all IGR meetings are facilitated by the administration section. The municipality also participates in National and Provincial Intergovernmental structures. There is also smooth relations with municipal entities within the District and also participate in the District Intergovernmental Structures. Participating in these structures allows for the translation of the National Development Plan (NDP), Provincial Growth and Development Strategy (PGDS), and District Growth and Development Plan (DGDP).

### 2.3.1 INTERGOVERNMENTAL RELATIONS STRUCTURES

PROVINCIAL INTERGOVERNMENTAL STRUCTURE			
NO.	IGR STRUCTURE	OBJECTIVE	FUNCTIONALITY
1.	IDP Representative Forum IDP_LED Technical Committee	The purpose of the forum is to serve as a platform where the district family of municipalities meet with the sector departments, private organizations, business, NGO's and CBO's to discuss developmental issues that affect the district family.	Yes
2.	Provincial IGR COGTA meeting	It's a provincial structure which is being attended by the municipalities, its purpose is to track progress regarding the functioning of IGR	Yes

RELATIONSHIPS WITH MUNICIPAL ENTITIES			
NO.	IGR STRUCTURE	OBJECTIVE	FUNCTIONALITY
1.	Municipal Managers Forum	The Municipal Managers Forum serves as a technical support to the Coordinating Forum and implements their resolutions. The members of the technical support structure are the Municipal Managers of the district family of municipalities, or officials designated by them, and it also meets on quarterly basis and is functioning properly.	Yes
2.	Corporate Services Forum	The purpose of the forum is to share information on Administrative, Human Resource and Information Technology issues matters, and also to provide advice to the Municipal Managers Forum such matters.	Yes
3.	Chief financial Officer Forum	The purpose of the forum is to share information on financial management and also to provide advice to the Municipal Managers Forum on financial matters.	Yes

**DISTRICT INTERGOVERNMENTAL STRUCTURE**

<b>NO.</b>	<b>IGR STRUCTURE</b>	<b>OBJECTIVE</b>	<b>FUNCTIONALITY</b>
1.	Speakers Forum	The forum was established during the 2013/14 Financial Year and the terms of reference were established in March 2014.	Yes
2.	Planning & Development Forum	The purpose of the forum is to co-ordinate planning and development within Umzinyathi District by ensuring improved and continued communication amongst the various planning sectors, and also to ensure that planning and development within the District is undertaken in a holistic way and that it takes place within the framework of all Municipalities' Integrated Development Plans. The Endumeni Local Municipality is part of the forum.	Yes
3.	Disaster Advisory Forum	The purpose of the forum is to implement, monitor and co-ordinate all disaster management related issues within Umzinyathi District by ensuring improved and continued communication. The forum consists of representatives from the district and local municipalities, SAPS, Traffic, emergency services etc. The Endumeni Local Municipality is part of the forum.	Yes
4.	Communicators Forum	The functions of the forum include but are not limited to the following: <ul style="list-style-type: none"> <li>• To coordinate the sharing of information pertaining to all spheres of government;</li> <li>• To coordinate and organize a calendar of events for the district to ensure that these activities are streamlined across the district to avoid duplication and waste of resources; and</li> <li>• To provide support to local municipalities with regard to development of communication strategies.</li> </ul>	Yes
5.	Tourism Forum	Tourism is one the key economic sectors within the district. Therefore, the purpose of the forum is to	Yes

		coordinate and implement economic Tourism programmes and projects within the district.	
--	--	--	--

The above forums have been able to sort out intergovernmental issues at record time due to their functionality. One can then make an example out of the due payment contributions to the District for the functioning of the District's Development Planning Shared Services utilised by all LMs.

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

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

In terms of s17(2)(a) of the Municipal Systems Act No. 32 of 2000, a municipality must establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality. The Endumeni local municipality has a fully-fledged public participation unit that has a sole responsibility of participating in consultative sessions with the ward committees and the community organizations. The benefits derived from the sessions, is that the Mayor is aware of the needs of the public. Report back to the community is structured in a manner that will respond to the issues raised by the community through ward committees.

#### **2.4 Public Meetings**

Since the IDP involves participation of a number of stakeholders, it was crucial for the municipality to adopt an appropriate approach and also put in place appropriate structures to ensure effective participation. The municipality had a number of structures advocating public participation which are as follows:

The Endumeni Municipality appoints representatives to its political structures and external bodies after completion of each municipal election and representations to such Committees and external bodies are listed as follows:

##### **Labour Forum:**

The Mayor, Cllr T M Mahaye

Cllr Ms W N Mbatha

Cllr Dlamini

Cllr J A Mfeka

**Local Economic Development Forum:**

Cllr A M Raubenheimer

Cllr Ms L P Mbele

Cllr S R Mbatha

**2.4.1 PORTFOLIO COMMITTEES**

Municipal Manager

Cllr A M Raubenheimer - Chairperson

Cllr Ms D P Ncala

Cllr S R Mbatha

Corporate Services

Cllr T B Mkhize

Cllr J A Mfeka

Cllr W N Mbatha – Makhathini

Finance

The Mayor, Cllr T M Mahaye

Cllr W N Mbatha - Makhathini

Cllr A M Raubenheimer

Technical Services

The Mayor, Cllr T M Mahaye

Cllr E M Adam

Cllr S R Mbatha

## 2.4.2 IDP ORIENTATED STRUCTURES

### Ward committees

Cllr S Mdluli - Speaker

### IDP Rep forums

Cllr T M Mahaye, Mayor

### IDP Steering Committee

The Acting Municipal Manager

### District IDP/LED Technical Forum

District IDP Manager and LED Manager

## 2.4.3 WARD COMMITTEES

1. The number of functional ward committees
  - 1 ward which is ward 6
2. Challenges experience by the ward committees
  - None submission of sectoral forms ,which shows that there is no working relationship between the ward chairperson and ward committees
3. Steps taken or to be taken to sustain the functional and to assist the non-functional
  - The meeting/ presentation was done for councillors and their PA for scoring, so that they should understand what should be submitted for the ward to be functional
4. Support required from the District and the department to support the non –functional and sustain the functional committees.
  - We requested the support from Cogta.
  - Cogta instructed the DPPF Chairperson Mrs. Zulu from the District to intervene as from 26 February 2013 there is nothing that has been done to date

5. Participation in operation Sukuma Sakhe by ward committees and ward councillors

- Very Poor by both ward committees and ward councillors in all wards

6. Community Meetings Held

Month	Ward 1	Ward 2	Ward3	Ward4	Ward5	Ward6
July 2014	4	1	0	1	1	5
September 2014	2	0	4	2	2	0
December 2014	1	0	2	0	0	0
October 2015	2	0	3	2	3	3
Total number of ward meetings	9	1	9	5	6	8

## 2.5 IDP Participation and Alignment

The **Public Engagements** is a process where communities are being provided an opportunity to discuss developmental issues as required by Chapter 4, Section 16 & 17 of the Municipal Systems Act, which stipulates that municipalities are required to develop a culture of public participation and consult their respective communities on developmental issues. During the IDP Review for 2014/15 communities were consulted through their structures (e.g. ward committees, community development workers) to participate during the process in all wards within the municipality.

### (a) Horizontal Alignment

Alignment of the Endumeni IDP with district and other local municipalities is imperative to ensure that there is a sharing of information – particularly with regards to strategies, objectives, programmes and projects, and it will be undertaken through the Planning and Development Forum which convenes on bi-monthly basis. The frequent meetings of the Planning and Development Forum assisted the district family to monitor alignment issues constantly.

## (b) Vertical Alignment

Alignment with Sector department and Service providers will also take place as it is essential in order for the District family to have consistence planning and also priorities can be indicated in their project prioritization. This was undertaken through meetings or one-on-one basis. The district convened two IDP\_LED Technical Committee meetings (IDP Representative Forums), the first one was in March 2014, to discuss integration issues and also to present to Sector Departments the key municipal priorities which require funding for implementation in the next financial year, and the second IDP Representative Forum was in April 2013, to obtain feedback from Sector Departments and also for integration.

IDP PARTICIPATION AND ALIGNMENT CRITERIA	Yes/No
Does the municipality have impact, outcome, input, output indicators?	No
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets? Are the 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 54/56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

#### 2.6 Risk Management

In terms of s62(1)(c)(i) of the Municipal Finance Management Act No. 56 of 2003, the municipality must have and maintain an effective, efficient and transparent system. For financial and risk management and internal control. The Endumeni Local Municipality has identified 37 risk factors within the municipality mainly in the below sections:

1. Disaster recovery, Business continuity risk
2. Financial risk
3. Cultural risks
4. Technological and Systems risk
5. Strategic and Service Delivery risk
6. Health and Safety security risks
7. Process operational risks
8. Social risks
9. Human resources risk

Progress is noted in some of the risk areas identified however according to the risk register the addressing all of the issues will be achieved in the 2016/17 financial year.

#### 2.7 Anti-Corruption and Fraud

##### FRAUD AND ANTI-CORRUPTION STRATEGY

The Endumeni Local municipality has an anti-corruption and fraud policy to mainly combat unethical behavior. The municipality also has the code of conduct (**Appendix E**) to supplement the above mentioned policy.

Below are the key risk areas and processes put in place as a deterrent namely: internal audit review of processes and adherence thereto, Audit Committee, condemnation by mayor and municipal manager of corrupt practices.

## 2.7.1 MUNICIPAL OVERSIGHT COMMITTEES

### (a) Audit Committee

During the financial year under review, the Municipality had a functional Audit Committee as required in terms of section 166(6)(a) of the Municipal Finance Management Act 56 of 2003. The Audit Committee had seven meetings during 2014/15 financial year. The recommendations of the Audit Committee is in **Appendix C**

### (b) Internal Auditors

In order for the Audit Committee to meet its objectives, the municipality also contracted Gobodo Inc as its Internal Auditors to assist in attending to internal audit matters prior to submission to the Audit committee. At end of the year under review, the municipality appointed Umnotho Business Consulting as its Internal Auditors after the contract with Gobodo expired. The municipality is also strengthening the internal capacity in terms of the Internal Audit unit has personnel is being capacitated as an Internal Auditor.

## 2.8 Supply Chain Management

### OVERVIEW SUPPLY CHAIN MANAGEMENT

#### 1. SCM Policy

- The municipality had adopted and implemented the supply chain management policy as per s111 & 112 of the MFMA and it is reviewed annually.

#### 2. Establishment of SCM Unit

- The municipality has established the supply chain management unit to implement the SCM policy but it is not fully functioning and it's not centralized, more staff is needed.

#### 3. Appointment of Bid Committees

- Bid committees were established as per SCM Regulation and are fully functioning

#### 4. Reporting

- Reports on supply chain management implementation are submitted monthly and quarterly to relevant portfolio committees.

## 2.9 By-Laws

BY-LAWS INTRODUCED DURING 2014/15					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Cemeteries		Yes	28 April 2015 to	No	Not yet -

			5 June 2015		shortage of funds
Fire Prevention		Yes	28 April 2015 to 5 June 2015	No	Not yet - shortage of funds
Parking		Yes	28 April 2015 to 5 June 2015	No	Not yet - shortage of funds
Refuse Removal		Yes	28 April 2015 to 5 June 2015	No	Not yet - shortage of funds

## 2.10 Municipal Website

During the year under review, the municipality had a partially functional website with the information required to be made in public in terms of the Municipal Systems Act and Municipal Finance Management Act, e.g IDP, Budget, Policies, Performance Agreements, SDBIP etc.

<b>MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL</b>		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report (Year -1)	Yes	
The annual report (Financial Year 2014/15) published/to be published	Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2014/15 financial year) and resulting scorecards	Yes	
All service delivery agreements (2014/15 financial year)	No	
All long-term borrowing contracts (2014/15 financial year)	No	
All supply chain management contracts above a prescribed value (give value) for 2014/15 financial year		
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2014/15 financial year	Yes	

Contracts agreed in (2014/15 financial year) to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in (2014/15 financial year)	No	
All quarterly reports tabled in the council in terms of section 52 (d) during (2014/15 financial year)	No	

## 2.11 Public Satisfaction on Municipal Services

### PUBLIC SATISFCATION LEVELS

The municipality completed the preparation of the 2012/13 Customer Satisfaction Survey and the issues emanating from the study will be was addressed through the 2013/14 IDP Review. The aim of the study was to determine the perceptions of the community on the services the municipality is providing. The Customer Satisfaction Survey also contribute to improving communication between the municipality and the community in determining the social and economic needs that require urgent attention and deemed necessary to improve the quality of lives. However due to capacity constraints the Customer Satisfaction for 2013/14 was not conducted.

As a mitigation measure going forward in the 2015/16 financial year, the municipality will embark on a service delivery impact assessment report. Endumeni Municipality will undertake the 2014/15 Customer Satisfaction Survey in order to gauge the socio-economic standard of life of the people of Endumeni. This will allow the municipality to become aware of the needs of its people and plan for the future development of the area. It will direct the municipality in terms of the pro-active actions that are needed to achieve development. The study examines survey results in each of the wards within its area and within the municipality itself. It forms part of the Performance Management System that will ultimately measure the progress of the municipal authority.

The Customer Satisfaction Survey is determined by analyzing aspects of life in Endumeni such as household socio-economic profiles, community and household services. It will indicate which aspects of life that Endumeni residents are dissatisfied with, and this will give the Municipality direction in formulating programmes and projects on how to improve and fulfill the needs of its people. The aspects that people are satisfied with will be noted to ensure that the municipality improves on the current situation.

This study will also be used to update the information regarding basic service delivery, and baseline information is being required by the municipality to make informed planning decision which will influence the allocation of resources, and to assist the government departments for performance measurement. The design of the questionnaires would be based on the socio-economic needs, population ratio, population density and other elements including perceptions of the population with respect to the various public sector services that are being provided.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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### COMPONENT A: BASIC SERVICES

#### INTRODUCTION TO BASIC SERVICES

**This Key Performance Area covers the following areas:**

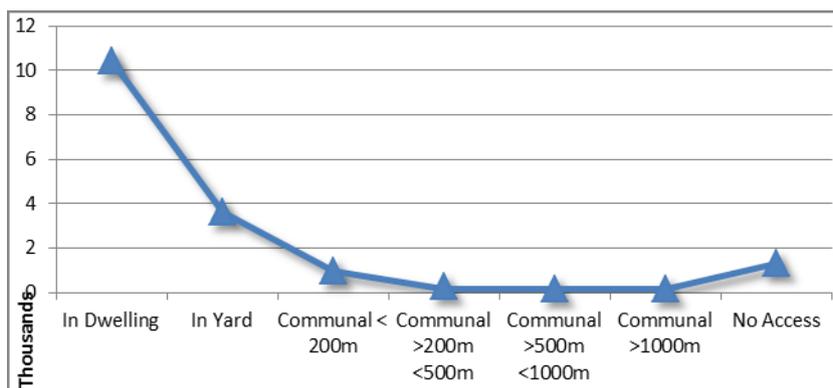
- Progress
  - Access to Free Basic Services
    - Sanitation
    - Electricity
    - Refuse removal
  - Access to Basic Services
    - Solid Waste
    - Electricity
    - Waste management
    - Housing
  - Indigent Policy implementation
  - Roads and Transport
    - Infrastructure
    - Transport (vehicle registrations)
    - Public bus transportation
- Challenges experienced in basic service delivery (indicate specific municipalities)
- Measures taken to improve performance
- Recommendations

#### 3.1 Water Provision

In terms of s84 (1) (b) of the Municipal Structures Act No. 117 of 1998, according to the powers and functions potable water supply systems are the functions of the District. However the municipality is still considering the stats based, on the 2011 Statistics.

The water provision has improved in the area of Endumeni, households with water inside dwelling have increased in 2007 and those that live below IDP standard are reported to be on the increasing path. According to Statsa figure, the households who have water in their dwellings is approximately 10 434 and in yard estimated at 3 618. At least 1 279 have no

access to piped water as compared to 2007 when 2080 had no access and these are the households below RDP standards.

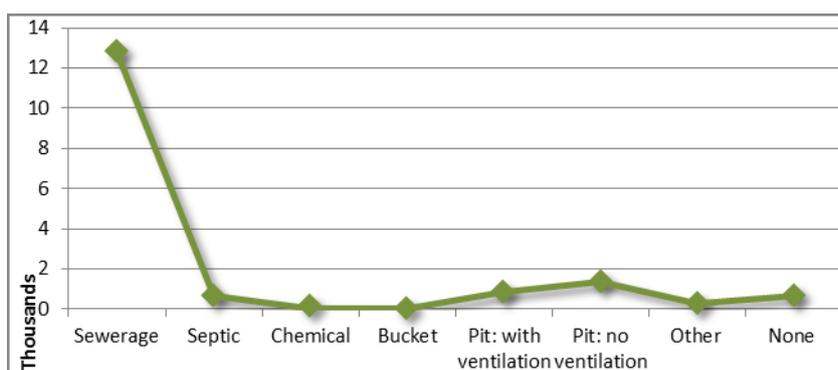


Source Statsa 2011

### 3.2 Waste Water Sanitation Provision

In terms of s84 (1) (e) of the Municipal Structures Act No. 117 of 1998, is the function of the District.

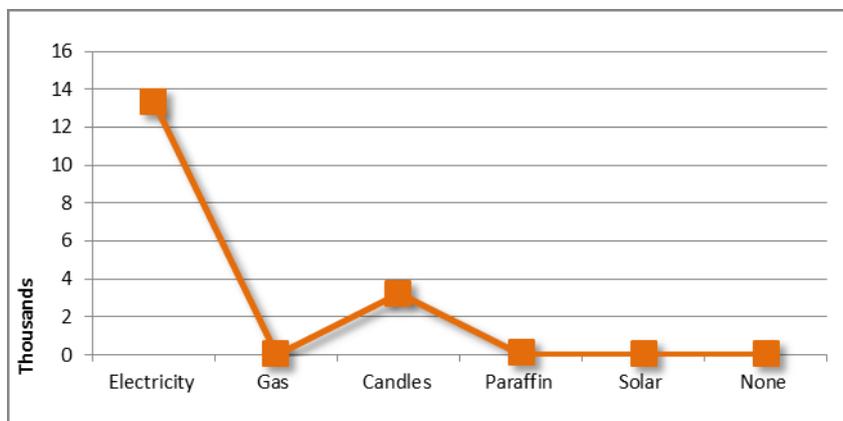
Sanitation backlog is estimated at 686 households in 2011, while on the other hand 86% has access to hygienic toilets. Approximately 12 820 households enjoy access to flushed toilet system and 849 have VIP system. This is a remarkable improvement if we consider that 1996 only 7000 households mainly from the advantaged backgrounds and townships had access to flushed toilet system. During the same year (1996) at least 100 households were still using the bucket system which has since been eradicated.



