



uMLALAZI MUNICIPALITY DRAFT ANNUAL REPORT 2014/2015



**BACK TO BASICS
TAKING LOCAL GOVERNMENT FORWARD**

“We Serve Our Communities”

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CHAPTER 1

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Mayors Foreword
Municipal Managers foreword
Municipal overview

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 MAYOR'S FOREWORD

It is my pleasure to be presenting the 2014/ 2015 Annual Report of the uMlalazi Municipality.

Local government is synonymous with challenges as well as high expectations from the community and 2014/2015 has been no exception.



The vision of the uMlalazi Municipality is to provide sustainable service and delivery to our communities by 2030 with emphasis on infrastructure, social and economic development in a safe and healthy environment managed by visionary and ethical leadership.

It is this vision that guided the Municipality in the 2014/2015 financial year and I am pleased to be able to report that the Municipality has made good progress towards the fulfilment of this vision under difficult circumstance such as a weak economy, rising costs and often unrealistic service delivery expectations.

Financially the Municipality has performed well in 2014/2015. It maintained the good liquidity levels of the previous year and ended the year with a cash surplus of R 30,4 million, excluding non-cash transactions.

It spent 99.40 percent of its operating budget and 77.5 percent of its capital budget. The latter is a good achievement as Government and Provincial funding are sometimes received very late in the financial year. This makes it very difficult for the Municipality to spend the money before the end of the financial year because the Municipality has to follow the legally prescribed supply chain management processes and construction of projects usually take several months to complete.

The revenue collection rate of 99.3 percent of budget achieved in 2014/2015 was excellent and way above the national norm. These results are the outcome of good financial management and indicative of a good culture of payment in uMlalazi Municipality, despite difficult economic times.

The Municipality continued to support registered indigent and poor households, ie households that earned below the minimum wage.

We continue to excel in the implementation of the Expanded Public Works Programme (EPWP). In 2014/15 the Municipality created 1 771 EPWP and CWP job opportunities against a target of 1 650.

We continue to enhance our contribution to the growth of small to medium scale enterprises (SMMEs) to develop the economy of uMlalazi. In committing to economic growth, in 2014/2015 we have successfully operated our fully functional Flagship Youth Business Advisory Centre.

Our flagship programme, epitomizes our commitment to sustainable partnerships with communities to create a safe and secure uMlalazi. We are committed to ensure the functionality of the flagship programme and thus appointed management to mentor these War Rooms and report monthly on the functionality.

In the financial year under review we have assisted 45 co-operatives and 248 PTY's to register their businesses. However uMlalazi Municipality has not been without challenges in its economic growth programme.

We recognise the need to foster strong partnerships across all spheres of Government, and to nurture our partnerships with our stakeholders and communities so as to remain relevant and accessible to our stakeholders through the intergovernmental relations.

Accordingly, we successfully implemented our Community Based Planning in 2014/15 however due to limited budget some projects became multi-year capital projects.

Enhancements in our governance processes have resulted in improved financial performance. We continue to be committed to fiscal responsibility and the highest standards of financial management. Notwithstanding our notable achievements, we recognize the magnitude of our task in addressing the enduring concerns of inequality as well as transforming the economic landscape of our Municipality. We are responding to these challenges through proactive and creative interventions to continually enhance the quality of our service delivery. This includes our commitment to ensure maximum expenditure on MIG for infrastructure development; improving integrated waste management efforts; maintaining a safety-net for the indigent; driving an inclusive economy; creating respectable jobs; and growing commercial opportunities for SMMEs and local service providers.

We are committed to improving our performance in the year ahead. We are confident that we will meet the expectations of our stakeholders as we drive implementation of our long, medium and short-term strategies. The Council has taken a robust approach in ensuring that all Council Committees remain functional and result driven.

In 2014/15 the uMlalazi Municipality has once again attained an Unqualified Audit Opinion. This reflects progress toward meeting the national target of 'Clean Audit' for local Government. The Municipality is responding comprehensively to all matters raised by the Auditor General to ensure progress towards the national objective of a clean audit.

uMlalazi has a clear roadmap for service delivery – in the immediate, medium, and long term – and this Annual Report provides a snapshot of our achievements during the 2014/15 financial year. It also outlines our commitments for the coming financial year. The report addresses issues that are material and provides a fair representation of the performance of the uMlalazi Municipality for the period 1 July 2014 to 30 June 2015.

The MEC for Cooperative Government and Traditional Affairs, Nomusa Dube-Ncube, on the 17 February 2015, launched a wide-ranging Back to Basics programme aimed at rekindling the spirit of

effective service delivery, efficient administration and clean governance in the Province's 61 municipalities. In the 2014/2015 year the Municipality focused on the following five pillars of the Back to Basics programme :-

- Put the people and their concerns first and to ensure constant contact with communities through effective public participation platforms.
- Create conditions for decent living by consistently delivering municipal services to the right quality and standards.
- Be well governed and demonstrate good governance and administration by cutting wastage, spending public monies prudently, hiring competent staff, ensuring transparency and accountability.
- Ensure sound financial management and accounting and prudently manage resources so as to sustainably deliver services and bring development to communities.
- Build and maintain sound institutional and administrative capabilities, administered and managed by dedicated and skilled personnel at all levels.

I am proud to note that in terms of the Section 47 template that was evaluated by COGTA on Back to Basics, uMlalazi Municipality's was rated as one of the functional Municipalities as the municipality scored 83%. This achievement shows our commitment to Service Delivery and meeting the needs of the community with available resources.

I would like to conclude by thanking my fellow-Councillors as well as the management and employees of the uMlalazi Municipality for performing admirably in a very challenging environment as a result of the difficult economic climate. Thank you also for your loyal support and for remaining positive.

The indications are that the difficult conditions experienced in 2014/2015 will continue into the 2015/2016 financial year. The fact that the Local Government election will be held in the 2015/2016 financial year will also not make matters any easier. However, I have full confidence in the ability of Council as well as the Municipal Manager and his team to serve our community well and to make 2015/2016 an equally successful year as 2014/2015.



Cllr Thelumoya Basil Zulu
Mayor of uMlalazi Municipality

COMPONENT B: EXECUTIVE SUMMARY

1.2 MUNICIPAL MANAGER'S FOREWORD

In 2014/2015 we remained committed to our Vision “To provide sustainable services to all communities with emphasis on infrastructure, social and economic development in a safe and healthy environment managed by good leadership”.



During the 2014/15 financial year, uMlalazi Municipality made progress in key service delivery areas — as aligned to the Municipality’s Integrated Development Plan (IDP) and SDBIP.

With a strong focus on fiscal responsibility and the development of prudent financial management practices, resulted in the Municipality achieving its revenue target and collecting 97.42% of revenue billed.

We delivered 604 houses in 2014/15 and recognise that there is still a long way to go till we can respond fully to the challenge of housing. We are experiencing challenges with the availability of bulk services for future housing projects. The provision of water services is the responsibility of the District Municipality and we continue strengthening relations with the District.

The Municipality successfully implemented Community Based Planning (CBP) in all wards. The Municipality is refining administrative processes of planning and budgeting to meet the basic needs of our communities. We also commit to cultivating meaningful stakeholder relations and to engaging stakeholders collaboratively in response to priority developmental needs.

The Municipality recognises the need to create an inclusive economy through increasing the contribution of SMME’s to the economy. uMlalazi is committed to developing competitiveness, innovation and increased investment through support for SMMEs. During the year, a total of 63 SMMEs were supported through our SMME development programmes. This support included assisting informal traders to obtain trading permits. In addition, the Expanded Public Works Programme (EPWP) aims to reduce unemployment and alleviate poverty by creating on-the job training. During the year, the Municipality created 694 work opportunities (against a target of 550), thereby exceeding our target by 144 work opportunities. Despite these achievements there is a long way to go in achieving a totally inclusive economy and to eradicate unemployment.

Notwithstanding recorded achievements, the Municipality acknowledges missed targets. To enhance the attainment of these the Municipality is improving its environmental and operational issues, improving its capacity, and to improve the skills of its workforce to ensure improved delivery against set targets.

The Municipality is also improving communication of programmes to communities to ensure that programmes such as its waste recycling programme have a better uptake from households. The Municipality will proactively respond to the risk of labour unrest to reduce the negative impact to service delivery.

A detailed review of our performance against SDBIP targets can be found in the report, reflecting where our targets were either met or missed.

The Municipality recorded significant progress towards the goal of financial sustainability as evidenced by its ability to generate a healthy net surplus, improve cash and cash equivalents as well as its responsiveness to customers as part of resolving billing queries. During the year, four of the key ratios that measure prudent financial management improved, namely: solvency, debt to revenue, net operating margin and cash coverage.

The Municipality realised a surplus of R 30,4 million. Our total asset base increased by 6.20 percent to R 663.4 million, driven largely by our capital projects expenditure of R 58,8 million, increased debtors and an improved cash position of R 79 million. Collectively these efforts improve the Municipality's ability to achieve its medium-term goal of spending more towards infrastructure development. The Municipality still recognises that, despite this progress more work must be done to completely eliminate issues around billing. The Municipality is committed to sound financial strategies and prudent financial management practices

The Municipality's biggest asset is its employees who bear responsibility for delivering its mandate to communities. They are the foundation and drivers of our collective success. Accordingly, the Municipality strives to create value by attracting, developing and retaining skilled and competent people. Through our Human Resources Management (HRM) function, we are committed to inspiring and growing people through individual development analysis and plans, as well as career management programmes and by recognizing performance excellence.