### 3.3 Electricity

Electricity is one of the major necessities required by all the communities. Lack of electrical connectivity to some of the households within Endumeni has hindered their development and exposed them to ever-increasing prices of paraffin and on-going struggle to access wood as an alternative means of water heating, cooking, etc

To this end, at least 13 335 of households have electrical connections while 69 have no connections and form part of the current backlog. This compels the electricity service providers to outline their plans during the new generations of IDP on how are they planning to eradicating this costly backlog. The main affected areas fall under the operational jurisdiction of Eskom.



For the 2014/15 financial, the municipality had a target of 684 houses to be electrified in Strathford farm. The projects would be implemented in two areas namely;

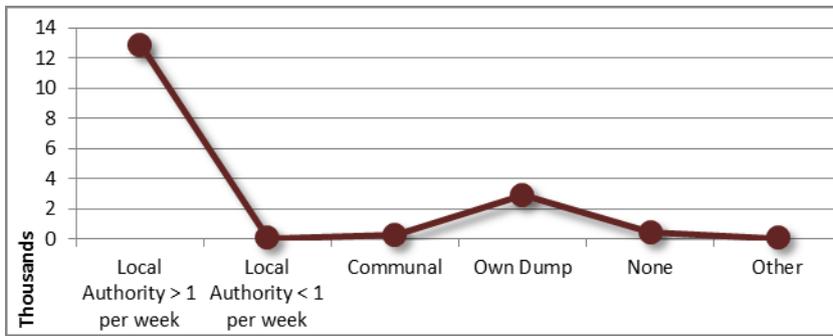
- I. Strathford farm and,
- II. Sithembile Glencoe ext 2

The Strathford farm project was a success and the target of 192 houses to be electrified was achieved.

The Sithembile Glencoe ext 2, project target to electrify 492 households was not achieved due to Objection on Bid document. A roll over to 2015/2016 has been applied for; the municipality is waiting for feedback from the Department of Energy. If granted the 492 connections will be done in the new financial year 2015/16.

### 3.4 Waste Management (Refuse Collection)

Only 82% of households have access to decent refuse removal and the remaining 3 500 households have no access at all. It is estimated that, 2 895 of the 3 500 households use personal dumping which might constitute illegal dumping.



Graph 9: Refuse removal

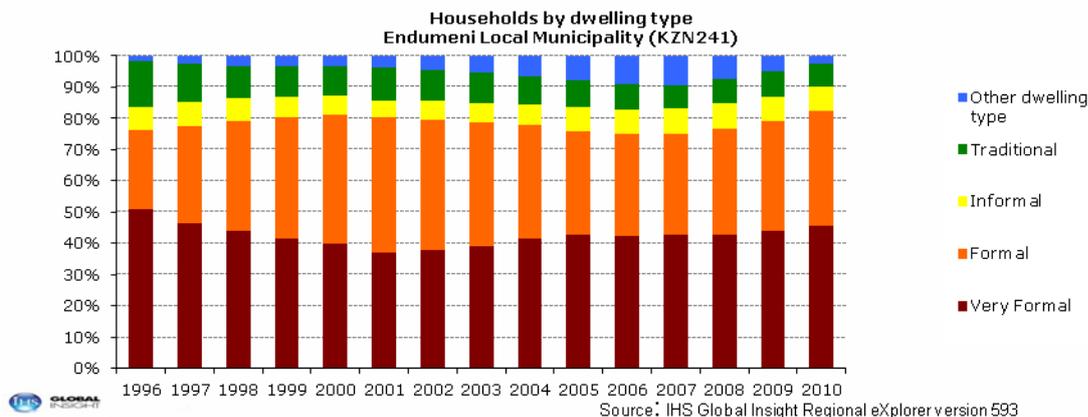
Source: Statsa

The municipality has a waste management collection plan that is monitored on a weekly basis. The plan incorporates the removal of waste from residential areas as well as industrial areas. There is an attendance register that is signed by employees upon completion of the weekly chores.

### 3.5 Housing

The share of households occupying formal dwelling has increased from 72% in 1996 to at least 82% in 2011. It is however, estimated that the backlog on formal dwellings is approximately 2398 households. Out of 13 734 households at 1026 are living under traditional type of houses, while 341 falls under other type of dwellings.

Undoubtedly housing backlog is an area of grave concern to Endumeni municipality. There are many factors that had had a significant adverse impact on the delivery of housing projects. Water amongst other things has proved to be a hindrance towards the delivery of housing projects at Endumeni.

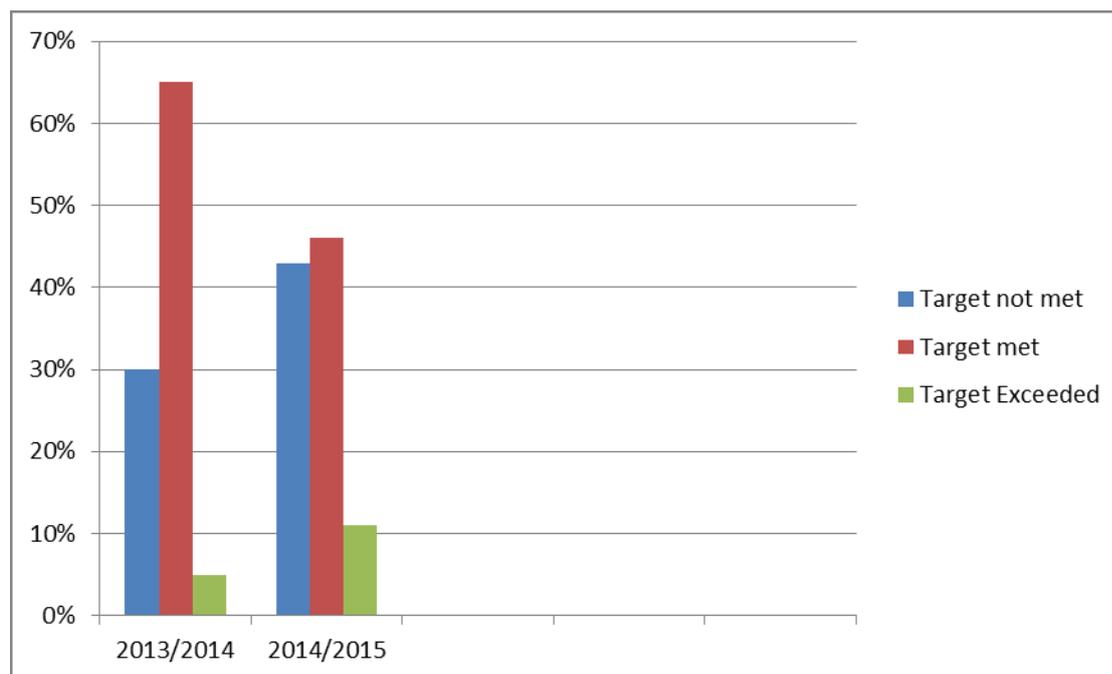


Graph 5: Housing

The Sibongile buffer strip project had a budget for R60 000 000.00 and the target was 725. Only 100 houses were built due to that there was a delay with the implementing agent. The material was delivered late and there was slow productivity on site.

The Sithembile Glencoe ext 2 had a budget of R42 000 000.00. The project had a target of 492 houses only 472 were constructed. The remaining sites have challenges: 2 have graves; 3 are rocky; 2 are on the flood line and therefore cannot be developed. There municipality is still engaging with human settlements to find a solution.

## KPA: BASIC SERVICE DELIVERY



*Graph: comparative Target Achievement Informa*

### 3.6 Free Basic Services and Indigent Support

Endumeni Local Municipality reaffirms its commitment to the national principles that underpin the indigent policy – During the 2014/15 financial year the Council approved 1543 indigent households receiving free basic services, using the below:

- (a) Everyone has inherent dignity and the right to have their dignity respected and protected. All process that involves the provision of services to citizens shall be done in such a manner as to respect the entrenched rights and dignity of those citizens.

- (b) Municipalities shall provide basic services to its indigent in a sustainable manner. It is not expected that a municipality shall provide free basic services beyond its financial and other capacities.
- (c) Indigents shall be afforded access to more than just the free basic services package. It is widely acknowledged that the free basic services package on its own shall not see indigent communities standards of living improve. It is imperative that linkages be made between the free basic services package and the broader package of social services.
- (d) In providing free basic services to indigents, municipalities shall provide these services at the recognised and approved minimum basic levels. Municipalities are not dissuaded from providing a higher level of a service if they can afford to do so, and can sustain this higher level.
- (e) Free basic services are targeted at the indigent. Therefore a municipally can use any approach it chooses to provide Free Basic Services as long as it can ensure and demonstrate that the indigent are benefiting from free basic services.
- (f) The municipal indigent policy is not a standalone policy which is independent from the municipality's IDP's, its debt and credit control procedures, its by-laws etc. A municipality's indigent policy needs to be developed to integrate with these strategic management plans and procedures so as to ensure that a municipality shall be able to sustain its free basic services programme.
- (g) Municipalities need to start planning realistic exit strategies for their indigent populations to exit from the indigent registers and subsidies. This shall entail that the living circumstance of the indigent has improved significantly so that the indigent can afford to pay for their service. What this implies is that municipalities shall integrate their

Free Basic Services delivery with structured poverty alleviation programmes.

- (h) Due to the varying circumstance and conditions within municipalities it is recognised that municipalities shall exercise their right to apply the national indigent framework and these guidelines according to their own circumstances.

(2) The policy seeks to –

- (a) Allow the municipality to target the delivery of essential services to citizens who experience a lower quality of life;
  - (b) Identify how the indigent shall be accessed;
  - (c) Establish the process that shall be used to manage the indigent;
  - (d) Identify the process for tracking and assessing the service received by the indigent, as well as the real benefit that has resulted from the subsidies;
  - (e) Provide policy direction to the municipality's IDP's and financial planning instruments;
  - (f) Establish the process to set targets (milestones) for the rollout of free basic services to the entire indigent population within the municipal area; and
- (g) Identify the linkages between the various poverty alleviation programmes that shall result in the indigent moving away from the poverty trap.

### **3.6.1 FREE BASIC SERVICES**

- (1) Only qualifying indigent households during the 2014/15 financial year were registered by the municipality in terms of the Indigent Policy received benefits under the Free Basic Services Policy.
  - a) The level of indigent support is determined annually on receipt of notification from National Treasury as to the amount made available and

any additional provisions made by council and provided for in the annual budget.

- **Refuse**

Where the valuation of improved property is R50,000 or less and the owner occupies the property, refuse removal will be provided at no charge (notwithstanding the total household income)

- **Rates**

As per the Rates Policy

- **Electricity**

The monthly indigent support for electricity is determined at 50kw/h per household.

Metered connections using in excess of the allowed monthly usage shall pay for the additional usage at the normal rate.

- (2) In all instances the actual indigent support is calculated taking due cognizance of the amount received, the number of applications received and the standard of services.

All Indigents with valuations greater than R50 000 received additional assistance at the discretion of Council.

During the 2014/15 financial year the Council approved 1543 indigent households receiving free basic services.

## **COMPONENT B: ROAD TRANSPORT**

### **3.7 Roads**

The following road projects were implemented for the 2014/15 financial year:

1. McKenzie street rehabilitation
2. Watt road reconstruction
3. Argyll /browning streets reconstruction
4. Ruigtefontein gravel roads

Central rehabilitation project is a project that includes various streets namely: Beaconsfield Street, Ann Street and Karellandman Street. This project was initially the municipality's project; however it was later taken over by Department of Transport. Due to that the project included Karellandman street which belongs to DOT. However the other two streets were completed by the municipality and the Department of Transport completed Karellandman Street. The project covered 2 KM's.

The budget for McKenzie street that was allocated to the project on the year under review was 100% spent, the target for the 2014/2015 financial year is 0.5KM. 89% work done is achieved and 100% budget for the project was spent. The budget is an overlap to 2015/2016 financial year where we anticipate completion.

The reconstruction of Watt road was budgeted for this amount includes McKenzie and Ruigtefontein R16 751 092.90, 100% of the budget was spent in the year under review. The project is an overlap to 2015/2016. 2.4KM's is the target for the entire project.

The municipality has a road master plan that has not been updated in the last five years, over and above that the municipality has a maintenance plan that outlines areas that are going to be covered. 15020 m<sup>2</sup> of slurry seals were resurfaced. The following areas were covered: Mthembu, Mzuvele, Biggar Street, Wasbank Road, Uithoek street, Hajee Jamal, Glencoe taxi rank and Parking area at McKenzie hall.

The Endumeni municipal area has 972 catch pit slabs that are being maintained. The maintenance plan also includes the identification and repair and replacement of catch pit slabs. It takes 6 weeks to cover the whole of Endumeni municipal area. One week is dedicated to each ward where the identification and repair process take place. All repairs are entered into a maintenance register. It is then maintenance register that informs the monthly report the monthly reports feeds into the SDBIP.

The maintenance plan also includes the identification and repair of pot holes and installing speed humps. It takes 6 weeks to cover the whole of Endumeni municipal area. One week is dedicated to each ward where the identification and repair of pot holes process take place. 3 863.5 m<sup>2</sup> of potholes was repaired in the year under review.

### **3.8 Transport**

#### **(AWAITING INFORMATION FROM MR NSIBANDE)**

The municipality does not have a transport strategy and there are currently no steps taken towards the drafting of the strategy. service during the year.

### **3.9 Waste Water (Storm Water Drainage)**

Colley Street is project that was started in 2013/2014 financial year and was completed 2014/2015. It is an upgrade of infrastructure and installation of storm water & street lights. Due to the delays of the buffer strip phase 1, no maintenance was done except for the maintenance done by the contractor. There is no commitment in this project.

## **COMPONENT C: PLANNING & DEVELOPMENT**

### **3.10 Planning**

In the year 2014-15 the Endumeni Local Municipality had no town planner appointed, therefore there was no person to fulfill the responsibilities and duties of a town planner, however the municipality has the support of shared service from the district. The support that the municipality grants is to process Land Use Development Application.

In the previous years the municipality had no Planning and Development Department; although in the 2015-16 review of the organogram; the municipality has included the department. The municipality will be appointing a head of department shortly. In the financial year 2015-16 the municipality under took the review of the SDF encompass ten strategic goals. The Strategic goals are an alignment from National, Provincial and Municipal governmental structures and are as follows:

1. More inclusive economic growth, decent work and sustainable livelihoods.
2. Rural development, food security and Land Reform.
3. Access to Quality Education.
4. Fight against corruption
5. Improve health care.
6. Development state including improvement of public services
7. Economic and Social Infrastructure
8. Cohesive and sustainable communities
9. Create a better Africa and a better world
10. Sustainable Resources

Within the year 2015-16 the municipality will be fortunate to be supported by MISA Technical Support, whom will be supporting the municipality with the planning pressing issues i.e. Land

Use/ Development Control, Spatial Planning, Urban Planning, Local Area Plans, Skills development.

### 3.11 Local Economic Development (Tourism & Market Places)

#### INTRODUCTION TO ECONOMIC DEVELOPMENT

The Strategy and Action Plan sets out the Endumeni Municipality's programme for development of the local economy over the period 2015-2019 outlining:

- Our **Vision** for Endumeni
- The **Governance and Partnership** arrangements
- The **Policy Context** against which the strategy will be delivered
- The **Sector Based Economic Context** that informs our approach
- The **Challenges and Opportunities** faced
- The **Strategic Priorities and Outcomes** which we will seek to achieve
- The **Actions** that will be prioritized by partners
- How we will **Monitor, Measure and Report** on progress

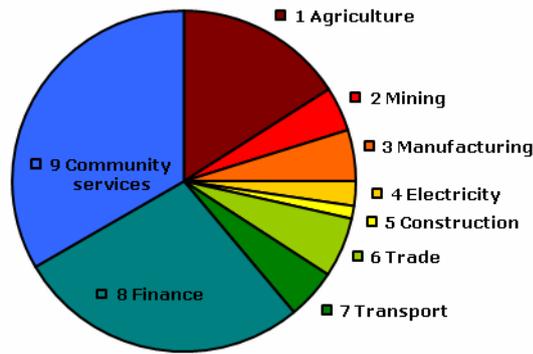
The report is designed to capture sector analysis, challenges and opportunities in that particular sector and further provide strategic priorities envisaged to improve economic performance of the sector thereby achieve broad economic vision of the municipal economic partners. Finally, action programme is presented and it should commit all the partners to play their respective roles and fulfil their respective mandates through the organised body of Endumeni Economic Partnership.

The Strategy and Action Plan underpins the Endumeni Outcome Agreement 2015 – 2019 and articulates how partners across the municipality will work collaboratively to deliver better economic outcomes for the area and its people.

#### 3.11.1 ECONOMIC ACTIVITY BY SECTOR

The following graph summarises the GVA- R for the sectors in the Endumeni and has been highlighted above. As can be seen, the highest contributors to the GVA of the municipality are Community Services, followed by Households, Trade, Agriculture and Manufacturing. Each of these sectors will be analysed in more detail.

GVA-R Sectoral composition  
Endumeni Local Municipality (KZN241), 2010



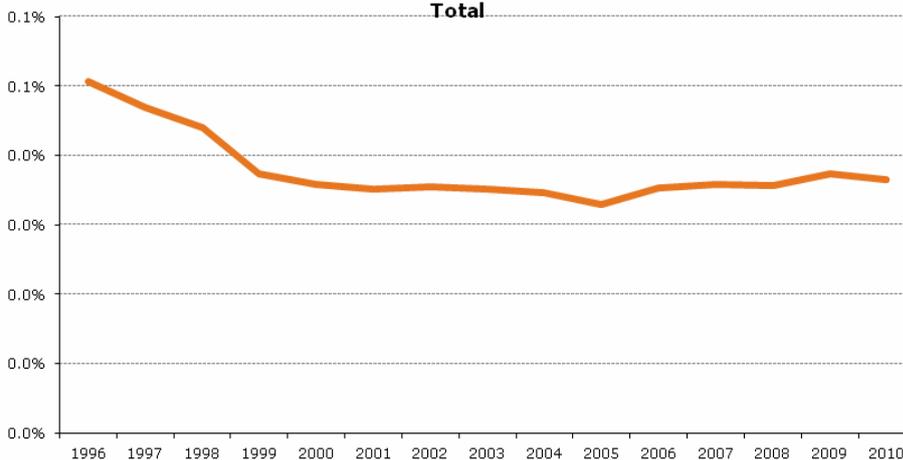
Source: IHS Global Insight Regional eXplorer version 593

Chart 2: GVA Sectoral composition

The analysis of sector composition clearly indicates the dominance of tertiary industries in our local economy. The understanding of the potential of primary sector in the Endumeni area brings hope that if innovative and creative strategies are devised then the primary sector can claim its place in the economy of the area and UMzinyathi as a whole.