The Municipality is committed to recruiting from within its communities while also ensuring a deliberate focus on developing a local skills base where this may not exist.

In 2013/14 the uMlalazi Municipality has once again attained an Unqualified Audit Opinion. This reflects progress toward meeting the national target of 'Clean Audit' for local Government. The Municipality is responding comprehensively to all matters raised by the Auditor General to ensure progress towards the national objective of a clean audit.

In conclusion, I would once like to thank Council, and in particular the Mayor, the Deputy Mayor, the Speaker and the Executive Committee members for their support. Thank you also to my management team and the personnel of the Municipality for your support and huge contribution towards the successful 2014/2015 financial year.

I am confident that together we have the ability and skills to make the 2015/2016 financial year another successful year and maintain uMlalazi Municipality's proud reputation as one of the fully functional municipalities.

Thembinkosi Simon Mashabane
Municipal Manager of uMlalazi Municipality

1.3 MUNICIPAL OVERVIEW

The uMlalazi Municipality is a local Municipality, within the uThungulu District, KwaZulu-Natal Province in the Republic of South Africa.

The uMlalazi Municipality is characterised by an undulating topography causing a certain amount of difficulties in respect of the delivery of engineering services. In addition the municipal area covers some 2 217km², one of the largest local authority areas in South Africa. The municipality borders on the Indian Ocean and has a coastline of approximately 17km.

The municipal area is characterised by commercial farming areas in a broad continuous band from the west of Eshowe to Gingindlovu and to the north of Mtunzini. The rest of the area consists of tribal authority land, where land management has been poor.

The uMlalazi Municipality is crossed by a number of important transportation routes, such as the N2 Motorway between Durban and Richards Bay, the R34 between Richards Bay/Empangeni and Nkwaleni valley to the north of Eshowe, and the R66 from the N2 Motorway to Gingindlovu, Eshowe, Melmoth, Ulundi and Vryheid. The R66 and the R34 are both routes in need of maintenance as a result of heavy duty vehicles using the routes on a regular basis. Some upgrading is being done to the R66 to the east of Eshowe.

The uMlalazi Municipality is reliant on the Agricultural Sector for its economic well-being. This sector contributes 33% of the gross geographic product of the area and employs the majority of the workforce. The importance of Eshowe town in the Municipal area, is evident in that its contribution to gross geographic product, in terms of the Government Sector which is mainly within Eshowe town, is 21%. Agricultural production is dominated by sugar cane and some timber production takes place, with citrus farming also found in the Nkwaleni Valley.

The population distribution in the municipal area is characterized by relatively high population densities within urban nodes, and low densities in rural areas. The municipal area is dominated by tribal areas and 14 Tribal Authorities exist within the area.

Eshowe, Mtunzini and Gingindlovu form the three main towns of uMlalazi Municipality. The town of Eshowe is of great historical significance in that it is the birthplace of Cetshwayo, who was king of the Zulu's during the Anglo-Zulu War of 1879. There are several traditional Zulu villages open to tourists within an easy drive of the town. The Dlinza Forest is a beautiful forest which is an ideal tourist destination. Eshowe Town is also considered as the administrative and service centre of the uMlalazi Municipality.

The coastal town of Mtunzini, is a greenbelt situated on the North Coast of Natal, on the banks of the uMlalazi River and bordering on the uMlalazi Nature Reserve. Mtunzini is mainly a residential town, offering superb homes in a quiet and relaxed atmosphere, within comfortable driving distance of the N2 highway and the industrial and commercial growth areas of Richards Bay and Empangeni.

Mtunzini has all the basic shopping facilities, doctors and churches. Mtunzini is a quality residential and eco-tourist destination in South Africa.

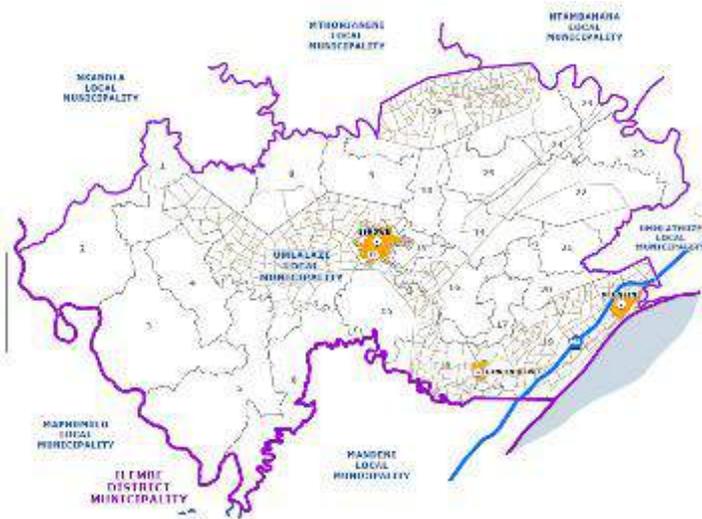
Mining rights have been granted to an area south of Mtunzini.

By far the largest proportions of service backlogs occur in the rural areas and the provision of these services requires a substantial amount of funding. The complicating factor is however the undulating topography that is characteristic of the entire municipal area.

In some instances it therefore becomes difficult and expensive to provide these services. The national route (N2 Motorway) between Durban and Richards Bay is located to the south-east of the municipal area and is aligned parallel to the coastline and to the immediate west of Mtunzini. Arterial roads through the area are in good condition. There are various district roads in the area together with smaller farm or agricultural roads. In practically all instances these roads are in a poor condition and in need of upgrading.

The Municipal area is 2 214 km². A and majority can be classified as predominately rural.

Figure 1: Location of uMlalazi Municipality



uMlalazi Municipality has an estimated population of 213 601 people, the gender are spread as follows: Male - 44.7%, Females – 55.3%. There are 26 Wards represented by all together 52 municipal councillors. There are 45 062 households as per the 2011 Census report.

Table 1: Services Backlog

Population	Households	Water	Sanitation	Waste Management	Electricity	Housing
213 601	45 062	20 723	22 028	35 457	29 045	17 198

uMlalazi Municipality has powers and functions assigned to it in terms of the provisions of schedules 4 (B) and 5 (B) of the Constitution of the Republic of South Africa (Act 108 of 1996). The powers and functions of the Municipality are listed hereunder as follows:

LOCAL FUNCTION	DISTRICT FUNCTION	SHARED FUNCTION
<ul style="list-style-type: none"> • Air Pollution Control • Building Regulations Enforcement • Planning and Development control • Child-Care Facilities • Pontoons, Jetties, Ferries, Piers, Harbours • Storm Water Management (Built-Up Areas) • Trading Regulations • Beaches and Amusement Facilities • Billboards and Display of Advertisements in Public Places • Cleansing • Control of Public Nuisances • Control of Sale of Liquor to the Public • Facilities for the Accommodation, Care and Burial of Animals • Fencing and Fences • Licensing of Dogs • Local Amenities • Local Sports Facilities • Municipal Parks and Recreation • Noise Pollution • Pounds • Public Places • Street Trading • Street Lighting • Traffic and Parking 	<ul style="list-style-type: none"> • Electricity Reticulation • Municipal Health Services • Potable Water • Sanitation • 	<ul style="list-style-type: none"> • Fire Fighting Services • Local Tourism • Municipal Airport • Municipal Planning • Municipal Public Transport • Cemeteries, Funeral Parlours and Crematoria • Markets • Municipal Abattoirs • Municipal Roads • Refuse Removal, Refuse Dumps and Solid Waste

uMlalazi Municipality is an operating agent for the Provincial Department of Arts and Culture in respect of rendering a Public Library service at compensation by means of membership fees. It is also an operating agent of Department of Transport for the licensing of vehicles and drivers. It performs the full function at a compensation of 80/20 ratio.

CHAPTER 2

GOVERNANCE

- Component A: Political Governance Structure
Administrative Governance Structures
- Component B: Intergovernmental relations
- Component C: Public Participation and Accountability
- Component D: Corporate Governance

CHAPTER 2 – GOVERNANCE



Introduction

In terms of Section 40 of the Constitution, Government in South Africa is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated. All spheres of government must observe and adhere to the principles of the Constitution and must conduct their activities within the parameters that the Constitution provides. The uMlalazi Municipality represents the local sphere of government.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Introduction to Political and Administrative Governance

Section 151 (3) of the Constitution states that the Council of a Municipality has the right to govern, on its own initiative, the local government affairs of the local community.

At the uMlalazi Municipality a clear distinction is made between the politically elected structure, namely Council, which is responsible for the oversight and legislative function of the Municipality, and the Administration.

The Council is chaired by the Speaker. The Executive Committee is chaired by the Mayor and comprises of 10 full-time office bearers involved in the day-to-day running of Council from the political perspective.