The following graph summarises the contribution of the total industries in the Endumeni to the national total. As can be seen from the graph, the total contribution to the national share has declined from 0.1% in 1996 to 0.03% in 2010.

GVA-R Endumeni Local Municipality (KZN241)'s share of national total (%)  
Total

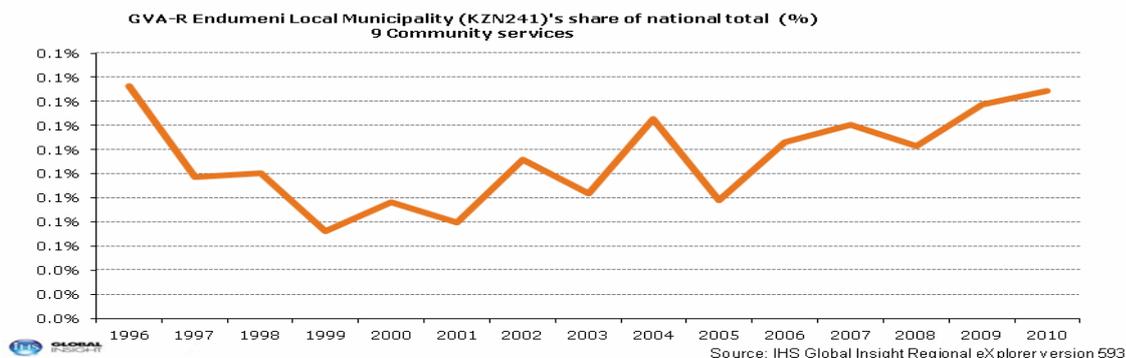


Source: IHS Global Insight Regional eXplorer version 593

Graph 23: Industries share of national total

### 3.11.2 COMMUNITY SERVICES

The following graph summarises the performance of the Community Services sector, which has the largest contribution to the GVA- R in the Endumeni, from 1996 to 2010. As can be seen, there was a decline in the Community Services sector from 2004 to 2005 where after there has been a period of gradual growth with short periods of decline. The Community Services sector, during the period 1996 to 2010, has seen its contribution increase from 23% to 33% the regional total.

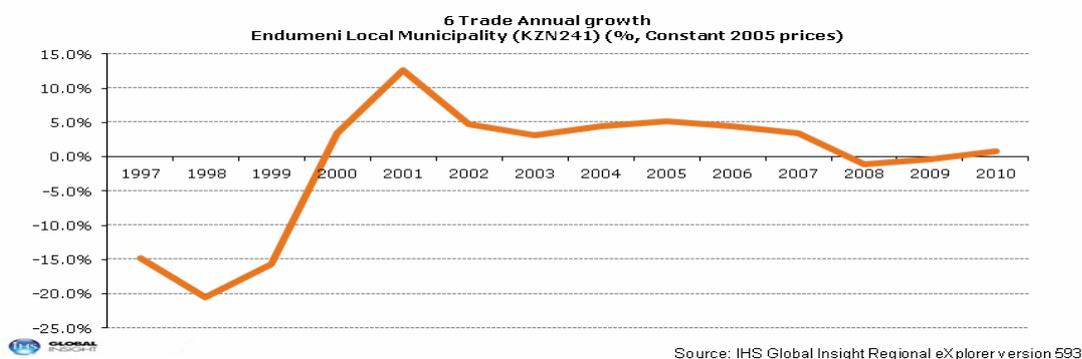


*Graph 24: Community services share of national total*

This sector has enjoyed a significant growth rate from 1996 to 2009. There was a growth in the sector in 2005 of 1.5%, followed by a sustained period of growth at a decreasing rate from 2006 onwards. The average growth rate from 1996 to 2009 for this sector was 0.4% per annum.

### a) Trade

The following graph summarises the contribution of the trade sector in the Endumeni to the regional total. As can be seen, there has been a gradual decline in the trade sector from 2001 to 2008 with the Endumeni contributing less than 5.7% to the regional total.



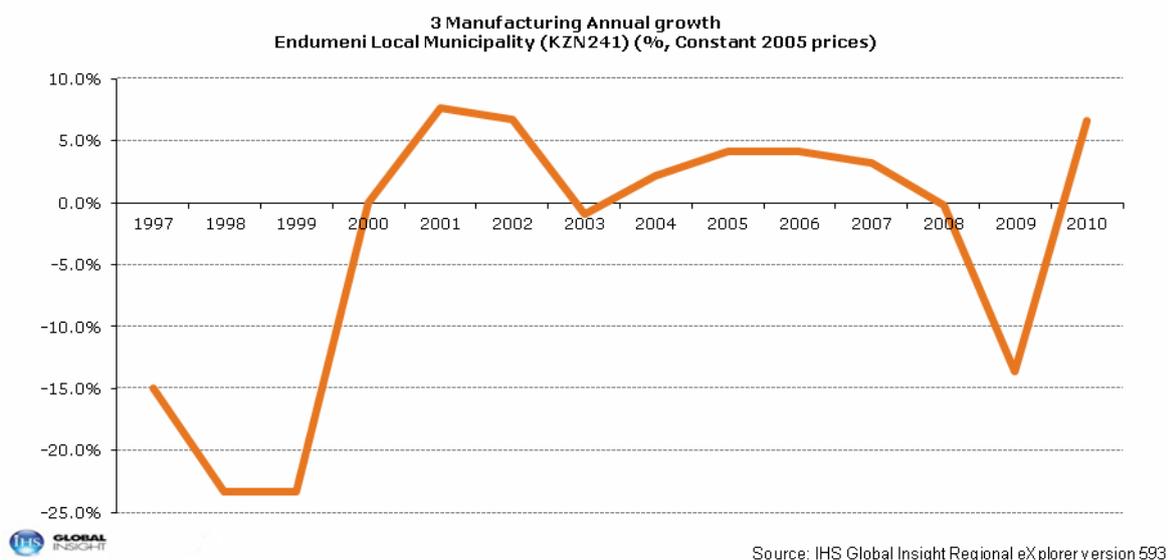
*Graph 25: Trade annual growth*

This sector experienced the marginal annual growth rate from 1996 to 2010. As can be seen, the sector enjoyed a period of sustained growth from 2000 to 2001 and peaked at a growth rate of around 4.8% per annum. From 2003 onwards, however, the sector went into

decline as a possible result of the global financial crisis. The average annual growth rate for this sector from 1996 to 2010 was -1.1% per annum.

### b) Manufacturing

The following graph summarises the contribution of the manufacturing sector in the Endumeni to the regional total. As can be seen, there has been a gradual decline in the manufacturing sector from 1996 to 2010 with the Endumeni contributing less than 0.1% to the national total.

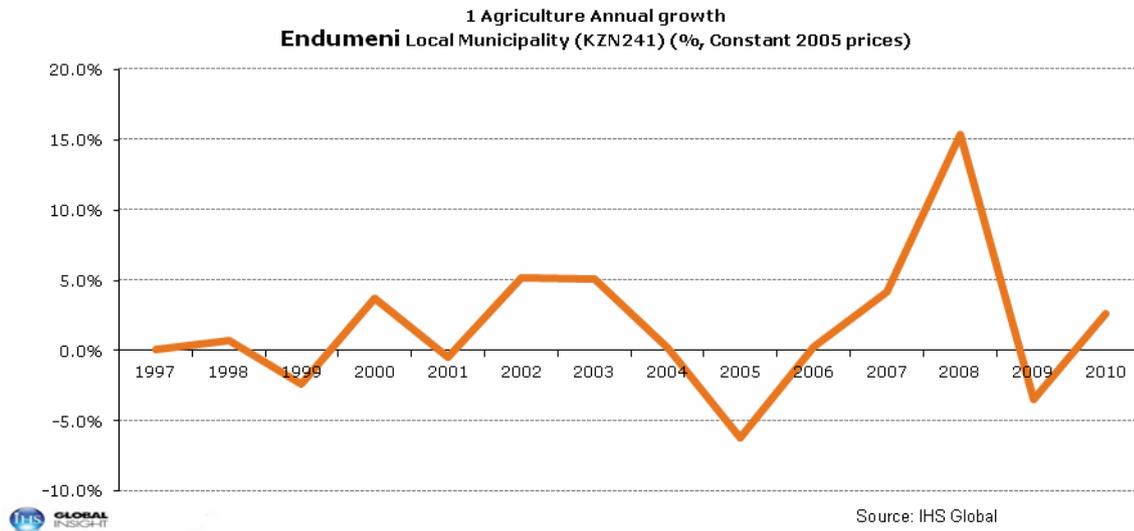


Graph 26: Manufacturing Annual growth

The above graph summarizes the annual growth in the manufacturing sector and indicates that from 1998 to 2001 there was negative growth in the Manufacturing sector followed by positive growth from 2000 to 2001. From 2008 onwards the sector has declined at an alarming rate of up to -10% per annum. The average annual growth rate for this sector from 1996 to 2009 was -3.6% per annum.

### C) Agriculture

As can be seen from the graph below, the Agriculture sector in the UDM has been range bound in its contribution to the national agricultural total and has contributed between 0.7% and 0.9%.



*Graph 27: Agricultural annual growth*

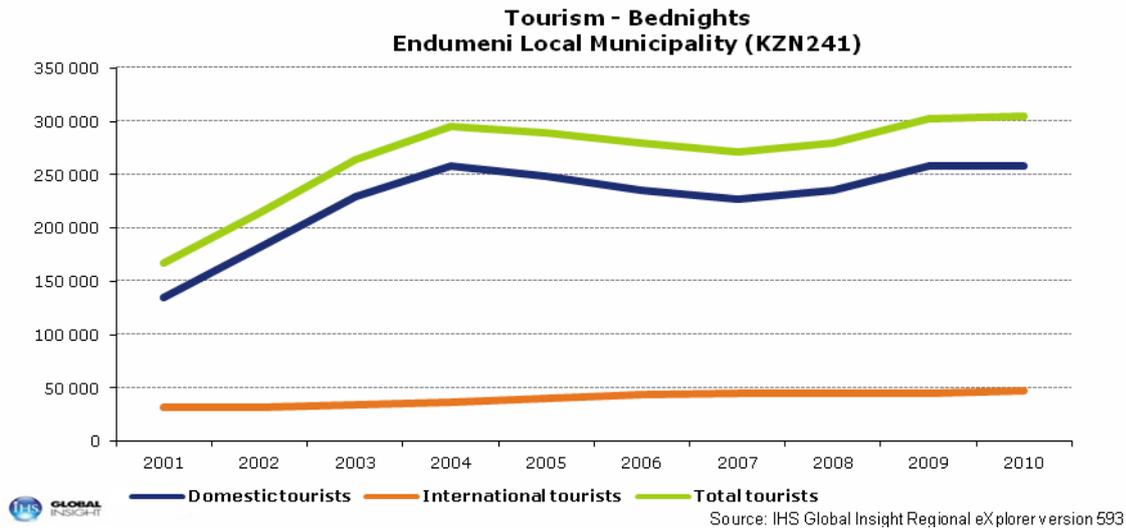
The above graph summarises the growth in the Agricultural sector from 1996 to 2010. The statistics indicate that there have been four periods of decline or negative growth rates in the sector namely 1996/7, 2005, and 2009 onwards. The data also indicates that for 2006 to 2010 the sector grew at its highest rate of 8% per annum. The average growth rate for this sector from 1996 to 2010 was 1.7% per annum.

#### **d) Tourism Sector**

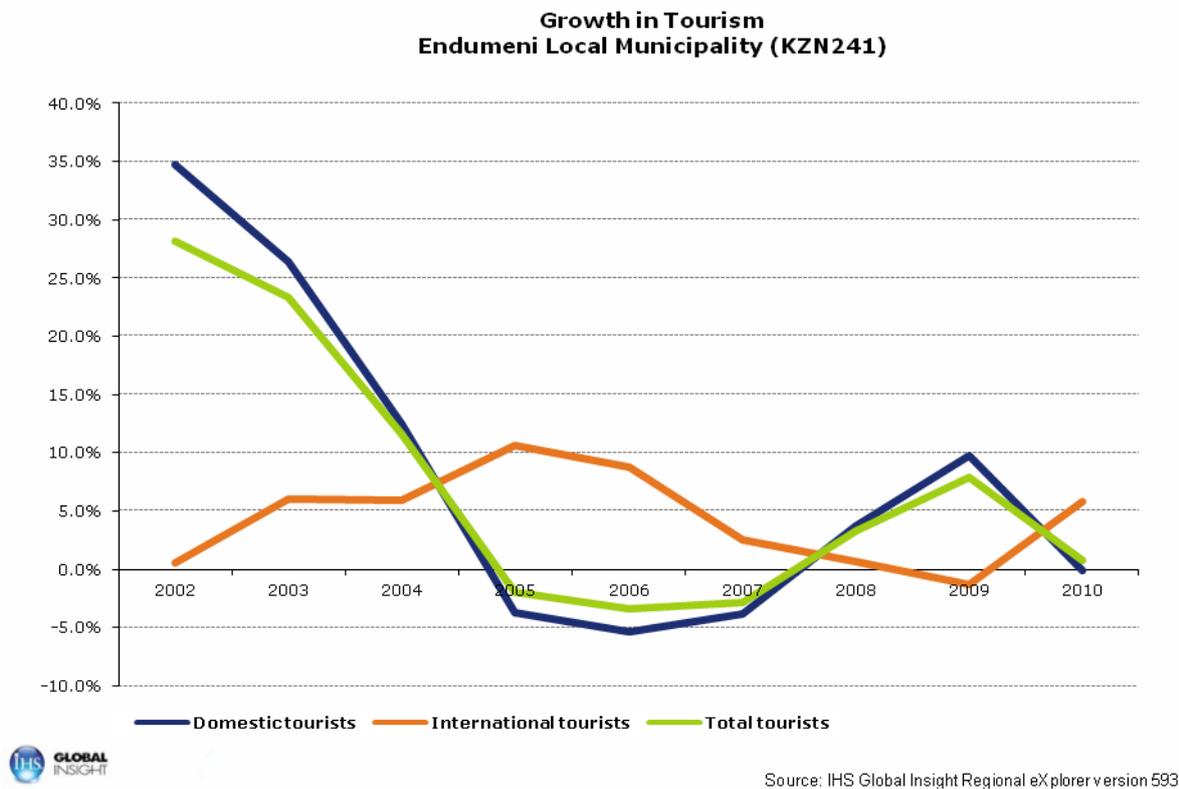
Tourism sector is one of the potential sectors in developing and growing the local economy. It has over the years displayed a tremendous potential to create job opportunities.

The graph attempts to shed light on the attractiveness of Endumeni to both domestic and international tourists.

Domestic tourists have found Endumeni and UMzinyathi at large more attractive over the recent years. While the number of visits and bed occupied over a period of time show signs of improvement, there is still a need to market tourism products vigorously. The international tourists have spent money in UMzinyathi especially during year 2010. This could easily be attributed to the FIFA world cup that was staged in South Africa during the same year.



Graph 28: Tourism Bed nights



Graph 29: growth in Tourism

The sector has experience mixed fortunes in Endumeni. The sector has enjoyed positive growth from 2007 to 2009 and immediately experienced a downturn until 2010. But during the same period the international tourists have paid more visit to Endumeni than domestic tourists. Again, this sector needs more attention from all stakeholders. Currently the previously advantaged communities are participating meaningfully while previously disadvantaged are not yet on board in terms of understanding sector dynamics.

### 3.11.3 EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

Endumeni Local Municipality is also committed in training and developing communities through the EPWP programme, thereby promoting economic growth and creating sustainable development, and employment opportunities. During the year under review, the municipality obtained R1 000,000.00 from EPWP and was utilized for the application of general work for the benefit of the local community from the following sections: refuse removal, parks and gardens, civil and electrical. The total number of 38 job opportunities was created from the beginning of the project and 58 job additional job opportunities created in May till the end of project. The majority of participants were women.

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

### 3.12 Libraries, Archives, Museums, Community Facilities

The Endumeni Local Municipality has 3 libraries, 1 museum and 20 community facilities that are maintained.

Monthly reports are submitted to Executive Manager Corporate Services regarding the progress made in the libraries within the municipal jurisdiction. In the year ending 30 June 2015, 77 new people were granted memberships in the libraries. The municipality also introduced 17 Library development programs, and an amount of **R1, 103.49** was incurred in book losses. The reason for variance was due to that books are not returned on time and therefore at the end of the quarter they are recorded as a loss. However a fine is requested on late return of the books as a corrective measure.

The Talana Museum is the home of exhibition of Dundee town History. Glass has been manufactured in this valley since the end of the 19th century. Bead Gallery exhibition. Dundee became the heart of the richest coal producing area in the country today the museum has four extensive coal exhibits depicting the many aspects of coal mining in this area. The Talana station complex comprises the reconstructed Talana station. A Class 13A locomotive and the Shosholoza carriage. Shosholoza can be hired for small functions. Talana Museum has a comprehensive range of archival material relating to the town, region, coal mining and military conflicts in this area over the past two centuries. The Museum Shop offers a variety of quality, locally produced products to suit every requirement. A superb bronze statue of Mahatma Gandhi, sculpted in India and donated to the museum by the Indian Council for Cultural Relations

The Great War exhibit opened on 4 August 2014 commemorates the involvement of Dundee men in the war and puts the South African involvement into context. The permanent exhibit on Orange Grove Dairy, a local business founded in 1927, is a "proudly Dundee" tale. Kwakunje Cultural Village portrays the traditional lifestyle of a Zulu family and shows how culture changes over time, but also those elements of the culture that have adapted or remained unchanged.

The museum is open to the public and schools, and still continues to teach this generation about the history of the town.

### **3.13 Cemeteries and Crematoriums**

The Endumeni Local Municipality has 8 grave sites, Dundee - 4; Glencoe – 3; Wasbank - .Cemeteries are maintained on a weekly basis , namely scooping & cutting f grass, which is seasonal. Constant inspection is done by the Supervisor for the monthly report consolidation. The municipality has a target of digging a minimum of 16 to 20 maximum graves per week. This would then translate that 4 graves dug every day. There is a procedure followed regarding the request of graves. The applicant must produce a burial order obtained from Home Affairs; the grave is booked via filling in an application form that is recorded in the booking board. Grave numbers are allocated every Friday in preparation to for weekend burials.

### 3.14 Child Care, Aged Care, Social Programmes

In the 2014/15 financial year these are the social programmes implemented to advance the social conditions of the community, and especially of the disadvantaged, by providing psychological guidance, and assistance, especially in the form of social programmes. These programmes seek to promote innovative ideas as well as to identify and reward opportunities promising substantial societal benefits or demonstrating best practices with tangible, scalable outcomes. It aims to create social value in relation to the fight against social exclusion.

#### **SOCIAL DEVELOPMENT PROGRAMMES**

<b>PROGRAMME</b>	<b>DATE</b>	<b>OFFICE</b>	<b>PROJECT DESCRIPTION</b>	<b>IMPACT</b>
CRECHES ROADSHOWS	ONGOING	Arts & Culture	Visits are done to all creches and pre-schools around Endumeni area	Health and safe environment for the kids
LEARN AND PLAY	APRIL	Arts & Culture	The culture of learning and playing is instilled to the youngsters.	Highly educated society
DISABILITY SUMMIT	MAY	Arts & Culture	The disability sector will benefit knowledge as different government sectors will present their disability programmes.	People living with disability get a sense of belonging to the community
MAIDEN CAMP	APRIL/MAY	Arts & Culture	Young women are protected from the social ills that includes drug abuse, teenage pregnancy, etc	Less teenage pregnancy rate and HIV infection
DISABILITY	JUNE/JULY	Arts &	Identification of people living with disability in	More disabled people will be

ROADSHOWS		Culture	Endumeni Municipal area	part of the society
SENIOR CITIZENS AWARENESS CAMPAIGNS	ONGOING	Arts & Culture	The community will be taught about dealing with the elders, educating them about challenges faced by the elders	More senior citizens will live healthily and safely in the society
DRUG & SUBSISTENCE ABUSE CAMPAIGNS	ONGOING	Arts & Culture	During these campaigns scholars are made aware of different drugs and substances that puts their health at risk and hinders their future.	Crime rate will decrease
NCOME WOMENS DAY	AUGUST	Arts & Culture	Young and elder women celebrate this day in recognition of the role played by women in society by showcasing their talent	Platform for women is created
DISABILITY SPORT	SEPTEMBER	Arts & Culture	People living with different types of disabilities partake in different types of sporting codes to exercise for a healthy living	Healthy lifestyle for the disability people
ARTISTS CAPACITY BUILDING	ONGOING	Arts & Culture	Artists from different genres meets to discuss challenges faced by artists and pave a way forward.	Artists acquire more knowledge about their sector

HERITAGE DAY	SEPTEMBER	Arts & Culture	This is the platform whereby all South Africans celebrate their heritage in different ways	Encouragement of pride for our culture
CHILDRENS DAY	OCTOBER	Arts & Culture	Children are given an opportunity to voice out their challenges in their communities through activities. They also get education about their rights	Learned and informed society
SENIOR CITIZENS MONTH	OCTOBER	Arts & Culture	Elderly people plays an important role in our society, they need to be recognised for their role played.	Healthy and safe environment for the elders
DISABILITY MONTH	DECEMBER	Arts & Culture	People living with disabilities are part of the society, during this month they are given a platform to voice out their challenges	Their voice gets heard during this parliament

## MUNICIPAL ANNUAL EVENT

Name of Event	Date of the Event	Venue of the Event	Achievements of the event
Mayoral Imbizo		Wasbank	The Honourable Mayor was able to present his achievements during the financial year and also inform the community of the programmes to be implemented
District Cultural Event	August 30-01 Sept	Enyokeni, KwaNongoma	The municipality managed to transport maidens
Rural Horse Riding	25 July 2014	Endumeni Recreational Grounds	Endumeni was the host and participated
Councillor Constituency week	May 2015	Craig site Ward 6	The meeting was effective and the community supported the initiative planned by the municipality
Clean up campaign	May 2015	EThangeni Hall Ward 2	Recognition that when people are mobilised by the municipality for a project, they can result positive change in the community
Kwanaloga Games	11-14 December 2014	UMzinyathi District Municipality	District participated in 7 sporting codes, and had 380 athletes to represent municipality at provincial sports competition level.

## **COMPONENT E: ENVIRONMENTAL PROTECTION**

### **3.15 Strategic and Environmental Assessments**

The goal within Endumeni is to protect, enhance and expand the existing environmental assets base within exiting urban and built areas but also to utilise the opportunity to establish a more robust and integrated open space system within the undeveloped and agricultural areas that will directly meet the needs of the local communities, as well as, respond to wider municipal and regional environmental planning needs with regard to environmental services planning and management.

The following is relevant in this regard:

- Maintaining a sustainable supply of environmental goods and services
- Provide for climate change preparedness
- Protection and provision of agricultural resources and assets
- Protection and enhancement of environmental assets to meet the needs of the Community, as well as local and district planning. This includes
  - agricultural resources
  - the open space system
  - recreational opportunities
  - tourism opportunities
- Protecting the open space system as a primary spatial structuring element
- Provide for integrated environmental planning and management, especially with regards to catchment management
- Specific objectives include: Restricting erosion of the upper reaches of the Buffels, Blood, Sterkstroom, Mzinyashana, Wasbank, Nsuze and Sandspruit Rivers
- Identifying opportunities for linking fragmented open space elements in the built up areas of Dundee and Glencoe

Early identification and protection of core and amenity open space elements in the various river systems. Protection of conservation areas for eco-tourism opportunities i.e. Aden Lloyd Nature Reserve, Kamelkop, Ilanga Game Ranch, Botha Group Game Ranch etc. Protection and enhancement of areas of cultural and historical significance i.e. Fort Pine, Alana Museum, Maria Ratschitz Mission, Karel Landsman's House etc

### 3.15.1 SPATIAL AND ENVIRONMENTAL TRENDS AND ANALYSIS

Spatial issues	Spatial strategies
<p>The municipality is located within a well-developed commercial agricultural region and hence, it functions as an important regional rural service centre serving the surrounding agricultural hinterland. Its location away from the national road network limits any potential development benefits that might otherwise accrue to the Municipal area. The implication is that the Municipality needs to look to its own strengths and comparative and competitive advantages in order to grow its economy, rather than being able to 'piggy-back' on any spin-offs from development arising from the two main development axes of the Province</p>	<p>promote a more compact urban form by focusing on and densifying existing urban nodes;</p> <ul style="list-style-type: none"> <li>• promote a more efficient use of infrastructure</li> <li>• nurture and protecting higher potential agricultural land;</li> <li>• ensuring the appropriate level of protection to environmentally sensitive areas;</li> <li>• promote, in appropriate localities, economic opportunities, including LED and tourism; and</li> <li>• ensure that land use within the municipal area will be able to be managed in a balanced and integrated manner</li> <li>• promote opportunities for land reform</li> <li>• accommodate new housing area</li> </ul>

### 3.15.2 SPATIAL AND ENVIRONMENTAL SWOT ANALYSIS

<b>SPATIAL ANALYSIS AND DISASTER MANAGEMENT</b>	
<b>Strengths</b>	<b>Weakness</b>
SDF in place	Implementation/budgeting of the SDF
Existing baseline procedure in place to guide and regulate development	Parking of trucks on the main corridors
Greenest town in the District	No environmental officer and town planner within the municipality. Shared Services is temporary.
Town effectively linked in terms of transportation	Less focus on potential development nodes (tertiary nodes)
Grant funding for parks establishment and removal of alien plants	Lack of Town Planning capacity
Availability of farm land, e.g. municipal owned and LRAD land	Status of available land on lease is unknown.
<b>Opportunities</b>	<b>Threats</b>
Geo-referencing of municipal projects	Lack of new investment into the municipal area
Linkage of the District Infrastructure Plan to SDF	Non-transformation of the current Town Planning Scheme.
Job Creation through removal of alien plants and green town	Deteriorating weather patterns
Identification and establishment of Truck stop	Degraded environment and soil erosion
Promotion of Public Investments in potential nodes. i.e. Develop strategies, activities should be linked to nodes as to sustain them.	

## COMPONENT F: SAFETY AND SECURITY

### 3.16 Traffic Department

#### **FUNCTIONALITY OF THE TRAFFIC DEPARTMENT FOR THE 2014/2015 FINANCIAL YEAR.**

- Please find duties and

#### **July 2014-September 2014**

TRAFFIC OFFICERS ISSUED SECTION 514 TRAFFIC FINES	R 71,800.00
TRAFFIC OFFICERS ISSUED 409 PARKING METER FINES	<u>R 16,360.00</u>
THE ESTIMATED OF TRAFFIC FINES AND PARKINGS WAS AND AMOUNT OF	
	<b><u>R 88,160.00</u></b>
THE COURT PAYMENTS ON TRAFFIC FINES RECEIVED	R 36,220.00
THE TREASURY PAYMENTS ON PARKING FINES RECEIVED	<u>R 3,537.00</u>
TOTAL	<b><u>R 39,757.00</u></b>

Cash payment we received from traffic fines and parking meter fines was R 38,720.00 for the month of July 2014.

- On the 18 July 2014 seven traffic officials assisted with a Rural Horse Riding Parade through town which involved horses, motor bikes, golf club, and general community.

The main event took place at the Sports and recreation ground opposite Orange Grove Dairy which utilized seven Traffic Officials and Seven Traffic Signallers.

- On the 25 July 2014 two traffic officers assisted with the Sarel Cilliers Matric farwell.

#### **ROAD BLOCKS AND CAMPAGINS FOR JULY 2014**

No roadblocks were conducted during the month of July 2014.

#### **ACCIDENT REPORT JULY 2014 ON MUNICIPAL ROADS**

A total of 22 accidents occurred during this month July 2014.

## **TESTING STATION**

Learners Statistics for July 2014

Application for Learners 231

Learners Passed 143

Learners failed 174

Learners failed to attend 25

Drivers Applications for booking 98

Drivers licenses passed 77

Drivers Licence failed 51

Driver Licence failed to attend 21

Drivers Licence Conversions  
Drivers Licence Conversions Penalties  
Professional Driving Permit Applications  
Temporary Driving Licence & Duplicates  
Applications (learners & drivers)  
Licences Issued (learners & drivers)  
Vehicles CRW Applications  
Vehicles CRW Issued  
Instructors permit application  
Instructors permit issued  
**TOTAL**

<b>JULY 2014</b>
R104 250.00
R0.00
R33,600.00
R8,940.00
R70,770.00
R24,460.00
R14,520.00
R5,520.00
R400.00
R180.00
<b>R262,640.00</b>

## **TESTING OF MOTOR VEHICLES**

	MOTORCYCLES	CARS	BUSES	TRUCKS	OTHER
PASSED	0	0	1	5	9
FAILED	0	0	0	0	0
RETEST	0	0	2	14	19

The full report on Traffic Department will be **Appendix G**

### **3.17 Fire & Disaster Management**

In terms of the Disaster Risk Management Act 2002, (Act No.57 of 2002), Section 43-50 outlines the establishment and functions of the Centre in order to ensure an integrated and coordinated approach to Disaster Risk Management within the district.

UMzinyathi District Municipality Disaster Management Risk Centre was established in August 2003, and is fully functional 24 hours a day, 7 days a week. Endumeni Local Municipality is aligned to the district disaster management, although Endumeni does not have a stand-alone disaster management center.

The call Centre Number (034 212 2222)

Endumeni Local Municipality has appointed a Disaster Manager, a disaster officer, fire station office and eight fire fighters. The district municipality also supports the Endumeni Local Municipality with five disaster management volunteers.

Part of the support from UDM is the volunteers received training in the following:

- Basic Fire fighting
- Basic First Aid
- Communication
- Basic Disaster Management
- Evacuation

The Endumeni fire services are situated at 8 Diaz Road, Dundee. The offices have a training center, sleeping quarters, and a smoke room provided for fire training.

#### **3.17.1 OVERVIEW OF DISASTER MANAGEMENT**

##### **1. PURPOSE**

The purpose of this rear view report is to reflect on the performance, progress and challenges of Endumeni Disaster Management Unit during the 2014/15 financial year.

##### **2. BACKGROUND**

Endumeni Disaster Management Component responded to various incidents which included: House Fires, Strong Winds, Heavy Rains, Lightning Strikes and Veld Fires during the financial year 2014/15. All these incidents happened in and around Endumeni Municipality. Vigorous awareness campaigns have also been conducted to prevent and mitigate the effects of disasters.

### 3. SUMMARY OF STATISTICS

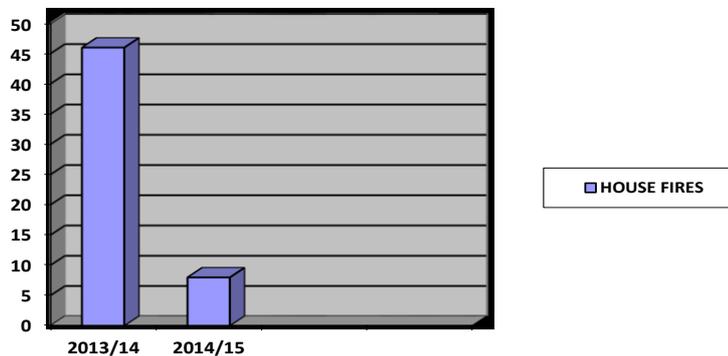
Endumeni Disaster Management Component responded to 8 House Fire, 32 Strong Wind, 11 Heavy Rain, 2 Lightning Strike, and 4 Veld Fire incidents during the financial year 2014/15. All these incidents happened in and around Endumeni Municipality

Local Municipalities	Types of Incidents	Number of Incidents	Households Affected	Houses/Structures Destroyed		People Affected	Fatalities	Injuries	Missing Persons
				Totally destroyed	Partially Damaged				
SW – Strong Winds, F – Fires, FL – Floods, HR – Heavy Rains, L -Lightning HF – House fires, SF - Structural Fire, VF - Veld Fire									
Endumeni	HF	8	58	18	40	295	5	0	0
	SF	1							
	VF	4							
	SW	32							
	HR	11							
	L	2							
FL									
<b>Total</b>		<b>58</b>	<b>58</b>	<b>18</b>	<b>40</b>	<b>295</b>	<b>5</b>	<b>0</b>	<b>0</b>

### 4. ASSISTANCE PROVIDED

LOCAL MUNICIPALITY	Blankets	Tents	Plastic Sheets	Mattresses	Food Hampers
<b>ENDUMENI</b>	23	3	43	6	0
<b>TOTAL</b>	<b>23</b>	<b>3</b>	<b>43</b>	<b>6</b>	<b>0</b>

### 5. PROGRESS MADE



Endumeni Disaster Management Unit has conducted vigorous awareness campaigns to prevent and mitigate disasters in our community. Our emphasis has been majorly on house fire incidents. This was a result of negligence that was witnessed in our communities which led to house fires that resulted in loss of life and property. The effort has borne great results as there has been a 75% drop in house fire incidents in 2014/15. Other types of awarenesses focused on mitigating disasters that can not be prevented such as Floods, Heavy Rains, Strong Winds and Lightning Strikes. The response from Endumeni Disaster Management has been imminent and very effective with regards to providing assistance in forms of blankets, foam mattresses, plastic sheets and tents. Endumeni Disaster Management Unit has very effectively installed Lightning Conductors in those households that have previously been struck. Awareness bill boards are evident all over the Municipality and its jurisdiction.



## **6. CHALLENGES**

### **Relief Material**

As much as a lot has been done in terms of prevention, mitigation and response, more can be done. The relief material currently issued does not meet all the basic needs of those affected in order for their lives to return to normality as soon as possible. Cement, poles, timber, doors, corrugated iron and glass panels are amongst the items that Endumeni Disaster Management wishes to supply. The challenge is currently inadequate funds as well as a Service Level Agreement that has not been formulated by SCM.

### **Standby Allowance**

Standby allowance has not been allocated to Endumeni Disaster Management Unit. Nevertheless, Endumeni Disaster has continuously responded to incidents, even outside of working hours without compensation.

## **7. WISH LIST**

- Increased Disaster Fund
- Service Level Agreement
- Standby Allowance
- More Political Will

## **8. CONCLUSION**

Managing risk depends on political will. Political will depends on political leadership and a shifting of incentives. Disaster risk is a societal commonality. It affects everyone and all the systems on which we depend.

## **COMPONENT G: SPORTS & RECREATION**

### **3.18 Sport & Recreation**

The Endumeni Local Municipality has 20 Buildings that are maintained, a monthly report is drafted for the purposes of reporting. There are Permanent municipal employees that are employed to look after the premises.

The municipality has a year plan that stipulates seasonal maintenance of parks. In Spring it's planting of new trees, In Summer (rainy season) the grass is cut every 15 days, In winter

there is trimming of trees. Throughout the year there is constant maintenance of the play facilities within the park. As monitoring tool team leaders are appointed and the Supervisor always play an important role. All parks within the municipal area are maintained according to the maintenance plan. A monthly report is submitted through the Manager Technical Services that reflects maintenance and work done.

There are 3 swimming pools within the municipal area in Peacevale, Sibongile and Glencoe. During the winter the swimming pools are closed and maintenance is conducted during that period. In summer the swimming pools are fully functional and there is a life guard posted in each swimming pool within the Endumeni Municipal area.