The Administration is headed by the Municipal Manager, who is also the organisation's Accounting Officer. Powers have been delegated to the different functions within the organisation to ensure that roles, responsibilities and decision-making powers are clear and unambiguous.

2.1. POLITICAL GOVERNANCE

Introduction to Political Governance

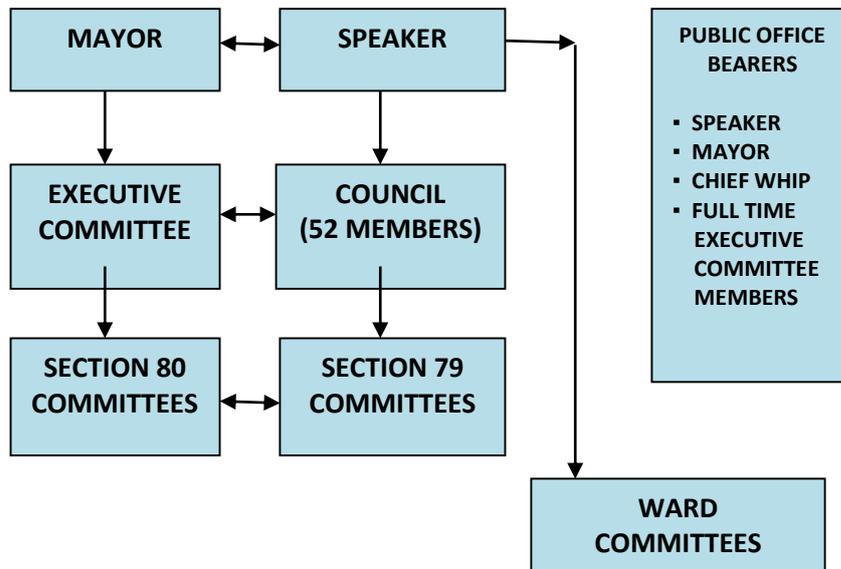
uMlalazi Municipality is a category B municipality in terms of the Structures Act, comprising of 26 ward councillor seats and 26 proportional councillor seats for the term of office that will last five years until 2015/16, as contemplated in section 24 of the Structures Act.

In terms of seat calculation Summary per Municipality received from the Municipal Electoral Officer in May 2011, the names of the elected parties and the number of the respective councillors elected were as follows:

PARTY	NUMBER OF WARD COUNCILLORS	NUMBER OF PROPORTIONAL REPRESENTATIVE COUNCILLORS	NUMBER OF SEATS IN COUNCIL
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African National Congress (ANC)	14	10	24
Inkatha Freedom Party (IFP)	10	8	18
National Freedom Party (NFP)	2	7	9
Democratic Alliance (DA)	None	1	1
Total	26	26	52

The following is a graphic illustration of Council's present political structure:



2.1.1 POLITICAL STRUCTURE

SPEAKER OF COUNCIL COUNCILLOR E N MTSHALI

The Speaker is the Chairperson of Council presiding over Council meetings



in accordance with Council's Standing Rules.

CHIEF WHIP OF COUNCIL COUNCILLOR

The Chief Whip of Council is an official office bearer. The Chief Whip maintains sound relations among the various political parties represented in Council.



MAYOR COUNCILLOR T B ZULU

The Mayor is tasked with the identification and prioritisation of community needs, drafting strategies to deliver those needs and to oversee the delivery of services by the municipality's administration, whilst ensuring that municipal finances are in good order and the risk factors are maintained.



Legislative functions of Council also include the approval of by-laws, policies, budgets, the Integrated Development Plan (IDP), tariffs, rates and service charges.

To promote oversight and accountability, committees determine priority areas for oversight in respect of each portfolio. Quarterly oversight reports are submitted to Council and are based on departmental quarterly reports.

The MPAC Committee also physically visit sites where projects - especially service delivery projects – are implemented to fulfil their oversight role. Additional oversight 'tools' include questions from individual Councillors to hold the Executive to account, as well as motions to ensure debate on Council issues.

The Executive Committee

The executive committee is composed in line with the provisions of the Local Government: Municipal Structures Act, 1998. The Executive Committee consisting of ten members, ten full-time members. In 2014/15 the Municipality's Executive Committee was composed as follows:



His Worship the Mayor
Cllr T B Zulu



Deputy Mayor
Cllr M M M Ntuli



Alderman S B Larkan



Cllr C T Ndwalane



Cllr M Mbuyazi



Cllr C Gamede



Cllr I Woollatt



Cllr J K Powell



Cllr Q T Xulu



Cllr B R L Ngema

Political Decision-Taking

Political decisions are made by the Executive Committee, in terms of powers delegated to it by law, and Council in session at general monthly Council meetings or special Council meetings that are called when decisions are taken that cannot wait for the monthly meetings.

The table below reflects the number of Council as well as Council Committee meetings that were held over the 2014/2015 financial year.

MEETINGS	NUMBER OF MEETINGS
Council	4
Special Council	10
Executive Committee	14
Finance Management Committee	11
Corporate Service Committee	6
Engineering Services Committee	6
Protection Services Committee	5
Community Services Committee	6
Local Economic Development Committee	5

2.2 ADMINISTRATIVE GOVERNANCE



VACANT
UNFUNDED POST

X Blose
Acting Director Protection
Services

Planning & Development

2.2 ADMINISTRATIVE GOVERNANCE

FUNCTIONS AND RESPONSIBILITIES

The functions of the six Directorates are as follows:

2.2.1 Directorate Engineering Services

The Directorate is responsible for Streets and Stormwater, Planning and Support Services (MIG projects and support services), Mechanical Services (fleet management services), Electrical Network Services (provision of electricity and the maintenance of electrical services) and Electrical Planning, Municipal Buildings and Property maintenance. Building and GIS were transferred to the Directorate Planning and Development with effect from 1 July 2014.

2.2.2 Directorate Community Services

The Directorate is responsible for the provision of Cleansing, Environmental Health Services, Sport, Recreation and Facilities Services.

2.2.3 Directorate Corporate Services

The Directorate is responsible for support services which include the Secretariat, Typing Services, Archives, Switchboard, Library, Museum, Urban Halls, Legal Services, Human Resources, Employment Equity and Outdoor Advertising. Town Planning, Tourism and Business licencing were transferred to the Planning and Development department.

2.2.4 Directorate Financial Services (Chief Financial Officer)

The Directorate is responsible for Financial Administration (Budget, Credit Control, Cash flow Management, Loans, Investments and Valuations), Income, Expenditure, Information Technology and Supply Chain Management.

2.2.4 Directorate Protection Services

The Directorate is responsible for Community Safety, Fire and Rescue Services.

2.2.5 Directorate Development and Planning

The Directorate is responsible for Planning and Development (Strategic Planning and Development Control) as well as Human Settlement, Building Control (Building Plan Examining, Building Inspectorate), Local Economic Development and Integrated Development Plan.

The Municipal Manager and the Directorate Heads meet formally every Monday to deliberate on service delivery issues and reports that must be submitted to the Executive Committee or Council in terms of delegated powers, as well as on organisational management matters.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

The uMlalazi Municipality strives to uphold its legislative authority and co-operative governance as required by the Constitution and other relevant legislation. In doing so, the Municipality maintains good co-operative and intergovernmental relations with its district and neighbouring municipalities, provincial authority, national government and intergovernmental agencies.

2.3 INTERGOVERNMENTAL RELATIONS

The uMlalazi Municipality actively participates in various Intergovernmental Relations activities in the district and province. The Municipality delegates officials and Councillors to the following forums:

Intergovernmental Relations Forum		
Forum	Frequency	Directorate
Premiers Coordinating Forum	Quarterly	Municipal Manager
MUNIMEC	Quarterly	Municipal Manager
District Technical Alignment Forum	Quarterly	Engineering
Eskom Alignment meetings	Quarterly	Engineering
Coastal Working Group	Quarterly	Planning & Development
District Planning Forum	Quarterly	Planning & Development
DTAC	Quarterly	Performance Management

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Introduction to Accountability and Participation

The Council interacts with its stakeholders by means of ward committees, budget and IDP meetings. Public and stakeholder engagements are an ongoing process throughout the year.

The Municipality ensures that these meetings are well attended by informing the public and stakeholders on time and in their local languages. This also ensures meaningful and constructive participation

All documents that are required to be made public in terms of the Municipal Systems Act (MSA) are placed on the municipal website. Public meeting schedules are also placed on the website and are also advertised through local newspapers, posters and loud hailing. Public meetings include Council meetings, ward committee meetings and budget and IDP meetings.

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Integrated Development Plan (IDP)

In order to ensure that the real needs of the people residing within the municipal area are reflected in the IDP, 8 public IDP engagement sessions were held and 26 one-on-one meetings with Ward Councillors were held across all 26 wards in the year under review.

These public engagement sessions present the opportunity and platform to all citizens and those who have vested interest in uMlalazi Municipality to review the service delivery needs and priorities of the ward in which they reside, ultimately shaping the IDP according to their needs and interests.

Ward Committees

The uMlalazi Municipality uses the Ward Committee system comprehensively to develop the flow of information between the Municipality and community and vice versa.