## COMPONENT H: 2014/15 ANNUAL PERFORMANCE REPORT

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
<b>KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT OUTCOME 9:</b>												
1.1	Build a responsive, accountable and accessible public institution	Increase in operational efficiency within the municipal administration	Number of Council meetings held	15	15	4	9		4 Council Meetings held by 30 June 2016	Corporate Services	Minutes Volume 1 Annexure A	
1.2			Number of ExCo meetings held	15	15	12	11	There was no quorum; hence the meeting could not convene. However the necessary invitations, agenda and notices were issued on time.	12 ExCo meetings held by 30 June 2016	Corporate Services	Minutes Volume 1 Annexure B	The issue of meetings not convening due to no quorum was reported to Council. Council resolved "If a member will not be attending a meeting, an apology needs to be sent prior to the meeting. If not the apology will not be accepted/ recognised"
1.3	Promote good governance		Number of Municipal Manager's Forum held	New KPI in the 2014/15		12	7	There was no quorum; hence the meeting could not convene. However the necessary invitations, agenda and notices were issued on time.	12 Municipal Managers Forum meetings held	Finance Department	Minutes Volume 1 Annexure C	The issue of meetings not convening due to no quorum was reported to Council. Council resolved "If a member will not be attending a meeting, an apology needs to be sent prior to the meeting. If not the apology will not be accepted/ recognised"

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
1.4	Build a responsive, accountable and accessible public institution	Increase in operational efficiency within the municipal administration	Number of Senior management meetings held	12	10	12	10	It was during the week of the MFMP training, most Senior Managers are part of that training. Hence the meeting was postponed.	12	Corporate Services	Minutes Volume 1 Annexure D	There will be a year planner for senior management meetings hence everything will be planned around them to avoid clashes.
1.5	Build a responsive, accountable and accessible public institution	Increase in operational efficiency within the municipal administration	Number of general staff meetings held	New KPI for 2014/15 FY		2	2		Meetings were held, however not proper filing was done to keep track of POE.	Corporate Services	Minutes Volume 1 Annexure E	Manco resolved that all general staff meetings will be coordinated by Anet Brockman. Executive secretary Corporate Services

1.6	To ensure institutional transformation and sound and efficient administrative practices within the Municipality	Preparation and submission of the Annual Report to AG and relevant authorities	Date of the submission of draft Annual reports before end of January 2015	30/03/2014	30/03/2014	30/01/2015	27/01/2015			Date of the submission of draft Annual reports before end of January 2016	Technical Services Volume 1 Annexure F	Council resolution
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No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
1.7	To ensure institutional transformation and sound and efficient administrative practices within the	Preparation and submission of Performance report to Council and relevant authorities	Number of performance reports submitted by HOD's to the Municipal Manager and Council	New KPI for 2014/15 FY		4	4		4 performance reports submitted by HOD's to the Municipal Manager and Council	Technical Services	Council resolution  Volume 1 Annexure G	
1.8		Preparation and submission of Performance agreements to Council and relevant authorities	Number of performance agreements signed within 1 month of the financial year starting	New KPI for 2014/15 FY		4	3	The Acting Manager Technical Services did not sign the performance agreement due that Cogta advised that Acting Managers should not sign PA.	4 performance agreements signed within 1 month of the financial year starting	Technical Services	Council resolution Volume 1 Annexure H	The PAC resolved that all section 54/56 Managers must sign a performance agreement.
1.9		Preparations and submissions of Performance reviews to MM	Number of performance reviews submitted to the MM 10 days after the end of each quarter	New KPI for 2014/15 FY		16	0	PMS has not been implemented fully within the Municipality due to capacity constraints. The PMS position has been vacant almost throughout the 2014/15 FY	16 performance reviews submitted to the MM 10 days after the end of each quarter	Technical Services	Council resolution	A PMS personnel has been appointed on a contractual basis from May 2015 to assist with PMS. The post for the IDP/PMS Manager has been advertised and will be filled. Submissions of the performance reviews will be done timeously.

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
1.10	To ensure institutional transformation and sound and efficient administrative practices within the	Functionality of the IDP Rep Forum	Number of IDP representative Forum meetings held	4	4	4	4		4 IDP representative Forum meetings held	Technical Services	Minutes Volume 1 Annexure I	
1.11		Preparation and submission of the Draft IDP Review to Council for approval	Date of approval of the 2015/16 IDP review	30/06/2014	30/06/2014	30/06/2015	30/06/2015		Date of approval of the IDP by 30/06/2016	Technical Services	Council resolution Volume 1 Annexure J	
1.12		Preparation and submission of the By-Laws Review to Council for approval	Date of review of Laws and regulations	No. of updated bylaws 4	4	30/06/2015	30/06/2015		Date of updated reviews of by-laws by 30/06/2016	Technical Services	Council Resolution Volume 1 Annexure K	
1.13		Timeous preparation and circulation of minutes	Time taken to produce minutes	Within 7 days	Within 7 days	Within 7 days	Within 7 days		Time taken to produce minutes Within 7 days	Corporate Services	Minutes Volume 1 Annexure L	

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
1.14	To ensure institutional transformation and sound and efficient administrative practices within the	Preparation and submission of the Employment Equity Plan to the Department of Labour	Date of review of the Employment Equity Plan	30/09/2013	30/09/2013	30/06/2015	Not Achieved	The EEP could not be adopted due to capacity constraints, within the Corporate Services department	Employment equity reviewed by 30/06/2016	Corporate Services	Proof of submission to Department of Labour	The HR Manager, HR clerk and intern has since been appointed and will be able to commence and carry out all HR duties. EEP will be adopted by 30/06/2016
1.15		Preparation and submission of the Skills Development Plan to Council	Date of approval by council of the Skills Development Plan	1	1	30/11/2014	Not Achieved	The EEP could not be adopted due to capacity constraints, within the Corporate Services department	Date of approval of the skills development plan 30/11/2015	Corporate Services	Council Resolution	The HR Manager, HR clerk and intern has since been appointed and will be able to commence and carry out all HR duties.
1.16		Implementation of the SDP	Number of people trained as per the Skills Development Plan	New KPI for 2014/15	40	44				People will be trained According to the WSP ATR	Corporate Services	Certificates Volume 1 Annexure M

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
1.16	To ensure institutional transformation and sound and efficient administrative practices within the Municipality	Preparation and submission of the organogram to Council	Organogram date of review	New KPI for 2014/15		30/06/2015	Not Achieved	The Organogram was adopted in July due to that there was a disagreement between the LLF and Management hence there was a delay.	Organogram date of review 30/06/2016	Corporate Services	Council Resolution Volume 1 Annexure N	Early preparation for the review of the Organogram will be put in place. The Organogram was adopted on the 10 July 2015
1.17		Functionality of the Local labour Forum	Number of Local Labour forum meetings held	12	12	12	7	There was no quorum; hence the meeting could not convene. However the necessary invitations, agenda and notices were issued on time.	12	Corporate Services	Minutes Volume 1 Annexure O	
1.18		% of Disciplinary cases completed	New KPI for 2014/15 FY		100%	100%			100%	Corporate Services	Report from Corporate Services	Volume 1 Annexure P

1.19			% of grievances resolved	<b>New KPI for 2014/15 FY</b>	100%	100%		100%	<b>Corporate Services</b>	<b>Report from Corporate Services</b>	<b>Volume 1 Annexure Q</b>
1.20		Preparation and implementation of performance management system	% PMS implemented by 30 June 2015	<b>New KPI for 2014/15 FY</b>	100%	60%	PMS has not been implemented fully within the Municipality due to capacity constraints. The PMS position has been vacant almost throughout the 2014/15 FY		<b>Technical Services</b>	<b>Performance Plans Volume 1 Annexure G&amp;H</b>	A PMS personnel has been appointed on a contractual basis from May 2015 to assist with PMS. The post for the IDP/PMS Manager has been advertised and will be filled. 100% implementation PMS will be implemented by 30 June 2015

1.21			Number of quarterly performance assessments conducted by 30 June 2015	New KPI for 2014/15 FY	4	0	PMS has not been implemented fully within the Municipality due to capacity constraints. The PMS position has been vacant almost throughout the 2014/15 FY	4	Technical Services		A PMS personnel has been appointed on a contractual basis from May 2015 to assist with PMS. The post for the IDP/PMS Manager has been advertised and will be filled. Quarterly assessment will be done timeously.
1.22		Preparation and submission of IT strategy to Council	Date of review and update of the IT strategy by 30 June 2015.	New KPI for 2014/15 FY	31/12/2015	30/06/2015	The IT Manager was vacant. Hence there was capacity constraints within the IT department	30/06/2016	Corporate Services	Council Resolution Volume 1 Annexure S	The IT Manager has been appointed by the 1 <sup>st</sup> June 2015.
1.23	To ensure institutional transformation and sound and efficient administrative practices within the Municipality	Functionality of Workshop	Average time taken to repair vehicles and equipment.	New KPI for 2014/15 FY	Within 5 hours	Within 5 hours 102 pa		Average time taken to repair vehicles Within 5 hours	Technical Services	Workshop Spreadsheet Volume 1 Annexure T	

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
1.24	To ensure institutional transformation and sound and efficient administrative practices within the Municipality	Functionality of Workshop	Average time vehicles and equipment remained in workshop	New KPI for 2014/15		Less than 5 days	Less than 5 days		Average time vehicles and equipment remained in workshop Less than 5 days	Technical Services	Workshop Spreadsheet  Volume 1 Annexure T	
1.25		Functionality of Portfolio Committees	Number of Corporate Services portfolio committee meetings held	12	12	12	11	There was no quorum; hence the meeting could not convene. However the necessary invitations, agenda and notices were issued on time.	Number of Corporate Services portfolio meetings 12	Corporate Services	Minutes/ Attendance register  Volume 1 Annexure U	If a member will not be attending a meeting, an apology needs to be sent prior to the meeting. If not the apology will not be accepted/ recognised
1.26			Number of Finance portfolio committee meetings held	12	8	12	6	There was no quorum; hence the meeting could not convene. However the necessary invitations, agenda and notices were issued on time.	Number of Finance portfolio committee meetings 12	Corporate Services	Minutes/ Attendance register  Volume 1 Annexure V	If a member will not be attending a meeting, an apology needs to be sent prior to the meeting. If not the apology will not be accepted/ recognised

1.27			Number of Technical Services portfolio committee meetings held	12	10	12	11	There was no quorum; hence the meeting could not convene. However the necessary invitations, agenda and notices were issued on time.	Number of Technical Services committee 12	Corporate Services	Minutes/ Attendance register  Volume 1 Annexure W	If a member will not be attending a meeting, an apology needs to be sent prior to the meeting. If not the apology will not be accepted/ recognised
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No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
<b>KPA 2: BASIC SERVICES DELIVERY AND INFRASTRUCTURE INVESTMENT OUTCOME 9: IMPROVED ACCESS TO BASIC SERVICES</b>												
2.1	To provide sustainable infrastructure to the municipal community and also the effective maintenance of the existing one	Implementation of Capital projects as per the IDP	% budget spent on IDP Projects	This KPI was not in the 2014/15 FY		100%	100%		100%	Technical Services	Monthly Progress report	Volume 1 Annexure X
2.2			% of IDP priority/ projects implemented	This KPI was not in the 2014/15 FY		100%	100%		100%	Technical Services	Monthly Progress report	Volume 1 Annexure X
<p>The projects were approved by MIG for 2014/15 Financial Year: They are regarded as capital projects in the IDP</p> <ol style="list-style-type: none"> <li>I. Buffer Strip</li> <li>II. Colley Street Extension roads and storm water</li> <li>III. McKenzie street rehabilitation</li> <li>IV. Uithoek /boundary street reconstruction</li> <li>V. Watt road reconstruction</li> <li>VI. Argyll /browning streets reconstruction</li> <li>VII. Ruigtefontein gravel roads</li> <li>VIII. The Sthembile Glencoe ext 2</li> </ol> <p>100% OF MIG was spent.</p>												
2.3	Preparation and timeous processing of plans	Turnaround time to process applications received	100%	100%	Within 30days of receipt of payment	All applications processed within 30days		Turnaround time to process applications received	Technical Services	Monthly Progress report	Volume 1 Annexure Y	

	The application process within the municipality goes: Request a quote and depending on the length of cable a quote is issued. The quote is valid for 15 days, and the municipality takes up to 14 days. The entire process takes up to 30 days The consumer pays for what is within the boundary, labour, transport and prepaid meter. The municipality pays for what is outside the boundary. Once quote is payed, Finance issues a job sheet with proof of payment. Once received, the Electricity department conducts the service. Once the service is complete, the assistant Manager electrical, then goes to Finance. 40 applications are processed per quarter.										
<b>2.4</b>	Provision of electricity to households within Municipality	Number of houses with access to electricity	<b>333</b>	<b>333</b>	<b>686</b>	<b>192</b>	Objection on Bid document, therefore unable to do Sithole Phase 2.	<b>200</b>	<b>Technical Services</b>	<b>Volume 1 Annexure Z</b>	A roll-over to 2015/16 has been applied for. If granted 492 connections will be done over and above the 200
The municipality had a target of 686 houses to be electrified in Strathford farm. Only 192 houses were electrified in Strathford farm. The Sthembile Glencoe ext 2. 492 households were not electrified due to Objection on Bid document. A roll over to 2015/2016 has been applied for, the municipality is waiting for feedback. If granted the 492 connections will be done in the new financial year.											

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
2.5		Provision and maintenance of cemeteries	% budget spent for cemeteries	100%	100%	100%	0%	The maintenance of cemeteries has no financial implications	100%	Technical Services	Maintenance report	The KPI will be structured in manner that will be able to assess performance and also linked to B2B
<p>The Endumeni Local Municipality has 8 grave sites, Dundee - 4; Glencoe – 3; Wasbank - .Cemeteries are maintained on a weekly basis , namely scoffing &amp; cutting f grass, which is seasonal. Constant inspection is done by the Supervisor for the monthly report consolidation.</p>												
2.6	To provide sustainable infrastructure to the municipal community and also the effective maintenance of the existing one	Provision and maintenance in terms of Implementation of the Road master plan	M2 of slurry seals maintained and resurfaced as per the road master plan	New KPI in the 2014/15 FY		According to road master plan	15 020 m2		KPI will change, "No of KM roads maintained	Technical Services	Monthly Progress report  Volume 2 Annexure B	
		<p>The municipality has a road master plan that has not been updated in the last five years, over and above that the municipality has a maintenance plan that outlines areas that are going to be covered. 15020 m2 of slurry seals were resurfaced. The following areas were covered: Mthembu, Mzuvele, Biggar Street, Wasbank Road, Uithoek street, Hajee Jamal, Glencoe taxi rank and Parking area at Mckenzie hall.</p>										
2.7		Provision and maintenance of catch pit slabs	Number of catch pit slabs to be maintained	254	254	972	972		To be confirmed once Technical services Action plan is completed	Technical Services	Monthly Progress report	Volume 2 Annexure C

	The Endumeni municipal area has 972 catch pit slabs that are being maintained. The maintenance plan also includes the identification and repair and replacement of catch pit slabs. It takes 6 weeks to cover the whole of Endumeni municipal area. One week is dedicated to each ward where the identification and repair process take place. All repairs are entered into a maintenance register. It is then maintenance register that informs the monthly report the monthly reports feeds into the SDBIP.									
<b>2.8</b>	Provision and maintenance of Dundee Buffer strip Roads and storm water	% budget spent on maintenance for Dundee Buffer strip Roads and storm water	<b>New KPI in the 2014/15 FY</b>	<b>100%</b>	<b>0%</b>	No repair were done since the road is un used	<b>0%</b>	<b>Technical Services</b>	<b>Monthly Progress report</b>	Budget will only be assigned once the project is complete to avoid non performance
The buffer strip project is a Human settlement project. The project has a R60 000 000.00 budget. This project has a phase 1, 2 & 3.. The project in the financial year under review was still in phase 1 where 50% of the project progress was implemented. Hence there were no repairs due to the construction of houses ongoing & therefore the road is only being utilized by the contractor, 0% was spent Programme was due for completion before the 2014/15 financial year end.										

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
2.9	To provide sustainable infrastructure to the municipal community and also the effective maintenance of the existing one	Provision and maintenance of Colley Street storm water	% budget spent on maintenance for Colley street Roads and storm water	New KPI in the 2014/15 FY		100%	100%		Not a KPI for the 2015/16 FY	Technical Services	Monthly Progress report  Volume 2 Annexure D	
		Colley Street is project that was started in 2013/2014 financial year and was completed 2014/2015. It is an upgrade of infrastructure and installation of storm water & street lights. Due to the delays of the buffer strip phase 1, no maintenance was done except for the maintenance done by the contractor. There is no commitment in this project.										
2.10		Provision, maintenance and rehabilitation of central area	% budget spent on maintenance Central area rehabilitation	New KPI in the 2014/15 FY		100%	100%		KPI will change in this FY	Technical Services	Monthly Progress report  Volume 2 Annexure E	
		Central rehabilitation project is a project that includes various streets namely: Beaconsfield Street, Ann Street and Karellandman Street. This project was initially the municipality's project; however it was later taken over by Department of Transport. Due to that the project included Karellandman street which belongs to DOT. However the other two streets were completed by the municipality and the Department of Transport completed Karellandman Street. The project covered 2 KM's										
2.11	Provision and maintenance of Mckenzie Street	% budget spent on maintenance Mckenzie street rehabilitation	New KPI in the 2014/15 FY		100%	100%		100%	Technical Services	Monthly Progress report  Volume 2 Annexure F		
	The budget for Mckenzie street that was allocated to the project on the year under review was 100% spent, the target for the 2014/2015 financial year is 0.5KM. 89% work done is achieved and 100% budget for the project was spent. The budget is an overlap to 2015/2016 financial year where we anticipate completion.											

2.12		Provision and maintenance of Uithoek / Boundary Street	% budget spent on Uithoek /Boundary street reconstruction	<b>New KPI in the 2014/15 FY</b>	100%	0%		100%	<b>Technical Services</b>	<b>Monthly Progress report</b>  <b>Volume 2 Annexure G</b>	
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Uithoek boundary street was budget for in the 2014/2015 financial year for design and tender. However that budget was not spent because the project was not prioritised.

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
2.13	To provide sustainable infrastructure to the municipal community and also the effective maintenance of the existing one	Provision and reconstruction of Watt road	% budget spent on Watt road reconstruction	<b>This KPI was not in the 2014/15 FY</b>		100%	103%		No. of KM to be constructed	<b>Technical Services</b>	<b>Monthly Progress report Volume 2 Annexure H</b>	
		The reconstruction of Watt road was budgeted for this amount includes Mckenzie and Ruigtefntein R16 751 092.90 , 100% of the budget was spent in the year under review. The project is an overlap to 2015/2016. 2.4KM's is the target for the entire project.										
2.14		Provision and reconstruction of Argyll / Browning Street	% budget spent on Argyll/Browning streets reconstruction	<b>This KPI was not in the 2014/15 FY</b>		100%	0%	The road cannot be developed until an alternative routes for trucks is sourced/developed	<b>The KPI will not be in the ne FY</b>	<b>Technical Services</b>	<b>Monthly Progress report</b>	The KPI will be removed for the 2015/16 until the issue is resolved and the budget will be re directed for the 2015/16 fy.
	Argyll / Browning was registered and approved by MIG. The budget for Argyll/Browning street was diverted to Watt Road. The road cannot be developed until an alternative route for trucks is sourced/developed. Hence the budget allocated was moved to complete Watt road.											

2.15	Provision of household facilities within Endumeni Municipal area	Number of houses erected on Sibongile Buffer strip	This KPI was not in the 2014/15 FY	725	100	There was a delay with the implementing agent. The material was delivered late and slow productivity on site	513 houses to be built	Technical Services	Close out report Volume 2 Annexure I	There is a recovery plan in place to mitigate/ sanction poor performance	
		The Sibongile buffer strip project had a budget for R60 000 000.00 and the target was 725. Only 100 houses were built due to that There was a delay with the implementing agent. The material was delivered late and there was slow productivity on site.									
2.16		Number of houses erected on Sithembile Glencoe ext 2	This KPI was not in the 2014/15 FY	492		The remaining sites have challenges: 2 have graves 3 are rocky 2 are on the flood line and therefore cannot be developed	9 houses to be built	Technical services	Close out report Volume 2 Annexure J	There municipality is still engaging with human settlements to find a solution.	
		The Sithembile Glencoe ext 2 had a budget of R42 000 000.00 The project had a target of 492 houses only 472 were constructed. The remaining sites have challenges: 2 have graves; 3 are rocky; 2 are on the flood line and therefore cannot be developed. There municipality is still engaging with human settlements to find a solution.									
2.17	Provision and installation of precast wall	% budget spent on installation of precast wall	This KPI was not in the 2014/15 FY	100%	90%	The precast wall was completed in Q2 however there is 10% budget savings	The KPI will not be in the ne FY	Technical Services	Monthly Progress report Volume 2 Annexure K	KPI will be designed according to the SMART Principle	
	The budget for the precast wall was R 50 000.00 .The precast wall was completed in Q2 however there is 10% budget savings.										