This is to allow public participation in matters of the Municipality such as the IDP and budget and implementation thereof as well as focusing on ward-based needs analyses, project identification and prioritisation.

2.5 IDP PARTICIPATION AND ALIGNMENT

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

COMPONENT D: CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

Section 62 (i) (c) of the Local Government: Municipal Finance Management Act, Act 56 of 2003, requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

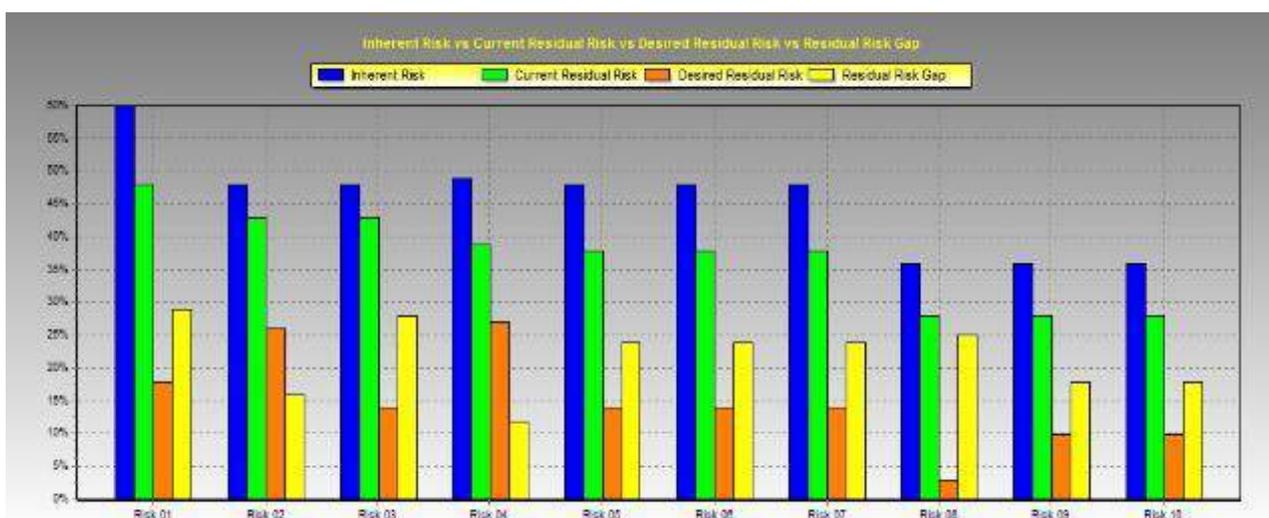
Risk management is a management tool that increases an institution's prospect of success through getting it right the first time and minimising negative outcomes.

Value is maximised when municipalities set clear and realistic objectives, develop appropriate strategies, understand the intrinsic risks associated therewith and direct resources towards managing such risks on the basis of cost-benefit principles.

Within a Municipality, risk management is a strategic imperative rather than an option. The uMlalazi Municipality bases its risk management on pre-identified and regularly reviewed operational risks.

The top operational risks identified by the uMlalazi Bay Municipality are:

- Risk 01. Business Support: Fuel Management and Control
- Risk 02. Business Support: Audit Function
- Risk 03. Economic Development: Investment Attraction and Retention
- Risk 04. Community Services: Community Facilities
- Risk 05. Financial Management: Contract Management
- Risk 06. Swimming Pool: Safeguarding and Collection
- Risk 07. Business Process: Safeguarding of Municipal Facilities
- Risk 08. Business Support: Fleet Management
- Risk 09. Infrastructure: Project Management
- Risk 10. Human Resources: Occupational Health & Safety



The following table (reflecting risk values to risk exposures) is used as a guideline in terms of understanding the level of action to be taken in managing risks.

Residual risk exposure	Risk acceptability	Proposed actions	Risk Value
Critical	Unacceptable	Take action to reduce risk with highest priority, accounting officer/chief executive officer and executive authority/accounting authority attention.	> 60
Major	Unacceptable	Take action to reduce risk with highest priority, accounting officer/chief executive officer and executive authority/accounting authority attention.	> 35 ≤ 60
Moderate	Unacceptable	Take action to reduce risk, inform senior management.	> 20 ≤ 35
Minor	Acceptable	No risk reduction - control, monitor, inform management.	> 10 ≤ 20
Insignificant	Acceptable	No risk reduction - control, monitor, inform management.	≤ 10

Based on the graphical presentation of the residual risks, these are the ten risks that should be given high priority such that the goals and objectives of the Municipality can be met effectively, efficiently and economically.

On the graph, the blue bars show the inherent rating of risks i.e. in the absence of any actions management might take or has taken to reduce either the risk's likelihood or impact. The green line is the level of current residual risks which is the product of the inherent risk rating and the control effectiveness factor. The residual rating for all ten risks is above 20 (Moderate level) which is used as a threshold in terms of understanding the level of action to be taken in managing risks and this is clearly outlined on the table above.

The orange line on the graph reflects the level of the desired residual risk. Action plans identified during risk assessments need to be implemented so as to reduce the level of the current residual risk (green line) to the level of the desired residual risk (orange line).

The yellow line indicates the Residual Risk Gap, the difference between the residual and desired residual risk.

2014 / 2015 RISK MANAGEMENT IMPLEMENTATION PLAN ACTIVITY REPORT				
AS AT JUNE 2015				
REF	ACTIVITY	DUE DATES	STATUS	COMMENTS
1	RISK PLANNING			
	Detailed risk management implementation plan for 2014/2015	August 2014	DONE	Approved by Executive Committee on the 16 October 2014.
2	RISK ORIENTATION			
	Coaching and training	December 2014	DONE	21-22 October 2014 : Staff members training conducted. 23 October 2014 : Councillors training Conducted. Total of employees includes councillors trained up to date : 124
	Review of risk management policy		In progress	Awaiting feedback from Provincial Treasury as they still busy with the review of Risk Management Framework for Municipalities.
3	RISK MANAGEMENT ASSESSMENT			
	Annual risk assessment	August 2014	DONE	The Risk and Control - Self assessment was conducted by Provincial Treasury Internal Audit Services (Risk Management Unit) on 15 August 2014 and 18 August 2014 for Information Technology Risks.
4	RISK RESPONSE			
	Drafting of action plans for all gaps identified for the top risks	August 2014	DONE	The Risk and Control - Self assessment was conducted by Provincial Treasury Internal Audit Services (Risk Management Unit) on 15 August 2014 and 18 August 2014 for Information Technology Risks whereby action plans were put in place to minimise risks identified.
5	REPORTING OF RISK MANAGEMENT IMPLEMENTATION PLAN FOR 2014/2015			
	Status report on the implementation of the approved risk management plan	Quarterly	DONE	Activity report on implementation of risk management plan is being submitted to risk management committee and audit committee per quarter for information.

6	ACCOUNTABILITY OF RISK MANAGEMENT			
	Establishment of Fraud and Corruption Committee	December 2014	DONE	Anti Fraud and Corruption Committee members Appointed and the Policy is being reviewed. Meetings to take place ongoing.
	Include component of risk management in performance scorecards	September 2014	DONE	Risks have been included in signed individual performance plans for 2014/2015.
7	REVIEW OF BIG /COMPLEX TRANSACTIONS AND PROJECTS			
	Identify Bid/Complex transactions and projects risks	Ongoing	DONE	Item discussed in Risk Management Committee Meeting scheduled for 29 June 2015. Projects risks will be included in the Risk Register.
8	COMMUNICATION OF THE ERM POLICY AND FRAMEWORK			
	Include dissemination of ERM policy and Framework in Communication Strategy	June 2015 - Annual review	In progress	Communication Policy and Strategy approved by Executive Committee on 1 April 2015. This was discussed in Risk Management Committee meeting dated 29 June 2015 and it was recommended that this be done on annual review of the Communication Strategy.
9	ANALYSIS OF LOSS EVENTS, NEAR MISSES AND ASSURANCE FINDINGS			
	Review of internal audit reports and all adjustments to control effectiveness	Ongoing	DONE	External (Auditor - General) and Internal Audit findings were reviewed in Risk and Control Self assessment conducted by Provincial Treasury Internal Audit Services (Risk Management Unit) on 15 August 2014 and 18 August 2014 for Information Technology Risks. New risks were identified.
10	COMPLETENESS OF RISK INFORMATION			
	Compare uMlalazi Municipality's risks to other municipality's risks to ensure completeness of the register	Ongoing	DONE	Requested from Provincial Treasury Internal Audit Services (Risk Management Unit) on 23 July 2014. Risk registers for uMdoni, Dukuza and Ladysmith Municipality have been compared with uMlalazi Municipality risk register.
11	RISK DISCLOSURE IN THE ANNUAL REPORT			
	Include Risk disclosure in Annual report	January 2015	DONE	Risk disclosures have been included in Annual report for 2013 Financial year
12	RISK REPORTING			
	Risk Management Committee meetings	Quarterly	Quarterly meetings	First Meeting : 13 August 2014 second Meeting : 24 October 2014 Third Meeting : 1 April 2015 Fourth Meeting : 29 June 2015
	Reports to Audit Committee meetings	Quarterly	Quarterly meetings as per approved Audit Committee schedule of meetings	First Meeting : 21 August 2014 Second Meeting : 20 January 2015 Third Meeting : 30 April 2015 Fourth Meeting : 25 June 2015

2.7 ANTI-CORRUPTION AND FRAUD

Fraud and Anti-Corruption Strategy

A Fraud and Corruption Prevention Policy has been adopted and training takes place on an ongoing basis. The objective of this Policy is to develop and foster a climate within the Municipality where all employees strive for the ultimate eradication of fraud, corruption, theft and maladministration by means of the application of the full spectrum of both pro-active and re-active measures at their disposal, and strive actively to gain the support of the public in this endeavour.

The goal of fraud and corruption prevention within the Municipality is to manage the susceptibility to risk with a view to reducing it and to raise the level of fraud awareness amongst the employees and other stakeholders. In an effort to prevent Fraud, Corruption and Theft the Municipality's Fraud and Risk Management Committee meets on a quarterly basis.

2.8 SUPPLY CHAIN MANAGEMENT

Overview

All high capacity municipalities were required to implement the Supply Chain Management Regulations to the Municipal Finance Management Act, No 56 of 2003, on 1 October 2005 and to have a new Supply Chain Management (SCM) Policy in terms of the Regulations in place by the same date.

The Municipality met the requirements with regard to the adoption of a policy and also implemented the prescribed procurement procedures to ensure that all legal requirements are met.

The Policy, which is based on the model policy prescribed by the National Treasury, was reviewed in the 2014/2015 financial year. The revision that was tabled with the 2014/2015 budget, recommendations by the Municipality's internal auditors, the Auditor-General and directives from Provincial and National Treasury were incorporated in the Policy.

Council approved the revision of the Supply Chain Management Policy on 29 May 2014.

Members serve on the various bid committees in terms of proper delegations and are appointed in terms of legislation. The bid committees function well.

All members of the Bid Specification, Bid Evaluation and Bid Adjudication Committees are delegated in writing by the Municipal Manager to serve on these respective committees. These delegations are accepted in writing and record thereof is available. The following persons served on the following respective committees:

BID SPECIFICATION COMMITTEE	
NAME	POSITION
Mr J Le Grange	Chairperson
Ms F Mahaye	Member
Mrs S van der Westhuizen	Member
Mr K Nxumalo	Member
Mr M Hulley / Ms L Maphumulo	SCM Representative

BID EVALUATION COMMITTEE	
NAME	POSITION
Mr K C Zulu	Chairperson
Mr T Mnguni	Member
Mr X Blose	Member
Mr M Dlamini	Member
Ms L Maphumulo	SCM Representative

BID ADJUDICATION COMMITTEE	
NAME	POSITION
Mr Z N Mhlongo	Chairperson
Mr P J Koster	Member
Mr N F T Buthelezi	Member
Mr M S Nzuzza	Member
Mr M Hulley	Member

2.9 BY-LAWS

Comment on By-Laws

Section 11 (3) (m) of the Municipal Systems Act, No 32 of 2000, provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. The uMlalazi Municipality has 26 by-laws in place that cover various subjects. The Municipality's Peace Officers enforce some of the by-laws.

The uMlalazi Municipality currently has the following promulgated By-laws: -

NO	DATE OF ADOPTION	BY-LAWS	PROMULGATION DATE
	E = EXCO C = COUNCIL		
1	E – 04/02/08 C – 25/03/08	Advertising By-laws	09/04/09
2	E – 05/05/03 C - 29/09/03	Aerodrome By-laws	04/03/04
3	E – 04/07/05 C - 26/09/05	Beaches By-laws	11/03/10
4	E – 03/02/03 C - 24/03/03	Caravan Park By-laws	10/07/03
5	E – 03/02/03 C - 24/03/03	Cemetery and Crematorium By-laws	10/07/03
6	C – 28/03/14	Credit Control and Debt Collection By-laws	Due
7	E – 04/04/08 C - 07/04/08	Delegation of Powers By-laws	11/03/10
8	E – 04/07/05 C - 26/09/05	Electricity By-laws	11/03/10
9	E – 04/07/05 C - 26/09/05	Encroachment By-laws	11/03/10
10	E – 01/08/05 C - 26/09/05	Environmental Health By-laws	11/03/10
11	E – 04/07/05 C - 26/09/05	Fire Prevention By-laws	09/10/08
12	E – 03/10/05 C - 12/12/05	Financial By-laws	11/03/10
13	C - 27/02/07	Finance Rates By-laws	11/03/10
14	E – 05/05/03 C - 29/09/03	Funeral Undertaker By-laws	04/03/04
15	E – 03/02/03 C - 24/03/03	Lease of Halls and Conference Facilities By-laws	10/07/03
16	E – 01/08/05 C - 26/09/05	Keeping of Animals By-laws	11/03/10
17	C - 26/03/07	Motor Vehicle and Traffic By-laws	11/03/10
18	E – 04/07/05 C - 26/09/05	Municipal Public Transport By-laws	11/03/10

19	E - 07/06/04 C - 28/06/04	Nuisance By-laws	11/11/04
20	E – 04/07/05 C - 26/09/05	Parking By-laws	11/03/10
21	E – 05/02/07 C - 26/03/07	Pound By-laws	11/03/10
22	E – 05/05/03 C - 29/09/03	Public Amenities By-laws	08/04/04
23	E – 04/07/05 C - 26/09/05	Public Roads By-laws	11/03/10
24	E – 07/08/06 C - 26/09/06	Refuse By-laws	11/03/10
25	E – 04/07/05 C - 26/09/05	Street Trading By-laws	11/03/10
26	E – 04/07/05 C - 26/09/05	Storm Water Management By-laws	11/03/10

2.10 WEBSITES

Municipal Website: Content and Currency of Material	
Reports Published on Municipal Website during 2012/13 Financial Year	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (2013)	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2013) and resulting scorecards	Yes
All supply chain management contracts above prescribed value for 2014	Yes
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 Year 1	Yes
All quarterly reports tabled in the council in terms of section 52 (d)	Yes

Comment Municipal Website Content and Access

The Municipality's website address is <http://www.uMlalazi.org.za>. All information required by law as well as general information on the Municipality is placed on the website. The Municipality appointed a consultant to administrate the website to upload documents and information relevant to the Municipality.

2.11 PUBLIC SATISFACTION SURVEY ON MUNICIPAL SERVICES

The uMlalazi Municipality did not undertake any public satisfaction surveys in the 2014/2015 financial year.

2.12 MUNICIPAL OVERSIGHT COMMITTEES

The Audit and Performance Audit Committee

The following were members of the Audit and Performance Audit Committee and Mr D Bosch was appointed as the chairperson of the Committee:

Name	Designation
Mr D Bosch	Chairperson
Mr Z Zulu	Member
Ms T Ndlela	Member
Mr M Dlamini	Member

The Committee members are remunerated for preparation and attendance of meetings in line with the National Treasury Regulation that regulate the remuneration of commission and committee and were reimbursed for expenses incurred for attending audit committee meetings.

Hereunder is the number of Audit and Performance Audit Committee meetings held in the 2014/2015 Financial Year :-

DATE	AUDIT COMMITTEE	PERFORMANCE COMMITTEE	AUDIT
01 July 2014 – 30 June 2015	4	4	

REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE TO THE COUNCIL OF UMLALAZI MUNICIPALITY

FOR THE 2014/15 FINANCIAL YEAR

The uMlalazi Municipality's Audit and Performance Committee (Audit Committee) presents its report to Council for the year ended 30 June 2015.

The legal responsibilities of the Audit Committee are set out in terms of section 166 of the Municipal Finance Management Act, No. 56 of 2003 (MFMA).

Members and attendance at meetings

Name	No of Meetings Attended	21 Aug 2014	20 Jan 2015	30 Apr 2015	25 June 2015
Mr. D Bosch (Chairperson)	3	√	√	√	
Mr. Z Zulu	4	√	√	√	√
Ms T Ndlela	4	√	√	√	√
Mr. M Dlamini	4	√	√	√	√

The current AUDCOM comprises of 4 independent, external members and met at least four times during the 2014/15 financial year as required in terms of section 166(4)(b) of the MFMA.

Responsibility

The Audit Committee has been set up in accordance with section 166 of the MFMA and section 14(2)(c) and the Local Government Municipal Planning and Performance Regulations, 2001 (Regulations) and operates within the terms of the Audit and Performance Committee Charter approved by the Council.

In the conduct of its duties, the AUDCOM has performed the following statutory duties:

1. Reviewed internal financial control and internal audits

The internal audit function was co-sourced and operational for the financial year.

The risk based internal audit plan for the financial year ending 30 June 2015 was approved by the Audit Committee at its meeting on 20 January 2015.

The Audit Committee at each meeting assessed performance against the plan and reviewed the plan to ensure that critical risks of the operations of the Entity and the findings of the Auditor-General are addressed.

The Audit and Performance Audit Committee Charter as well as the Internal Audit Charter were reviewed and accepted.

Internal audit reports were completed as planned and tabled at the Audit Committee meetings. Internal audit reports include recommendations to improve internal controls together with agreed management action plans to resolve the issues reported on.