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken	
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual						
2.18	To provide sustainable infrastructure to the municipal community and also the effective maintenance of the existing one	Provision and maintenance of municipal properties according to the year plan	% maintenance of parks according to the year plan	100%	100%	100%	100%		KPI will be more specific	Technical Services	Monthly Progress report  Volume 2 Annexure L		
			The municipality has a year plan that stipulates seasonal maintenance of parks. In Spring it's planting of new trees, In Summer (rainy season) the grass is cut every 15 days, In winter there is trimming of trees. Throughout the year there is constant maintenance of the play facilities within the park. As monitoring tool team leaders are appointed and the Supervisor always play an important role. All parks within the municipal area are maintained according to the maintenance plan.										
2.19			% of grave sites prepared	100%	100%	100%	100%		KPI will change	Technical Services	Maintenance report	Volume 2 Annexure M	
			The municipality has a target of digging a minimum of 16 to 20 maximum graves per week. This would then translate that 4 graves dug every day. There is a procedure followed regarding the request of graves. The applicant must produce a burial order obtained from Home Affairs; the grave is booked via filling in an application form that is recorded in the booking board. Grave numbers are allocated every Friday in preparation to for weekend burials.										
2.20			% Maintenance of street lights	100%	100%	100 %	100%		100%	Technical Services	Maintenance report	Volume 2 Annexure N	
			The electrical Senior clerk keeps complaints register that is done through mun-admin pilot system. The complaint is received; it is then loaded into the system where a reference number for the complaint is issued. It is then routed to the electrical workshop where once received the street lights are fixed within 3 days if it falls over the weekend. Non re occurrence of complaints is used as monitoring tool that the complaint was addressed.										
2.21	% of Maintenance of potholes	19 potholes and speed bumps	27	100%	100%		100%	Technical Services	Maintenance report	Volume 2 Annexure O			

			The maintenance plan also includes the identification and repair of pot holes and installing speed humps. It takes 6 weeks to cover the whole of Endumeni municipal area. One week is dedicated to each ward where the identification and repair of pot holes process take place. 3 863.5 m2 of potholes was repaired in the year under review.									
2.22			% budget spend on maintenance of sewerage system	305 days	303 days	100%	100%		100%	Technical Services	Maintenance report	Volume 2 Annexure P
			<b>The above KPI is performed by UMzinyathi District Municipality</b>									
2.23			% budget spend on maintenance for building	New KPI in the 2014/15 FY	100%	100%		100%		Technical Services	Maintenance report	Volume 2 Annexure Q
<p>20 Buildings are maintained within Endumeni Local municipality, a monthly report is drafted for the purposes of reporting. There are Permanent municipal employees that are employed to look after the premises.</p>												

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken	
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual						
2.24	To provide sustainable infrastructure to the municipal community and also the effective maintenance of the existing one	Development of waste facilities and provision of solid waste management	% of Solid waste management	52	50	100%	100%		100%	Technical Services	Monthly Progress report	Volume 2 Annexure R	
			The municipality has a waste management collection plan that is monitored on a weekly basis. The plan incorporates the removal of waste from residential areas as well as industrial areas. There is an attendance register that is signed by employees upon completion of the weekly chores.										
2.25			Number of hotspots cleaned within the municipal area	New KPI in the 2014/15 FY		127	127			127 hot spots cleaned	Technical Services	Monthly Progress report	Volume 2 Annexure S
			The hot spots are monitored on a weekly basis, and are also cleaned. Members of the community are encouraged to adopt a spot, so that it can no longer be used for illegal dumping. Anything can be built on that spot eg. Car wash, spaza shop &etc. to avoid re occurrence. Obtaining those spots is negotiated with the ward Cllr. In the year under review 127 of hot spots were cleaned.										
2.26			Monthly Progress reports regarding with Clean streets and waste facilities	New KPI in the 2014/15 FY		12	12			12 reports submitted	Technical Services	Maintenance report	Volume 2 Annexure T
	The street within the Endumeni Area are cleaned 7 days week in a residential area it is once a week. The EPWP is responsible for the residential area and the urban area is done by the permanent staff. The staff is monitored through team leaders and supervisors.												

<b>2.27</b>		Provision and maintenance of municipal properties according to the year plan	% Maintenance of sport fields, parks and gardens and open areas	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>Technical Services</b>	<b>Maintenance report</b>	<b>Volume 2 Annexure U</b>
<p>The parks and gardens, sports field and gardens are maintained. During rainy season, grass cutting is done constantly done. The municipality appoints contractors with assistance from permanent employees. In Winter we maintain trees (trimming), in Spring planting new trees. A monthly report is submitted through the Manager Technical Services that reflects maintenance and work done.</p>												
<b>2.28</b>			% Maintenance of swimming pools	<b>260</b>	<b>272</b>	<b>100%</b>	<b>100%</b>		<b>No. of Swimming pools maintained</b>	<b>Technical Services</b>	<b>Maintenance report</b>	<b>Volume 2 Annexure V</b>
<p>During the Winter the swimming pools are closed and maintenance is conducted during that period. In Summer the swimming pools are fully functional and there is a life guard posted in each swimming pool within the Endumeni Municipal area.</p>												

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
<b>KPA 3: LOCAL ECONOMIC DEVELOPMENT            OUTCOME 9: COMMUNITY WORK PROGRAMME IMPLEMENTED AND COOPERATIVES SUPPORTED</b>												
3.1	To promote and stimulate economic development through targeted and structured approach	Monitoring and reporting on the Expanded Public Works Programme(E PWP)	Number of jobs created through LED initiatives	New KPI in the 2014/15 FY	40	76		No of jobs created through CWP 250	Technical Services	Monthly report		
3.2		Implementation of LED Projects	Number of new LED projects implemented	New KPI in the 2014/15 FY	2	0	Projects could not be implemented due to capacity constraints and vacancy in the LED unit	2	Technical Services		The LED Manager was appointed and the LED strategy has been adopted by Council	
3.3		Preparation and submission of LED funded projects to Council for Approval	Date of approval of the LED funded projects	New KPI in the 2014/15 FY	30/06/2015	Not Achieved	Projects could not be implemented due to capacity constraints and vacancy in the LED unit	Date LED strategy approved 30/06/2016	Technical Services		The LED Manager was appointed and the LED strategy has been adopted by Council	
3.4		Provision of Workshops for emerging contracts	Number of Workshops conducted for emerging contractors	New KPI in the 2014/15 FY	2	2		Number of SMME's Supported 60	Technical Services	Attendance registers		

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
<b>KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION            OUTCOME 9: DEEPEN DEMOCRACY THROUGH A REFINED WARD COMMITTEE SYSTEM</b>												
4.1	Promote good governance	Functionality of budget committee	Number of budget meetings held	New KPI in the 2014/15 FY		2	2		2	Finance Department	Minutes Volume 2 Annexure X	
4.2	Promote good governance	Conduct customer satisfaction survey	Number of customer satisfaction surveys conducted	1	1	1	0	There IDP/ PMS position was vacant for almost the whole of 2014/15 FY. Therefore due to capacity constraints the Customer satisfaction Survey could not be done.	1	Technical Services	Customer Satisfaction Report	A PMS personnel has been appointed on a contractual basis from May 2015 to assist with PMS. The post for the IDP/PMS Manager has been advertised and will be filled.
4.3	Promote good governance	Functionality of ward committees	Number of ward committee meetings held	24	20	24	9	There was no quorum; hence the meeting could not convene. However the necessary invitations, agenda and notices were issued on time.	24	Technical Services	Volume 2 Annexure Y	If a member will not be attending a meeting, an apology needs to be sent prior to the meeting. If not the apology will not be accepted/ recognised
4.4	To provide sustainable good governance for local communities	Co-ordination of the artisans development through training	Number of artisans trained and developed	New KPI in the 2014/15 FY		4	0	Artisans could not be trained due to capacity constraints, within the Corporate Services department	4	Corporate Services		The HR Manager, n has since been appointed and will be able to commence and carry out all HR duties.

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
4.5	Promote good governance	Coordination and filling of all vacant posts and offering induction courses	% of new staff employed with induction courses	New KPI in the 2014/15 FY		100%	100%		100%	Corporate Services	Attendance registers Volume 2 Annexure Z	
4.6			Number of safety reps trained in first aid and occupational safety	11	11	13	0	Safety Reps could not be trained due to capacity constraints, within the Corporate Services department, and non -approval of the SDP	13	Corporate Services	The HR Manager, HR clerk and intern has since been appointed and will be able to commence and carry out all HR duties.	
4.7			% of critical vacant posts filled	100%	100%	100%	100%		100%	Corporate Services	Appointment letters	Volume 3 Annexure A
4.8			% of contract workers appointed with contracts	New KPI in the 2014/15 FY		100%	100%		100%	Corporate Services	Contracts	Volume 3 Annexure B

4.9	Promote good governance within the Municipal area of Endumeni Local Municipality	Preparation and circulation of registry files and full functionality of registry as per National Archives	% of files circulated returned to returned	100%	100%	95%	100%	Files are rarely being circulated due to the fact that we are on an electronic Document Management System (EDMS)	100%	Corporate Services	Corporate services report Volume 3 Annexure C
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No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
4.10	Promote good governance within the Municipal area of Endumeni Local Municipality	To promote functionality of management meetings	Number of management meetings held	12	12	12	10	There was no quorum; hence the meeting could not convene. However the necessary invitations, agenda and notices were issued on time.	12	Corporate Services	Minutes/ Attendance	If a member will not be attending a meeting, an apology needs to be sent prior to the meeting. If not the apology will not be accepted/ recognised
4.11		Promotion of social responsibility regarding HIV/AIDS awareness in the community of Endumeni	Number of HIV/AIDS awareness campaigns hosted	2	3	2	1	The Communications Manager and Communications Officer were both suspended. Therefore certain duties could not be fulfilled in their absence.	2	Corporate Services	Report/ Programme Volume 3 Annexure D	A contractual Communications Office has been appointed until such time that the matter is concluded. She will commence with communication duties
4.12		Preparation and submission of Disaster Management policy and framework to Council	Date of adoption for disaster management policy and procedural framework	30/06/2014	30/06/2014	31/03/2015	Not Achieved	The Disaster Procedural framework is still work in progress and has not been adopted by Council.	31/03/2016	Technical Services		The Disaster Manager has engaged the District's Disaster Manager to complete this task and will be submitted to Council during the 2015/16 FY

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
4.13	Promote good governance within the Municipal area of Endumeni Local Municipality	Preparation and submission of Delegations of Authority to Council	Date of review of the delegations of Authority	New KPI for 2014/15 FY		31 Dec 2014	30/06/2015	The Council did not adopt the Delegations of Authority; they requested a workshop on the authority they would be delegating. Hence the delegations of Authority were adopted in June 2015.	31 Dec 2015	Corporate Services	Council Resolution	A brief presentation was conducted by the Executive Manager Corporate Services. Hence the delegations of authority was adopted.
4.14		Promotion of law enforcement intervention awareness in the community of Endumeni	Number of law enforcement interventions / campaigns conducted	18	14	12	9		12	Corporate Services	Monthly Report	
4.15		Provision an Maintenance of road signs and markings	% budget spent for Road signs and markings maintenance	No of KM's 40KM	45,309KM	100%	100%		100%	Corporate Services	Maintenance report	
4.16		Full functionality of Traffic department	% of drivers licences issued as per tests conducted.	New KPI for 2014/15 FY		100%	100%		100%	Corporate Services	Monthly Report	

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
4.17	Promote good governance within the Municipal area of Endumeni Local Municipality	Full functionality of Traffic department	% of learners licenses issued as per tests conducted	New KPI for 2014/15 FY	100%	100%		100%	Corporate Services	Monthly Report Volume 3 Annexure I		
4.18		Promotion of reading mentality and youth development in the community of Endumeni	Number of new library membership	New KPI for 2014/15 FY	80	77		80	Corporate Services	Monthly Progress report Volume 3 Annexure J		
4.19			Number of Library development programs introduced	New KPI for 2014/15 FY	3	17		3	Corporate Services	Monthly Progress report Volume 3 Annexure K		
4.20			Value of book losses incurred	New KPI for 2014/15 FY	R0	R1,103.49	Books are not returned on time and therefore at the end of the quarter they are recorded as a loss.	R0	Corporate Services	Monthly progress Report Volume 3 Annexure L	A fine is requested on late return of the books	
4.21	Improve institutional capacity	Compliance with the MFMA	Number of reports submitted to Council regarding the reporting process in terms of the MFMA	New KPI for 2014/15 FY	4	4		4	Finance Department	Monthly Progress report Volume 3 Annexure M		

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
4.17	Promote good governance within the Municipal area of Endumeni Local Municipality	Full functionality of Traffic department	% of learners licenses issued as per tests conducted	New KPI for 2014/15 FY		100%	100%		100%	Corporate Services	Monthly Report	
4.18		Promotion of reading mentality and youth development in the community of Endumeni	Number of new library membership	New KPI for 2014/15 FY		80	77		80	Corporate Services	Monthly Progress report	
4.19			Number of Library development programs introduced	New KPI for 2014/15 FY		3	17		3	Corporate Services	Monthly Progress report	
4.20			Value of book losses incurred	New KPI for 2014/15 FY		R0	R1,103.49	Books are not returned on time and therefore at the end of the quarter they are recorded as a loss.	R0	Corporate Services	Monthly progress Report	A fine is requested on late return of the books

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
4.22	Promote good governance	Preparation and submission of debt collection policies to Council for Approval	Date of review and implementation of debt collection policies, systems and bylaws.	New KPI for 2014/15 FY		31/03/2015	31/03/2015		Review of implementation of debt collection policies 31/03/2016	Corporate Services	Council Resolution Volume 3 Annexure N	
4.23		Improved asset management	Number of reports submitted with the progress made with asset reconciliations	New KPI for 2014/15 FY		12	12		12 Number of asset reconciliations reports submitted	Finance Department	Monthly Progress report Volume 3 Annexure O	
4.24		Progressive monthly reporting to Audit committee	Number of progress internal report submitted to Audit committee	New KPI for 2014/15 FY		4	4		4 Number of progress internal report submitted to Audit committee	Finance Department	Monthly Progress report Volume 3 Annexure P	
4.25	Improve institutional capacity	Compliance with the MFMA	Extent of compliance of section 71 of the MFMA	100%		100%	4	4		4	Finance Department Volume 3 Annexure Q	Monthly Progress report

No	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
4.26		Compliance with SCM Policies	Number of reviews conducted regarding Supply chain	New KPI for 2014/15 FY		1	1		1 Number of reviews conducted regarding Supply chain	Finance Department	Council resolution  Volume 3 Annexure R	
4.27		Improve access to electricity	Number of quarterly progress reports regarding the electricity audit submitted to Manager Technical Services	New KPI for 2014/15 FY		4	4		4 Number of quarterly progress reports regarding the electricity audit submitted to Manager Technical Services	Technical Services	Monthly Progress report  Volume 3 Annexure S	

IDP NO	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
<b>KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b> <b>OUTCOME 9: IMPROVED MUNICIPAL FINANCIAL AND ADMINISTRATIVE CAPABILITY</b>												
5.1	To review and approve the 2016/17 Budget	Preparation and submission of Budget review to Council	Date of the Budget review and approval of 2015/16 financial year	May	May	31/05/2015	24/06/2015	The National Treasury comments came 2 days before the Council, and therefore the management needed time to consolidate the comments. There were also issues regarding organogram.	31/03/2016	Finance Department	Council resolution Volume 3 Annexure T	Management will follow through process plan.
5.2	Improve the reporting systems	Annual financial statements submitted to the AG	Submission of the Annual financial statements to Auditor General	30/08/2013	30/08/2013	30/08/2015	29/08/2015		30/08/2015	Finance Department	Proof of Submission to AG Volume 3 Annexure U	
5.3		Reporting on wasteful and fruitless expenditure	Number of reports submitted to council regarding Implementation and management of the expenditure	New KPI for 2014/15 FY			4	4		4	Finance Department	Monthly Progress report Volume 3 Annexure V

NO	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
5.4	Improved budget implementation in the municipality	Optimize revenue of operational budget	% of revenue collection	75%	84%	100%	100%		100%	Finance Department	Monthly Progress report	Volume 3 Annexure W
5.5			% attainment of revenue budget	New KPI in the 2014/15 FY		95%	94.5%		Percentage operating revenue budget implementation (actual operating expenditure/budget operating revenue x 100) 100%	Finance Department	Monthly Progress report	Volume 3 Annexure W
5.6		Optimize expenditure of operational budget	% expenditure of opex	New KPI in the 2014/15 FY		100%	93%		Percentage Capital expenditure budget implementation (actual capital expenditure/budget capital expenditure x 100)	Finance Department	Monthly Progress report	Volume 3 Annexure X

NO.	IDP Objective	IDP Strategy	Key Performance Indicator	Previous year performance		Current year performance		Reasons for variance between the Target and Actual Performance	2015/16 Performance Target	Responsible Department	Portfolio of Evidence	Corrective Measures Taken
				2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual					
5.7	Improve risk management	Optimize expenditure of risk Management	Number of quarterly reports submitted regarding the review risk register	New KPI in the 2014/15 FY		4	4		4	Finance Department	Monthly Progress report	Volume 3 Annexure Y1
5.8	Improve institutional capacity	Improve Audit opinion	Audit report and addressing responses	AG Report	AG Report	31/01/2015	31/01/2015		31/01/2015	Finance Department	AG report	Volume 3 Annexure Y2
5.9			% of unspent grants covered by cash investments	3.1%	3.1%	100%	100%		100%	Finance Department	Monthly Progress report	Volume 3 Annexure Z1
5.10			% reduction in year on year debtors balance	New KPI in the 2014/15 FY		76%	43%	Lack of capacity for Debt collection unit, training needed.	50%	Finance Department	Monthly Progress report Volume 3 Annexure Z2	Continuous monitoring at collection rates and corrective measures taken where necessary. Stringent compliance with credit control policy.