To further enhance the processes in place, internal audit conducted follow up audits on previously reported internal audit findings and reported progress to senior management and the Audit Committee. Management is required to implement appropriate systems of internal controls and corrective action to address the identified weaknesses and possible irregularities.

Based on internal and external audit reports the Audit Committee noted with concern that the key internal controls were inadequate and management is required to implement appropriate systems of internal controls and corrective action to address the identified weaknesses.

2. Risk Management

Because the assessment of internal controls over financial reporting is risk-based, the Audit Committee is responsible for overseeing management's risk policies and processes with a view of discussing the Municipality's key risk exposures with management.

Management, with the assistance of Provincial Treasury finalised the Enterprise Wide Risk Management Process during August 2014 whereby strategic risks with the potential to impede the Municipality's ability to achieve its business objectives and programme goals were identified and recorded on the risk register.

The Municipality appointed a risk officer and Risk Committee who facilitated the execution of the risk management processes. The risk officer assisted Council and management to establish and communicate the organisation's risk management objectives, processes and direction. Minutes of meetings were noted in the Audit Committee meetings.

The internal audit function provided independent assurance in relation to the management's assertions surrounding the robustness and effectiveness of risk management and the level of risk management maturity.

3. Review of financial statements and Accounting Policies.

Accounting policies and review of the financial statements

The Audit Committee reviewed the financial statements for the year and considered the appropriateness, adoption and consistent application of the South African Statements of Generally Recognised Accounting Practices (GRAP) and noted that there is room for improvement as various shortcomings were brought to the attention of management.

Review of the Auditor-General's management report and audit report

Meetings were held between the Audit Committee and representatives of the Auditor-General to discuss the strategic audit plan and management report for the year under review. The Audit Committee concurs with the conclusions in the final audit report.

Audit Action Plan

The Audit Committee reviewed and commented on the audit action plan for 2014/2015 based on the findings for 2013/14. Internal audit has provided independent assurance on whether the corrective actions have been implemented. The Audit Committee is concerned about the slow progress in this regard as a number of recurring findings were reported during the year under review.

4. The adequacy, reliability and accuracy of financial reporting and information

Based on the results of the formal documented review of the design, implementation and effectiveness of the Municipality's system of internal financial controls conducted by the internal audit function during the year, considering information and explanations given by management and discussions with the external auditor on the results of their audit, the Audit Committee believes that the Municipality's system of internal financial controls is not yet fully effective to form a basis for the preparation of reliable financial statements and to achieve a clean audit.

5. Performance Management

The Audit Committee also serves as the Performance Audit Committee for uMlalazi Municipality and reviewed the annual performance report.

Internal Audit did review and reported quarterly on the Municipality's performance based on the approved organisational score card. Although the performance management system is functioning, the Audit Committee noted with concern the non-achievement of targets and inaccuracy of reported information.

6. Effective Governance

The Audit Committee fulfils an oversight role regarding the Municipality's reporting process, including the system of internal financial control. It is responsible for ensuring that the Municipality's internal and external audit functions are independent and has the necessary resources, standing and authority to enable it to discharge its duties. Furthermore, it oversees cooperation between the internal and external auditors, and serves as a link between Council and these functions.

The Audit Committee has established communication with the Municipal Public Accounts Committee (MPAC) by inviting them to all meetings and sharing minutes of meetings.

The Audit Committee is monitoring progress with all special investigations.

The internal and external auditors have unlimited direct access to the Audit Committee, primarily through its chairperson.

7. Compliance with Legislation and Ethics

The Audit Committee noted with concern instances of non-compliance with policies and procedures, MFMA and Regulations. The progress to move to full compliance is monitored on a quarterly basis based mainly on internal audit reports and feedback from the Compliance Officer.

8. Recommendations

- Council should ensure that accurate, reliable and complete financial and performance information is submitted monthly by management for review by the various committees.
- Council should ensure that adequate progress is made with commitments on the quarterly Dash Board Report as well as the action plan for the implementation of Internal Audit and Auditor-General recommendations.
- The Municipal Manager should take action against employees not complying with policies, laws and regulations. In this regard the Compliance Officer should report monthly to Council on the status of compliance.
- Council should monitor the spending on capital projects on a monthly basis and take action where needed.
- Council must allocate adequate resources to ensure that the computer systems are adequate, reliable and sustainable.

Conclusion

The Audit Committee confirms its commitment to assist management and the Council to maintain clean administration. The Audit Committee also wishes to thank the Council and management for its cooperation and support as well as the teams from internal and external audit for their contributions.

On behalf of the Audit Committee



Mr. D Bosch: Chairperson

4 December 2015

CHAPTER 3

SERVICE DELIVERY PERFORMANCE

- Component A: Overview of Service Delivery
- Component B: Basic Services
- Component C: Delivery of Free Basic services
- Component D: Other Municipal Services
- Component E: Municipal Infrastructure Grant
- Component F: Organisational Performance : Annual Performance report

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



Introduction

The uMlalazi Municipality renders a range of traditional municipal services in an area covering 2217 square kilometres in accordance with the mandate of local government in terms of the South African Constitution. The area includes rural areas and urban areas such as Eshowe, King Dinuzulu, Gingindlovu and Mtunzini.

The current main services rendered by the Municipality are:

Electricity

The table below shows that as at 30 June 2015 the electricity backlog has decrease from 65% in 2011 to 20% in June 2015. The Municipality supplied electricity to 4500 consumers and Eskom supplied to 31815 as at 30 June 2015.

Households	Backlog: Census 2011	Backlog: Percentage – 2011	Number of consumers – June 2015	Backlog: June 2015	Backlog as at June 2015
45062	29045	65%	36315	8747	20%

Water

The Municipality is not the water services Authority. This service is the responsibility of the uThungulu District Municipality.

Sewerage

The Municipality is not the service provider. This service is the responsibility of the uThungulu District Municipality.

Waste Management Services

The uMlalazi Municipality provides cleansing services, mainly in the form of refuse removal, as well as environmental health services in addition to those provided by the uThungulu District Municipality. A refuse removal service is provided to all urban areas and to 14 Wards in the rural areas in terms of free refuse removal services.

The table below shows that as at 30 June 2015 the refuse services backlog has decreased from 79% in 2011 to 63% in June 2015.

Households	Backlog: Census 2011	Backlog: Percentage – 2011	Number of households receiving the service – June 2015	Backlog: June 2015	Backlog as at June 2015
45062	35457	79%	16597	28465	63%

Fire, Rescue and Safety Services

The Municipality owns and operates a fire and rescue service which provides fire fighting, fire prevention and road and other rescue services. Its Protection service department provides a range of law enforcement and community protection services.

Roads

The Municipality is responsible for the planning, construction and maintenance of urban road networks with a total area of 114 km.

The national and main regional roads fall under the relevant authorities, and the uMlalazi Municipality is responsible for rural public roads within the Municipal area.

Human Settlement

The Municipality seeks to address the housing needs of low-income groups and middle income groups who do not have access to the commercial bond market. In this regard it acts as an agent for the Department of Human Settlements.

This involves the identification of potential beneficiaries, identification and securing of suitable land for housing development, the sourcing of funding and project management.

At the end of June 2015 there was a list of 11 000 units in the rural area and 117 units in the urban area approved by the Department of Human Settlement. However 3117 has been prioritized.

Libraries

There are five libraries in the urban areas and a mobile library, in the Mbongolwane area. They are managed on an agency basis for the Provincial Government of KwaZulu Natal and play a major role in the education of the community. The membership of libraries increased to 5427 at the end of June 2015 from 5258 at 30 June 2014.

Urban Development and Control

In addition to doing its own spatial development planning and exercising control over development and building activities, an information service is provided to property owners and developers.

The following building plans were approved in the financial year to the end of June 2015.

Months	Eshowe	Mtunzini	Gingindlovu
July	10	6	1
August	14	4	2
September	5	5	0
October	11	3	2
November	10	16	2
December	0	0	0
January	9	0	0
February	7	4	1
March	10	5	1
April	8	1	1
May	14	6	0

Vehicle and Driver Licensing Services

The Municipality provides vehicle registration services and also issues drivers licences in its area of jurisdiction. Some of these services are rendered on an agency basis.

COMPONENT A: BASIC SERVICES

Introduction to Basic Services

The responsibilities of the uMlalazi Municipality for delivering basic services up to 30 June 2015 vested in three of the Municipality's Directorates, namely the Engineering Services Directorate (electricity), the Community Services Directorate (waste management) and the Planning and Development Directorate (human settlement). Consumers are charged for services at rates which are reviewed annually and are approved together with the annual budget of the uMlalazi Municipality for every new financial year. All consumers receive 20 kWh of electricity and 6 kl of water free per month, except households which are classified as indigent based on total monthly household income which receive a higher allocation of free electricity, namely 50 kWh per month.

3.1. WATER PROVISION

Introduction to Water Provision

The available water infrastructure is insufficient to meet the population growth demands. These RWS is not sufficient to even meet the population demand in terms of the Reconstruction and Development Program (RDP) water supply standard. (In terms of the RDP standard each household has to have access to clean potable household water measured at least 25 litres per day per person).

Most of the 26 rural wards in the municipality are served by means of communal stand pipes/ taps with water sourced from boreholes with related storage facilities. The District Municipality has inadequate and fragmented water service provision with different standards and plans. The inadequate water provision implies that less water will be available for agricultural use which is one of the main pillars

Water and sanitation services are provided by the uThungulu District Municipality. The Progress of Services provided in the year under review is highlighted hereunder.

3.3 ELECTRICITY

Introduction to Electricity

The municipality has a FBE policy targeted at indigent households in urban towns which are referred to more fully herein below. The municipality will be updating the indigent register to ensure that rural communities benefit from the service.

This service is the distribution of electricity in uMlalazi Municipality's distribution license area which includes the supply, maintenance and operation as well as the bulk purchase and sales of electricity.

The municipality has a joint responsibility with Eskom to electrify and service all customers as well as households. The municipality has a licensed area and Eskom has a licensed area in the jurisdiction of uMlalazi Municipality to distribute electricity.

The Municipality has a mandate to: distribute electricity in terms with its electricity supply distribution license issued by NERSA, the Electricity Act (as amended), the OHS Act and its regulations, Council Policies, Practices, Procedures, Standards and Electricity By-Laws.

The 4 top strategic objectives of this function for 2014/15 were:

- To address the insufficient capacities of the bulk supply
- To upgrade all main substations in order to meet the development demands.
- Proceed with rural electrification projects (post connections) electrification. The emphasis was therefore on extensions, post connections and in-fills
- Demand side management and energy saving

Performance Summary of Electricity services overall in the 2014-2015 year is as follows:-

Project	Number of Connections	Budget	Status
Saroni	539	R 6 300 000	completed
Ezingwenya	250	R 7 000 000	In progress

INFILLS

Project	Number of Connections	Status
Eziqwaqweni project	230	completed
Bonisani project	60	In progress
Obanjani	50	completed
Dibhasi/Mankumbu	70	completed
Dlangubo	60	completed
uMhlathuzana	88	completed
Enqoleni	220	completed

Comment on Electricity Services Performance Overall

The electricity backlog has decreased from 65% in 2011 to 20% in June 2015. The Municipality supplied electricity to 4500 consumers and Eskom supplied to 31815 as at 30 June 2015.

3.4 WASTE MANAGEMENT

Introduction to Waste Management

The Municipality is responsible for operating and maintaining solid waste management service (refuse removal) dealing with solid waste collection, storage and management thereof, particularly at household and business level. There are two waste transfer stations, in Eshowe and Mtunzini.

The closure and development of waste management sites

Good progress was made with plans to close waste disposal site at Sunnydale as required in terms of the National Environmental Waste Management Act, No 59 of 2008.

Outsourcing of refuse collection services

Refuse is removed by Companies that are appointed on a three year contract basis. The waste from the waste transfer station are sorted and transferred to the Regional landfill site situated within the District.

The Municipality creates employment through the EPWP in terms of waste removal services. The temporary employees are employed in 14 rural wards to provide refuse removal services. A total of 10710 households receive Free Refuse Removal Services.

Comment on Waste Management Service Performance Overall

The waste recycling objective was also not fully met in the 2014/2015 financial year and is an area that will receive special attention in 2015/2016. The illegal dumping of waste in certain areas will continue to be addressed.

3.5 HOUSING

Introduction to Housing

The provision of housing is the mandate of the Provincial Department of Human Settlement (DHS) and the municipality plays an active role in the coordination of the housing development projects by making land available for such development, providing lists of beneficiaries, identifying challenges and resolving them with local stakeholders like ward Committees and Traditional leaders. Disputes over ownership, illegal transfer and occupation, illegal connection of electricity and water in various projects. The Municipality's 2015/2016 IDP identifies the housing demand to be 5500 in Urban areas and 16 000 in rural areas.

Performance Summary of Human Settlement overall in the 2014-2015 year is as follows:-

Project	Number of Houses	Budget spent	Status
Mombeni Rural Housing	1000 houses to be built 384 completed	R83,000 000	

			305 houses were built in 2014/2015
Bhekeshowe Rural Housing	1000 All completed	R83 000 000	130 houses were built in 2014/2015
Oyaya Rural Housing 	1000 houses 580 completed	R83, 000 000	299 houses were built in 2014/2015

The following projects were sponsored:-

Sponsor name	Ward	Number of houses	Status
Bahlomile Developments	13	1	completed
Linda Masinga & Associates	16	1	completed
Tronox	23, 8	4	completed

There were 75 houses constructed through the Operation Sukuma Sakhe programme in various wards from 2014/2015.

Comment on Human Settlement Service Performance Overall

Overall project progress is satisfactory from a housing point of view.

Majority of the projects have indeed reported substantial progress in terms of sites establishments and beneficiary administration.

Delayed projects have been identified as well and resolutions to address the delays have been carried out accordingly.

A total Number of 734 houses have been built in the year under review.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Introduction to Free Basic Services and Indigent Support

In terms of the South African Constitution all consumers should have access to basic services. Currently, the free basic services provided to the domestic consumers within the uMlalazi Municipality area are as follows:-

- Free minimum water (6 kiloliters per month) for all household consumers – this service is provided by the uThungulu District Municipality
- Free distribution of electricity to Indigent households – Eskom. Only 2300 households benefitted from the free basic services in the year under review. Eskom depends on the Municipality to submit the list of Indigent consumers in order for them to receive the free basic electricity.
- Refuse removal Services to all indigent households that qualify in terms of the Council’s current indigent policy residing in urban areas and in 14 Wards in the rural areas

Performance Summary of Free Basic Services overall in the 2014-2015 year is as follows:-

Service	Number of Households	Budget
Free Basic Electricity (indigent Households)	In terms of the Eskom Indigent Register the uMlalazi Municipality assists 2300 urban and rural indigent households with free basic electricity.	R1,200 000 (per annum)
Free refuse removal (Indigent Households)	The Municipality assists 16, 597 rural households and 1,103 urban households with free refuse services	R2,900 000 (per annum)

Comment on Free Basic Services and Indigent Support

Apart from the indigent subsidy, the uMlalazi Municipality also supports households where the total income is more than twice the State pension but less than R5 000 per month.

The poor household subsidy is not funded from the equitable share but solely through municipal funds.

COMPONENT B: STREETS AND STORMWATER

Introduction to Streets

The Engineering Services Directorate is responsible for the construction and maintenance of all tarred and gravelled streets in the municipal area except provincial and national roads. The total gravel road network comprises of 3500km and the total tarred network of 114 km.

The main strategic objective is to provide road infrastructure services to the community of uMlalazi.

3.7 ROADS

Introduction to Roads

Gravel access roads are continuously provided with the available budget and existing roads resealed according to the Pavement Management System which will be reviewed in the 2015/2016 financial year.

During the 2014/15 financial year 2.6 km of urban roads were rehabilitated and 20.33km of new roads were constructed.

The Municipality also assists the communities by grading gravel roads which are damaged due to inclement weather conditions. A total of 3400,4 km of road was gravelled in the 2014/2015 year.

Pothole repairs for 2014/15 amounts to 949m².

Performance Summary of Road infrastructure Services overall in the 2014-2015 year is as follows:-

Project	Ward	Extent	Year completed	Budget spent
Rural Roads Maintenance programme (Grading)	All rural wards	(2014/15) 3400,4 km		R9,008 750 (2014/15)
TOTAL KM GRADED		3400.4		
Nogobhoza (Multi-year project)			2014/15	
	15	4,5 km		
Gciza Access Road	17	3 km	2014/15	R4,733 830
Esifubeni Access Road	10	2,73 km	2014/15	R1, 704 498
Isandlwana Naickerville intersection (connecting to R66)	18	500 m	2014/15	R5, 877 424
Kangela Road (rehabilitation)	11	1,2km	2014/15	R12, 481 520
Ndlongolwane road and causeway	4	2,5 km	2014/15	R4, 090 617
Mfofolozi road and causeway	1	1 km	2014/15	R1,905,802.21
KDS/Sunnydale link road	11 &12	800 m road & 10 m bridge	2014/15	R6,052,235
Osborn Road rehabilitation	11	700 m	2014/15	R12,719,572.80
Makhehle causeway	24	12 m	2014/15	R1,001 680
Ntenjane causeway and road	14	3.0 km	2014/15	R 5,000 000
TOTAL KM OF NEW ROADS PROVIDED		20.33km		
Rehabilitation of Urban Roads	All urban wards (2014/15)	2,6 km	2014/15	R4, 949 999

Comment on the Performance of Roads Overall

The Municipality has made good progress on the construction of new roads against the target set. The municipality constructed 20.33 km of road, upgraded 2.6km urban roads and graded 3400.4km rural roads in the 2014/2015 financial year.

3.8 TRANSPORT

The uMlalazi Municipality does not provide public transport services such as buses but provides taxi ranks, lay-bys and shelters along public roads to augment the privately owned transport services.

Vehicle licensing forms part of the traffic function within the Protection Services Directorate.