## CHAPTER 4- ORGANIZATIONAL DEVELOPMENT PERFORMANCE

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The municipality approved the 2014/2015 organizational structure which was aligned to the IDP in order to improve its operational capacity. The revised structure contributed positively to the organization in terms of service delivery. During the year under review, the municipality had a staff complement of 322 as opposed to 320 employees during 2013/14 financial year, which indicates that the municipality is strengthening its capacity in order fulfil its developmental mandate. The approved structure of the municipality had 348 posts of which 26 were vacant but will be filled as and when the need arises.

#### 4.2 OCCUPATION AND GENDER EQUITY ANALYSIS

An analysis of the staff by gender and occupation has been undertaken. The analysis applies to the staff distribution excluding the new posts to be filled since gender and employment equity needed to be considered in relation to the potential candidates for the new positions.

The distribution of staff by occupation, group and gender is shown below:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	2	0	0	0	1	0	0	0	3
Middle Management	8	0	1	6	1	0	1	0	17
Professionally qualified and junior management	35	3	7	13	30	5	17	14	124
Semi skilled	51	1	1	0	8	0	1	0	62
Elementary Occupation	81	1	1	132	0	0			116
Grand Total	177	5	10	20	72	5	19	14	322

The breakdown in terms of salaries paid to staff members during the year under review is as follows:

<b>2014/15 Operating Budget</b>	<b>Budget for Salaries</b>	<b>Amount spent on staff salaries</b>	<b>% salaries spent of total operating budget</b>
229 643 759	78 108 154	67 184 774	29%

### **4.3 EMPLOYMENT EQUITY PLAN**

In accordance with the Employment Equity Act (No 55 of 1998), the municipality has a five year plan (2014-2019) that seeks to address the numerical goals in the terms of demographics within the municipality. The municipality managed to achieve its numerical goals of employing one female in top management, one female in middle management positions. In total, the municipality appointed thirty three new employees during the year under review. The municipality has set new numerical goals to be achieved during 2014/15 financial year in order to strengthen its capacity.

### **4.4 WORKPLACE SKILLS PLAN**

In accordance with the Skills Development Act and skills Levy Act, municipalities have to prepare and review the Workplace Skills Development Plan. During 2014/15, the municipality reviewed and implemented the Workplace Skills Development Plan as required by the said Act. The plan seeks to address employee's skills development, scarce skills and also skills audit of the municipality.

The municipality is registered with the Local Government Sector Education and Training Authority (LGSETA), and skills development relating to all levels of employees functions have been undertaken and integrated into the plan. During the year under review, 41 employees, 6 Councillors and 6 ward committee members were trained on various skills development as part of the Workplace Skills Plan. Skills audit has been undertaken to determine the employees training needs for 2014/15 financial year, and these training needs have form part of the Workplace Skills Plan. The municipality is committed in training and developing its employees thereby improving productivity levels. To this end, an amount of R 558 927.28 was spent on both academic and functional development of staff and councilor

## COMPONENT B: MANAGING THE WORKFORCE

### 4.5 POLICIES

The Endumeni Local municipality has put policies in place as emphasis of workforce management at within the municipality.

HR POLICIES AND PLANS				
No.	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1.	Recruitment and selection policy	100	100	28/04/2015
2.	Bursary policy	100	100	29/09/2015
3.	HRD policy	100	100	3 /08/2015
4.	Succession planning	100	100	3/08/2015
5.	HR Strategy	Draft	Not yet reviewed	
6.	Leave policy	Draft	Not yet reviewed	

### 4.6 SUSPENSIONS

NUMBER AND PERIOD OF SUSPENSIONS				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
Municipal Manager	Alleged various acts of misconducts	Initial 30/04/2013  Subsequent 27/03/2014	Still pending, matter with the high court	<b>Not yet finalized</b>
Traffic officer	Alleged unacceptable behavior and insubordination	23 /10/2015	Finalized	<b>29/12/2015</b>

#### 4.6.1 STATUS OF CRITICAL POST

- Municipal manager

The Municipal Manager's post has been filled: **Suspended** – the incumbent was suspended and the matter is with the High Court **and an Acting Municipal Manager was appointed**

- Section 56

The posts of Executive Manager Corporate services and Chief Financial Officer has been filled and the recruitment processes for the position of the Executive Manager Technical Services has been done however the Municipality has applied for waive of minimum requirements to the Minister of COGTA on the 27 August 2015 and no response has been received to date.

IDP / PMS Manager: **position has been filled on 1/12/2015**

This post belongs in the Development and Planning Department and the municipality has consolidated IDP/LED together, the new IDP Manager will be responsible for both portfolios. The IDP/PMS officer post will be advertised in quarter 2 and will also assist with the IDP/PMS functions.

Council has recently passed a policy which extends performance monitoring to other staff in general and not only to Section 57 Managers. This daunting task warrants the expansion of human resources to a fully-fledged Performance Management Component whose task will specialize in ensuring that the performance monitoring function is executed in a fully competent manner.

In light of the above the Department of Co-operative Governance and Traditional Affairs, Municipal Performance unit will be making a presentation to the municipality regarding the cascading of PMS.

- Local Economic Development Officer : post will be advertised in quarter 2 of the 2015/16 financial year.

This post was strategically created in order to fulfil the urgent need to stimulate economic growth at Endumeni. The vacant post has been advertised and needs to be filled as soon as possible.

#### 4.7 RETENTION STRATEGIES

Not all staff turnover is negative. Sometimes, staff turnover allows for new ideas to be introduced into the Municipal environment and for the development and promotion of employees who remain. However, the loss of some employees that have critical and scarce skills can hamper service delivery hence it is important to identify and prioritize such skills. To know which skills need to be prioritized, you need to classify the skills that are important to retain. Classifying skills is therefore a key step in ensuring a focused and cost-effective retention strategy. This is not meant to discriminate against some categories of employees, but rather to allow for a focused approach towards retaining staff and skills.

#### **4.7.1 SKILLS TO BE RETAINED**

The skills that need to be targeted within staff strategies are those needed to realize and meet.

(a) Woman and people with disabilities (in terms of the Employment Equity Act 55 of 1988): Measures to control non-discrimination in the workplace should be implemented. An accessibility survey should be conducted to establish whether all Municipal buildings are accessible to those with disabilities.

(b) Scarce skills: Scarce skills are those skills that are needed to realize the Department's goals and objectives, but which are difficult to recruit and expensive to replace.

(c) Valued Skills: Valued skills are those skills that are not classified as being scarce skills. Examples are employees with qualifications that are valuable to possess and positively contribute to the service delivery goals of the Municipality and the loss thereof will have a negative impact on a Department's ability to meet its goals.

(d) High – Risk skills: High – risk skills are the skills that an employee has attained over a long period of time pertinent to the department through years of service experience and such employee has indicated his/her intention to leave soon.

#### **4.7.2 LINK STAFF RETENTION WITH AN EFFECTIVE RECRUITMENT AND SELECTION PROCESS.**

A lot of staff losses are caused by bad selection decisions where the wrong person is appointed for the job. To prevent this, accurate job descriptions must be developed that clearly identifies the core competencies required for successful performance. These job descriptions must be used during the recruitment and selection process. In some cases it has also been shown to be good practice to “hire for capabilities and train for skills”. This is where a person is appointed because he/she has the right capability to be able to do the job even though they may not have the necessary skills required since these can be attained through training.

#### **4.7.3 LINK STAFF RETENTION TO AN EFFECTIVE INDUCTION PROCESS**

Best practice studies show that the first few weeks of employment are important for establishing employee commitment to equipment. It is therefore essential that Managers and human resource practitioners lay the foundation for future commitment by being part of the induction process. A good way of addressing this is to have well-structured and dynamic induction programs that stretches from the employee's first day of work until they have been thoroughly introduced to their jobs. A useful tool in this regard is to develop a new employee guide that can be given to employees to read even if they have not started working.

# Endumeni Audited Annual Financial Statements 2014/2015

The Audited Annual Financial Statements consists part of the following areas:

- Statement of Financial Position
- Statement of Financial Performance
- Statement Changes in Net Assets
- Cash flow Statement
- Statement of Comparison of Budget and Actual

**NB:** It must be noted that the 2014/15 Annual Financial Statements were submitted to the Auditor General on time at the end of August 2015, for auditing purposes, and they have been audited by the Auditor General, and the municipality obtained an Unqualified Audit Report with matter of emphasis, and below is the summary of the Audited Annual Financial Statements and a full set is also attached to the document as an Appendix F.

**ENDUMENI LOCAL MUNICIPALITY**  
**Statement of Financial Position**  
For the year ending 30 June 2015

	Note	2015	2014
		R	Restated R
<b>ASSETS</b>			
Current assets		<b>79 366 431</b>	<b>57 357 495</b>
Inventories		3 389 268	3 801 342
Bank balances and cash		1 001 083	2 620 919
Current portion of non-current receivables		56 353	51 097
Trade and other receivables from exchange transactions		5 184 134	5 149 420
Trade and other receivables from non-exchange transactions		12 826 887	9 916 971
Current investments		56 901 507	35 810 546
Other current financial assets		7 200	7 200
Non-current assets		<b>263 367 288</b>	<b>244 377 787</b>
Non-current receivables	4	378 097	473 793
Property, plant and equipment	9	241 893 076	222 793 676
Intangible assets	10	32 081	46 284
Investment property	11	21 064 034	21 064 034
<b>Total assets</b>		<b>342 733 719</b>	<b>301 735 283</b>
<b>LIABILITIES</b>			
Current liabilities		<b>48 328 992</b>	<b>40 629 806</b>
Trade and other payables from exchange transactions	12	23 362 862	26 364 757
Consumer deposits	13	3 940 537	3 624 592
VAT payable	14	2 150 551	2 624 404
Current provisions	15	2 177 000	1 584 726
Current portion of unspent conditional grants and receipts	16	14 408 061	4 168 042
Current portion of long-term borrowings	17	2 289 981	2 263 284
Non-current liabilities		<b>59 090 723</b>	<b>67 963 547</b>
Non-current borrowings	17	5 103 654	7 093 009
Non-current provisions	15	9 941 069	13 586 855
Defined benefit plan obligations	45	44 046 000	47 283 683
<b>NET ASSETS</b>		<b>235 314 005</b>	<b>193 141 930</b>
Housing Development Fund	18	4 208 332	4 065 051
Other Reserves	19	901 309	1 656 260
Accumulated surplus / (deficit)		230 204 364	187 420 619
<b>Total net assets</b>		<b>235 314 005</b>	<b>193 141 930</b>

**Endumeni Municipality**  
**Statement of Financial Performance**  
for the year ending 30 June 2015

	Note	2015	2014
		R	R
<b>REVENUE</b>			
<b>Revenue from exchange transactions</b>		<b>121 503 976</b>	<b>108 993 092</b>
Service charges	21	111 367 549	100 532 794
Rental of facilities and equipment	22	1 479 354	1 357 421
Interest earned - external investments	23	2 267 557	1 952 413
Interest earned - outstanding receivables	24	3 886	3 403
Licences and permits		4 315 244	4 397 463
Other income from exchange transactions	26	2 070 387	749 599
<b>Revenue from non-exchange transactions</b>		<b>125 819 697</b>	<b>114 220 750</b>
Property rates	20	50 290 453	48 013 502
Property rates - penalties and collection charges		6 400 507	6 814 972
Fines		3 713 330	1 086 364
Government grants and subsidies	25	65 415 407	58 305 912
<b>Total revenue</b>		<b>247 323 673</b>	<b>223 213 842</b>
<b>EXPENSES</b>			
Employee related costs	27	67 184 774	66 406 997
Remuneration of councillors	28	3 259 426	3 074 248
Adjustment to bad debts provision		3 745 085	12 189 519
Adjustment to landfill site provision		-3 680 786	3 197 243
Collection costs		3 443 692	2 743 871
Depreciation	29	7 691 647	7 296 875
Amortisation		14 202	23 104
Repairs and maintenance		8 125 875	6 371 803
Finance costs	30	1 028 259	1 251 918
Bulk purchases	31	70 634 217	68 977 529
Contracted services	32	1 740 460	1 387 899
General expenses	33	39 974 254	43 301 191
Retirement and long services benefits	45	-760 255	5 663 588
<b>Total expenses</b>		<b>202 400 849</b>	<b>221 885 785</b>
Gain / (loss) on sale of assets	34	(1 233 061)	(221 251)
(Impairment loss) / Reversal of impairment loss	35	(959 081)	(3 480 866)
Gain / (loss) on fair value adjustment	36	112 694	-
Inventories: (Impairment loss)/ Reversal of impairment loss	35	(59 629)	(117 454)
<b>Surplus / (deficit) for the period</b>		<b>42 783 746</b>	<b>-2 491 514</b>

**Endumeni Municipality**  
**Statement of Changes in Net Assets**  
as at 30 June 2015

	Housing Development Fund	Insurance Reserve	Accumulated Surplus/(Deficit)	Total: Net Assets
	R	R	R	R
<b>Opening balance as previously reported 2013</b>	3 930 609	313 481	152 045 391	156 289 481
Prior period Errors Assets (Refer to Note 40)				-
Prior period Errors Newly identified asset not capitalised			41 925 741	41 925 741
				-
<b>Restated Balance as at 30 June 2013</b>	<b>3 930 609</b>	<b>313 481</b>	<b>193 971 132</b>	<b>198 215 223</b>
Surplus for the year - restated in Note 40			-2 491 515	-2 491 515
Transactions for the year	134 441	1 342 779		1 477 221
Prior period Errors (Refer to Note 40)			-4 059 000	-4 059 000
Effect of rounding in the financial statements			2	2
<b>Restated Balance as at 30 June 2014</b>	<b>4 065 051</b>	<b>1 656 260</b>	<b>187 420 619</b>	<b>193 141 930</b>
<i>Other items</i>				-
Transfers to / from accumulated surplus/(deficit)				-
Surplus / (deficit) for the period			42 783 746	42 783 746
Transactions for the year	143 281	-754 951		-611 670
Effect of rounding in the financial statements			-1	-1
<b>Balance at 30 June 2015</b>	<b>4 208 332</b>	<b>901 309</b>	<b>230 204 364</b>	<b>235 314 005</b>

**Endumeni Municipality**  
**Cash Flow Statements**  
As at 30 June 2015

	Note	2015	2014
		R	Restated R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>247 339 257</b>	<b><u>206 766 926</u></b>
Sales of goods and services		171 683 832	150 618 721
Grants		75 655 425	56 148 206
<b>Payments</b>		<b><u>199 368 617</u></b>	<b><u>191 880 287</u></b>
Employee costs		65 282 112	67 087 355
Suppliers		134 086 504	124 792 933
<b>Cash generated from operations</b>	37	<b>47 970 640</b>	<b>14 886 639</b>
Interest received		2 271 443	1 955 816
Interest paid		-1 028 259	-1 251 918
<b>Net cash flows from operating activities</b>		<b>49 213 824</b>	<b>15 590 537</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets (PPE)		-28 120 402	-17 735 617
Proceeds from sale of fixed assets			
Purchase of intangibles			
Decrease/(increase) in Loans and receivables		24 415	12 734
<b>Net cash flows from investing activities</b>		<b>-28 095 986</b>	<b>-17 722 884</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		-1 962 658	-1 876 560
Decrease/((increase) in Consumer deposits		315 944	365 574
<b>Net cash flows from financing activities</b>		<b>-1 646 713</b>	<b>-1 510 986</b>
Net increase / (decrease) in cash and cash equivalents		19 471 125	-3 643 333
Net cash and cash equivalents at beginning of period		<u>38 431 465</u>	<u>42 074 798</u>
<b>Net cash and cash equivalents at end of period</b>	38	<b>57 902 590</b>	<b>38 431 465</b>

**Endumeni Municipality**  
**Statement of Comparison of Budget and Actual Information**  
as at 30 June 2015

									2 0 1 5		2 0 1 4			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
<b>Financial Performance</b>														
Property rates	52 689 900	8 313 376	61 003 276	-	61 003 276	56 690 960	-	4 312 316	93	108	-	-	-	54 828 473
Service charges	113 800 117	-3 850 668	109 949 461	-	109 949 461	111 387 549	-	1 418 088	101	98	-	-	-	100 532 794
Investment revenue	1 920 000	-220 000	1 700 000	-	1 700 000	2 287 557	-	567 557	133	119	-	-	-	1 952 413
Transfers recognised - operational	52 036 000	5 104 000	57 140 000	-	57 140 000	51 032 407	-	-6 107 593	89	98	-	-	-	45 871 912
Other own revenue	11 973 344	-4 653 470	7 319 874	-	7 319 874	11 694 894	-	4 375 020	160	98	-	-	-	7 534 250
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>232 419 361</b>	<b>4 693 250</b>	<b>237 112 611</b>	<b>-</b>	<b>237 112 611</b>	<b>233 053 367</b>	<b>-</b>	<b>-4 059 244</b>	<b>99</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210 779 842</b>
Employee costs	80 530 175	-5 422 021	78 108 154	738 233	78 846 387	67 184 774	-11 661 613	-11 661 613	85	80	-	-	-	66 406 997
Remuneration of councillors	3 406 571	-50 000	3 356 571	-	3 356 571	3 259 428	-97 145	-97 145	97	96	-	-	-	3 074 248
Debt impairment	6 707 026	2 600 000	9 307 026	-	9 307 026	3 745 085	-5 561 941	-5 561 941	40	56	-	-	-	12 189 519
Depreciation & asset impairment	10 539 195	2 197 132	12 736 327	-1 363 027	11 372 400	8 864 931	-2 707 469	-2 707 469	78	82	-	-	-	10 800 845
Finance charges	1 028 282	9 898	1 038 180	-	1 038 180	1 028 259	-9 901	-9 901	99	100	-	-	-	1 251 918
Materials and bulk purchases	74 150 847	66 930	74 217 777	12 814	74 230 591	71 081 497	-3 149 094	-3 149 094	96	96	-	-	-	69 750 106
Transfers and grants	4 256 194	-2 692 471	1 563 723	-	1 563 723	1 709 751	146 028	146 028	109	40	-	-	-	1 297 030
Other expenditure	44 396 926	4 919 094	49 316 020	612 880	49 928 900	47 978 696	-1 950 002	-1 950 002	96	108	-	-	-	60 934 693
<b>Total Expenditure</b>	<b>228 015 198</b>	<b>1 628 562</b>	<b>229 643 758</b>	<b>-</b>	<b>229 643 758</b>	<b>234 857 827</b>	<b>24 993 137</b>	<b>24 993 137</b>	<b>89</b>	<b>90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225 755 358</b>
Surplus/(Deficit)	4 404 165	3 064 688	7 468 853	-	7 468 853	28 400 746	-	20 931 893	380	645	-	-	-	-14 925 514
Transfers recognised - capital	14 383 000	-	14 383 000	-	14 383 000	14 383 000	-	-	100	100	-	-	-	12 434 000
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>18 787 165</b>	<b>3 064 688</b>	<b>21 851 853</b>	<b>-</b>	<b>21 851 853</b>	<b>42 783 746</b>	<b>-</b>	<b>20 931 893</b>	<b>196</b>	<b>228</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2 491 514</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>18 787 165</b>	<b>3 064 688</b>	<b>21 851 853</b>	<b>-</b>	<b>21 851 853</b>	<b>42 783 746</b>	<b>-</b>	<b>20 931 893</b>	<b>196</b>	<b>228</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2 491 514</b>
<b>Capital expenditure &amp; funds sources</b>														
Capital expenditure	36 162 826	-68 051	36 094 775	-	36 094 775	28 870 496	-	-7 224 279	80	80	-	-	-	17 735 618
Transfers recognised - capital	26 534 385	-	26 534 385	-	26 534 385	14 583 000	-	-12 151 385	54	54	-	-	-	13 311 000
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	9 628 441	-68 051	9 560 390	-	9 560 390	14 487 496	-	4 927 106	152	150	-	-	-	4 424 618
<b>Total sources of capital funds</b>	<b>36 162 826</b>	<b>-68 051</b>	<b>36 094 775</b>	<b>-</b>	<b>36 094 775</b>	<b>28 870 496</b>	<b>-</b>	<b>-7 224 279</b>	<b>80</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 735 618</b>
<b>Cash flows</b>														
Net cash from (used) operating	19 298 797	10 331 412	29 630 209	-	29 630 209	49 213 824	-	19 583 615	166	255	-	-	-	15 590 537
Net cash from (used) investing	-31 026 826	-4 165 346	-38 092 172	-	-38 092 172	-28 055 886	-	7 996 188	78	88	-	-	-	-17 722 884
Net cash from (used) financing	-2 342 978	-	-2 342 978	-	-2 342 978	-1 648 713	-	696 265	70	70	-	-	-	-1 510 986
<b>Cash/cash equivalents at the year end</b>	<b>26 581 838</b>	<b>3 064 688</b>	<b>29 626 524</b>	<b>-</b>	<b>34 753 617</b>	<b>57 902 590</b>	<b>-</b>	<b>23 148 973</b>	<b>167</b>	<b>218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38 431 465</b>

## CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

### 6.1 Report of the Auditor-General to the KwaZulu-Natal Provincial Legislature and the Council on Endumeni Municipality

#### Report on the financial statements

##### Introduction

1. I have audited the financial statements of the Endumeni Municipality set out on pages, to..., which comprise 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 the 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 the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: 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 Endumeni Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

### **Emphasis of matters**

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

### **Material losses and impairments**

8. As disclosed in note 43 to the financial statements, the municipality has incurred material electricity losses of R28,7 million (2014: R36,6 million) due to theft.
9. As disclosed in notes 5 and 6 to the financial statements, the municipality has raised a provision for bad debts amounting to R67,8 million (2014: R98,4 million) on consumer debtors, as the recoverability of these amounts is considered doubtful.

## Report on other legal and regulatory requirements

**10.** 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.

### **Predetermined objectives**

**11.** I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the roads, electricity and refuse removal development priorities presented in the annual performance report of the municipality for the year ended 30 June 2015.

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

**13.** 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* (FMPPI).

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

**15.** The material finding in respect of the selected development priority is as follows:

## **Basic service delivery: Roads**

Usefulness of reported performance information

Relevance of indicators

Performance indicators not relevant

**16.** The FMPPI requires indicators to relate logically and directly to an aspect of the municipality's mandate and the realization of strategic goals and objectives. A total of 78% of indicators did not relate logically and directly to an aspect of the municipality's mandate and the realization of strategic goals and objectives as per the service delivery and budget implementation plan. This was because proper performance planning had not been implemented to provide for the development of performance indicators included in the service delivery and budget implementation plan.

## **Additional matters**

**17.** I draw attention to the following matters:

Achievement of planned targets

**18.** Refer to the annual performance report on pages x to x and x to x for information on the achievement of the planned targets for the year. This information should be considered in the context of the material finding on the usefulness of the reported performance information for the roads development priority reported in paragraph 15 of this report.

Adjustment of material misstatements

**19.** I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for the roads development priority. As management subsequently corrected only some of the misstatements, I identified material findings on the usefulness of the reported performance information.

## **Compliance with legislation**

20. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

### **Internal control**

21. 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 included in this report.

#### Leadership

22. The council did not adequately oversee and monitor the performance of the municipality to ensure that the planned performance indicators for roads in the service delivery budget implementation plan was in line with the expected performance for the municipality, as per its service delivery mandate.

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

23. Management did not adequately review the roads' planned performance indicators in the service delivery budget implementation plan to ensure that reported performance indicators for roads was in line with the expected performance for the municipality, as per its service delivery mandate.

*Auditor-General*

**Pietermaritzburg**

**30 November 2015**



## 6.2 2014/15 Action Plan to Address Audit Queries

ENDUMENI MUNICIPALITY				
ACTION PLAN TO ADDRESS AUDIT REPORT AND MANAGEMENT REPORT QUERIES				
2014/2015 FINANCIAL YEAR				
AUDIT REPORT ISSUES				
No.	Query	Person responsible	Action plan to address audit finding	Target date
<b>PREDETERMINED OBJECTIVES</b>				
1	Roads development indicators not relevant to service delivery	IDP/PMS Manager	The indicator's have been developed taking into account the SMART principle these were adopted by the PAC and subsequently submitted to Council.	30-Sep-15
MANAGEMENT REPORT ISSUES				
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
2	Assets not included in the asset register	Senior Manager Finance	Bi-annual asset verification will be conducted in ensuring that all assets are registered.	28-Feb-16
3	Electricity prepaid meters included as assets could not be verified	SM Finance	Electricity prepaid meters will be taken off from the assets register in line with asset policy.	30-Jun-16
4	No supporting evidence for donated assets	SM Finance	Supporting documentation of donated assets will be kept in a file	30-Jun-16
5	Assets transfer list not signed by donor and donee	SM Finance	Assets transfer list will be reviewed on a monthly basis	01-Nov-15
6	Duplicate assets in the asset register	SM Finance	Duplicated assets will be taken off the register	28-Feb-16
<b>PROCUREMENT AND CONTRACT MANAGEMENT</b>				
7	Payment to suppliers not made within 30 days	Ms W Bezuidenhout	For Direct payments a Tracking Register was implemented	Implemented
8	Bid adjudication committee not properly constituted	CFO	Restructuring of BID committee members	01-Dec-15
<b>REVENUE MANAGEMENT</b>				
9	Supporting documentation not provided for audit	Mr WH Plessis	All documentation will be filed accordingly	Implemented

<b>HUMAN RESOURCE MANAGEMENT</b>				
10	Employee rental agreements not provided for audit	Mr R Naidoo	Rental agreements to be renew annually and filed	01-Nov-15
11	Vacant positions not filled within 12 months	Ms W Ntuli	Procedures will be put in place to ensure that the vacant posts are filled by 30 June 2016	30-Jun-16
<b>IRREGULAR EXPENDITURE</b>				
12	Irregular expenditure written off does not agree to report approved by council	Manager SCM	The irregular expenditure note for the 15/16 financial statements will only include expenditure condoned by council as at 30 June 2016.	30-Jun-16
<b>PREDETERMINED OBJECTIVES</b>				
13	Roads actual performance does not agree to supporting documentation	AEMTS - Mr Ntanzi		
14	SDBIP 2014-15 was not submitted to National Treasury	Ms NV Ngobese	The IDP/PMS time frames interms of legislation will be adhered to going forward in the 2015/16 financial year.	30-Jun-16
<b>A INFORMATION TECHNOLOGY GOVERNANCE</b>				
15	Inadequate IT Governance framework	Mr M Ntshangase	ITGC framework has been submitted to cogta comments	01-Jan-15
16	Inadequate IT Strategic Plan	Mr M Ntshangase	IT Strategy currently being reviewed and will be submitted to council for adption	01-Feb-16
17	No IT risk assessments and IT Risk register	Mr M Ntshangase	IT Risk Assessment was conducted by Provincial Treasury and an IT risk register ha	01-Jul-15
18	Service leval agreements held with service provider could not be located	Mr M Ntshangase	Payday SLA has been requested from service provider	01-Dec-16
19	IT Steering committee not established	Mr M Ntshangase	IT steering committee will be established	01-Dec-16
20	Service provider performance not monitored	Mr C Wait	Performance is monitored with monthly reports	01-Sep-15
<b>B INFORMATION SYSTEMS - SECURITY MANAGEMENT</b>				
21	Inadequate IT Security policy	Mr M Ntshangase	IT security Policy has been Reviewed and will be submitted at next council for ad	01-Jan-16
22	No evidence of whether patch test updates were done during the period under review	Mr M Ntshangase	Patch test updates is done by service provider on test enviroment before implem	01-Jul-15
23	Inadequate firewall administration/monitoring	Mr M Ntshangase	Hardware based firewall will be procured	01-Jan-16
24	No documented network diagram	Mr M Ntshangase	Network diagram has been drafted	01-Dec-15
25	Users of the municipality does not get authenticated before gaining access to the network	Mr M Ntshangase	Awaiting to procure Active Directory server	31-Jan-16
26	Active directory not managed centrally	Mr M Ntshangase	Awaiting to procure Active Directory server	31-Jan-16
27	Access violations	Mr M Ntshangase	Awaiting to procure Active Directory server	31-Jan-16

<b>C INFORMATION SYSTEMS - USER ACCOUNT MANAGEMENT (NETWORK WINDOWS DOMAIN)</b>				
28	Network user account management procedures were not adequately documented	Mr M Ntshangase	User request forms are being used for account management	01-Jul-15
29	No documentation completed for network user account management administration	Mr M Ntshangase	User request forms are being used for network activities	01-Jul-15
30	No review of network administrator activities	Mr M Ntshangase	Awaiting to procure Active directory server	01-Jul-16
<b>D INFORMATION SYSTEMS - USER ACCOUNT MANAGEMENT (MUNSOFT)</b>				
31	Munsoft user account management procedures not formally documented	Mr C Wait	Busy compiling a Munsoft user account management procedure	31-Jan-16
32	No document completed for munosft user account management activities	Mr C Wait	User request form implemented	01-Oct-15
33	No review of munsoft administrator activities	Mr M Ntshangase	Administrator activies is being reviewed on munsoft	01-Nov-15
34	Segregation of duties not enforced	Mr M Ntshangase	Awaiting to procure Active directory server	01-Jan-16
35	Munsoft user access rights not reviewed	Mr C Wait	Implemented on Munsoft , need to be Implemented by Management	30-Jun-16
36	Uncontrolled vendor remote access on financial systems	Mr M Ntshangase	Awaiting to procure hardware based firewall to be able to monitor access violatio	31-Jan-16
<b>E INFORMATION SYSTEMS - USER ACCOUNT MANAGEMENT (PAYDAY)</b>				
37	Payday user account management procedures not formally documented	Mr C Wait	Busy compiling a PayDay user account management procedure	30-Jun-16
38	No document completed for payday user account management activities	Mr C Wait	User request form implemented	01-Oct-15
39	Payday administrator activities not reviewed	Mr M Ntshangase	IT Manager will attend Payday administrator training	31-Jan-16
40	Payday user access rights review not performed	Mr C Wait	PayDay busy writing software to extract user access rights	30-Jun-16
<b>F INFORMATION SYSTEMS - CHANGE CONTROL</b>				
41	IT change management policy and procedures not developed	Mr M Ntshangase	IT change management policy has been drafted will be submitted to council for ad	31-Jan-16
<b>G INFORMATION SYSTEMS - PHYSICAL ACCESS AND ENVIRONMENTAL CONTROLS</b>				
42	Facilities and environmental controls procedures not fully implemented	Mr M Ntshangase	Waiting for adjustment budget to procure enviromental control equipment	01-Mar-16
43	No record of visitors who have accessed the server room	Mr M Ntshangase	Visitors register will be used in all server rooms	31-Dec-15
44	Environmental controls not present in the server room	Mr M Ntshangase	Waiting for adjustment budget to procure enviromental control equipment	31-Mar-16
45	No maintenance schedule defined for server room	Mr M Ntshangase	Maintenance schedule will be implemented once the systems have been upgrade	29-Feb-16
<b>H INFORMATION TECHNOLOGY SERVICE CONTINUITY</b>				
46	No business continuity plan	Mr M Ntshangase	Waiting for adjustment budget	01-Mar-16
47	Inadequate disaster recovery plan	Mr M Ntshangase	Disaster recovery plan is being reviewed with support from external service provi	31-Jan-16
48	No backups performed by the municipality	Mr M Ntshangase	Online backups are done with service provider,local backups will also be impleme	01-Jul-15
49	Restoration testing of backups not performed	Mr M Ntshangase	Restoration and testing of backups is done with service provider	01-Jul-15

## **CHAPTER 7: SERVICE PROVIDERS PERFORMANCE**

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During 2014/15 financial year, Endumeni Local Municipality had seven (7) external service providers which were contracted to the municipality to provide a range of services. In terms of Section 46 (1) (a) of the Municipal Systems Act, 2000, the municipality has to provide performance details of the external service providers contracted during the year under review and the performance assessment of these service providers is as follows:

### **7.1 Mun-Soft**

The municipality had a contract with Mun soft financial system and their responsibilities included amongst others, provision of financial management and administration software. The municipality was satisfied with the level of dedication and commitment by the service provider in providing the service.

### **7.2 Baud Asset**

The municipality had a contract with PWC baud asset system and their responsibilities included amongst others, Asset register, movables and infrastructure, management of asset and providing of inventory list. The municipality was satisfied with the level of dedication and commitment by the service provider in providing the service, especially with the asset register.

### **7.3 Pay day System**

The municipality had a contract with pay day system and their responsibilities included amongst others, payment of salaries and leave. The municipality was satisfied with the level of dedication and commitment by the service provider in providing the service, especially with the integrating of payroll.

### **7.4 Imbube Security Services**

The municipality had a contract with Imbube security during the year under review. The municipality was satisfied with the level of dedication and commitment by the service provider in providing the service. The contract for Imbube security services expired during the year under review. However a new service provider has not been appointed, hence Imbube security is still working on a month to month basis.

## **7.5 Panasonic**

The municipality had a contract with panasonic and their responsibilities included amongst others, printing services. The municipality was satisfied with the level of dedication and commitment by the service provider in providing the service especially timeous response to reported break-downs.

## **7.6 Nashua**

The municipality had a contract with Nashua and their responsibilities included amongst others, printing services. The municipality was satisfied with the level of dedication and commitment by the service provider in providing the service especially timeous response to reported break-downs.

## **7.7 Newcastle office**

The municipality had a contract with Newcastle office and their responsibilities included amongst others, printing services. The municipality was satisfied with the level of dedication and commitment by the service provider in providing the service especially timeous response to reported break-downs.

## 7.8 Assessment Key

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

<i>Bid Number</i>	<i>Name of external Service Provider</i>	<i>Date Contract Awarded</i>	<i>Service provided in terms of the SLA</i>	<i>Value of project</i>	<i>Comparison with previous year</i>		<i>Current Financial Year</i>		<i>Assessment of Service Providers Performance</i>		
					<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>	<i>G</i>	<i>S</i>	<i>P</i>
<i>B11/2013-14</i>	<i>Rio- Ridge 1036 CC</i>	28 July 2014	01 August 2014	R 1281.36 (Per inspection, reconnection and disconnection (Inclusive of VAT))					X		
<i>B02/2014-15</i>	<i>Hamba Khale Road Products</i>	20 January 2015	22 January 2015						X		
<i>B04/2014-15</i>	<i>Khan's</i>	27 March		R 429 633.89					X		

	<i>Concrete Products</i>	2015									
<i>B05/2014-15</i>	<i>S &amp; T School of Accounting (Pty) Ltd</i>	21 April 2015	21 April 2015	R 784 235.10					X		
<i>B06/2014-15</i>	<i>Mr M. S. Masondo</i>	21 April 2015	21 April 2015	Camps E & F @ R 300.00 per hectare per annum(all exclusive of Value Added Tax and Rates)					X		
<i>B06/2014-15</i>	<i>Mr M. S. Masondo</i>	21 April 2015	21 April 2015	Camps D1 & I @ R 351.00 per hectare per annum(all exclusive of Value Added Tax and Rates)					X		
<i>B06/2014-15</i>	<i>Ethutha Transport CC</i>	21 April 2015	21 April 2015	Camps G & H @ R 351.00 per hectare per annum(all exclusive of Value Added Tax and Rates)					X		
<i>B07/2014-15</i>	<i>Endumeni Joint Venture</i>	19 January 2015	02 February 2015	R 16 751 092.90					X		

B11/2014-15	Imperial Nissan Zululand (Imperial Group)	21 April 2015	21 April 2015	R 277, 686. 00					X		
B12/2014-15	Imvuselelo Consultants (Pty) Ltd	29 June 2015	01 July 2015	R8550.00 per month ( 36 month period)					X		
B17/2014-15	N11 Commercials T/A UD Trucks Necastle	29 June 2015	29 June 2015	R 1 292 656.14					X		
B18/2014-15	Isivuno Auctioneers and Brokers	29 June 2015	01 August 2015	5.8 percentage of the bid Value					X		

# CHAPTER 8: REPORT OF THE OVERSIGHT COMMITTEE

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## CHAPTER 09: CONCLUSION

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During the year 2014/15, the municipality managed to deliver on its development mandate of improving the quality of life and providing quality service to its community, in spite of operating in an environment with challenges with the major one being financial constraints and escalating service delivery costs. The municipality managed to improve access to electricity and providing quality electrification facilities to 192 households in Stratford farm and also built 100 houses in Sibongile buffer strip and 483 houses in Glencoe Sithembile Ext 2. In all these 3 targets, the municipality only managed to complete the Glencoe Sithembile Ext 2 targets which were set during the beginning of the financial year. However there is a recovery plan in plan to mitigate poor performance.

The municipality managed to achieve its target through the expenditure of MIG to the amount of R14, 383,000.00, DOE to the amount of R8 000 000.00. Forty four jobs were also created through the implementation of the Expanded of Public Works Programme through the implementation general work.

The municipality also effectively managed to implement other various economic development programmes. The municipality is committed and dedicated in improving the communities lives through the provision of service delivery and also creating a conducive environment for community development