3.9 WASTE WATER (STORMWATER DRAINAGE) **Introduction to Stormwater Drainage**

The purpose of a stormwater drainage system is to provide a formal drainage system of pipes and channels to discharge stormwater away from erven and streets and to discharge this water into natural water courses. Roads have traditionally played an important part in the urban drainage process. However it is important to provide a proper pipe system for all major runoff systems to prevent erosion and damages to properties. The day to day maintenance of the stormwater system is done by in-house staff.

Performance of Stormwater Drainage Overall

Area	Budget Spent
Gingindlovu	R181 070.00
King Dinuzulu	R153 006.00
Eshowe Fairlie Street	R 97 545.00
Mpushini Park	R 95 922.76
Mtunzini	R 50 878.00
Eshowe Bus & Taxi Rank	R182 377.20

COMPONENT C: PLANNING AND DEVELOPMENT

Introduction to Planning and Development

The Directorate Planning and Development Services, is responsible for the planning and Local Economic Development functions within the Municipality.

3.10 PLANNING

Introduction to Planning

During the 2014/2015 financial year the Spatial Development Framework (SDF) was revised and all the approved Precinct Plans have been incorporated in the SDF as the Spatial Planning document for the uMlalazi area.

Performance of Physical Planning Overall

The following Special Consent applications were received and processed by the Town Planning department in the 2014/2015 year:-

DATE RECEIVED	ERF/FILE NO.	OBJECTIONS/COMMENTS	STATUS	
			APPR. DATE	DECL. DATE
14/07/14	Erf 116/R Eshowe			
04/06/15	Special Consent – Erf 1442 ESH	<ul style="list-style-type: none"> • Building plans to be submitted should any building work or alteration be carried out • Parking must be controlled within property • Advertisement signs must be applied for 	X	
24/07/15	Ptn 1 of Farm Wooloomooloo No. 16410 Gingindlovu	<ul style="list-style-type: none"> • 		

The following Development applications were received and processed by the Town Planning department in the 2014/2015 year:-

DATE RECEIVED	ERF/FILE NO.	OBJECTIONS/COMMENTS AND APPROVAL DATE BY EXCO	STATUS	
			APPR.	DECL.
	REZONING Erf 610 Eshowe	03 December 2014	X	
	REZONIING Erf 611 Eshowe	01 April 2015	X	
18 December 2014	SUBDIVISION Farm Cottonlands No. 13903	01 July 2015	X	
20 March 2015	REZONING Remainder of Erf 1461 Eshowe			
25 June 2015	SUBDIVISION & CONSOLIDATION Erven 676, 2944 & 2946 ESH			
25 June 2015	SUBDIVISION Erf 256/1 ESH			
25 June 2015	SUBDIVISION Erf 871 ESH			
25 June 2015	SUBDIVISION & CONSOLIDATION Erf 70/4 MTZ			

3.11 LOCAL ECONOMIC DEVELOPMENT

Introduction

The Local Economic Development (LED) unit within the uMlalazi Municipality is responsible for the following:

- Local Economic Development (LED).
- Extended Public Works Programme (EPWP).
- Small, Medium, Micro Enterprises Development (SMME).
- Rural Development.
- Tourism Marketing and Development.

3.11.1 Local Economic Development (LED)

The table below sets out the various initiatives of the LED unit:

Municipal Projects				
Project name & Ward no	Project Value	year completed	Number of Jobs created	
Eshowe Taxi Rank Trading facilities (ward 11)	R12 700 000	2014/15	100 traders formalised 41 Trading Units, comprising of 4 anchor shops and 37 normal size shops	
Private Developers				
Jet Mart Shopping Centre(Private Developer) ward 12	R9 000 000	2014/15	47 permanent jobs	
Buildrite and Cash Build(Private Developer)ward 12	R5,500 000	2014/15	96 permanent jobs	
Mombeni Community Centre ward 6	R7 000 000	2014/15	12 permanent jobs	
Food Security – Community Garden Projects				
Project Name	Ward No	Project Value	Year Completed	Number of Jobs created
Impumalang Co-operative.	01	R124 300	2014/15	05
Izimbidli Co-operative.	06	R114 900	2014/15	05
Asisebenze Co-operative.	04	R128 000	2014/15	06
Thintumkhaba Co-operative.	09	R88 580	2014/15	03
Siyathuthuka Co-operative.	15	R114 500	2014/15	05
Hlanganani Co-operative.	23	R112 641	2014/15	04
Siyajabula Co-operative.	12	R93 562	2014/15	03
Luzwano Co-operative.	22	R113 520	2014/15	04
Phaphamani Co-operative.	07	R87 271	2014/15	07
Mkhwishimane Co-operative.	03	R78 918	2014/15	03
Projects to Empower Street Traders				
Project Name	Ward No	Budget	Year Completed	Number of Beneficiaries Transformed.
Purchase of Street Traders Smart Card Manufacturing System.	All Wards uMlalazi Wards.	R38 030	2014/15	1000

3.11.2 Small, Medium and Micro Enterprises (SMME)

The Municipality creates opportunities for Small, Medium and Micro Enterprise (SMME) development through the following interventions:

- Availing business space/premises at the Bus & Taxi Ranks in Eshowe & Gingindlovu.
- Training and development of SMME's.
- Business Exhibitions and Marketing.

3.11.5 Expanded Public Works Programme (EPWP)

Jobs Created through EPWP & CWP	
Project	Jobs created
War Against Poverty	100
Food for Waste	135
Sizabonke	137
Weed eradication	66
Community Works Programme	1017
Other Capital projects	300

COMPONENT D: COMMUNITY & SOCIAL SERVICES

Introduction to Community and Social Services

The community and social services that the uMlalazi Municipality provides, is managed by the Directorate of Community and Corporate Services respectively.

The Directorate of Corporate Services is responsible for library services, community halls and the museum.

The Directorate of Community Services is responsible for municipal cemeteries. There is one crematorium in the uMlalazi municipal area.

The Directorate Community Services, is also responsible for initiating and co-ordinating social programmes aimed at HIV/AIDS, the youth, gender issues and the aged.

3.12 LIBRARIES AND OTHER COMMUNITY FACILITIES

INTRODUCTION TO LIBRARIES

The main purpose of the Library Service in uMlalazi is to provide information and knowledge to the community. The service is provided by way of five libraries in the urban areas.

The provision of information to the community occurs in different ways. Learners and students are firstly helped with information out of books, newspapers, magazines, pamphlets and the Internet to do their assignments and for research. Libraries also provide story books and magazines for relaxation purposes. The Library Service encourages children to read by way of story hours, displays, DVD shows and holiday programmes.

The following is a detailed comparison of membership in respect of the two financial years:

Libraries	June 2014 Membership	June 2015 Membership
Eshowe	1640	1193
Mtunzini	1651	993
King Dinuzulu	217	693
Gingindlovu	1532	1700
Sunnydale	218	442
Mbongolwane Mobile	-	406

3.13 CEMETERIES AND CREMATORIUMS

Introduction to Cemeteries

There are two municipal cemeteries within the urban areas of the UMLalazi Municipality.

The Municipality strives to provide safe and accessible cemeteries to all residents. This is done by implementing the cemetery by-laws and maintaining all cemeteries to an acceptable standard.

The Municipality is responsible for managing all cemeteries. The Municipality also provides an administration and booking function for burial sites. This includes the including pauper and indigent burials.

Service Statistics for Cemeteries & Crematoriums

In the 2014/2015 financial year there were 133 normal burials that took place in the Municipal cemeteries and the Municipality assisted with 495 destitute burials at a total expenditure of R644,940.00.

Comment on the Performance of Cemeteries

It was necessary to start with the replacement of the fence at the uMlalazi cemetery to prevent unauthorised access being gained to the cemetery. The Municipality succeeded in providing well maintained cemeteries to the urban areas in the uMlalazi area.

The operational maintenance of the cemeteries is done mainly in-house but some of the services, such as the cutting of grass, are done by contractors. The normal cemetery functions such as the digging of the graves and burial site layout are carried out by the Municipality although machines and services are hired from contractors. The Municipality started with the planning phase for a new cemetery to ensure that the need for cemetery space can be met in future.

3.14 SOCIAL PROGRAMMES

Introduction

The Directorate Community Service initiates and manages a variety of projects and programmes to empower and uplift the communities, particularly the needy, vulnerable and disadvantaged groups.

Its primary focus is to establish and maintain social progress to ensure that the social needs of communities within the municipal areas are addressed.

Comment on the Performance of Child Care; Aged Care; Social Programmes

The Directorate Community Services focuses on community development in the uMlalazi municipal area. The focus is on community groups at schools, community groups of people and not on individuals. Individual cases are being referred to the welfare organisation delivering services in the specific area. The community projects are started based on the needs of the communities in uMlalazi.

3.15 COMMUNITY HALLS

Introduction to Community Halls

The Municipality has 7 community halls situated throughout the urban areas of uMlalazi Municipality and rural halls which are yet to be transferred to the Municipality from Ingonyama Trust.

The urban halls are rented out to the communities for different functions and events. The municipality's tariff policy makes provision for subsidised tariffs for certain organisations as well as certain community or social events and sport events.

COMPONENT E: HEALTH

Local Municipalities no longer provide health services such as clinics services, health inspection services and abattoirs. The uMlalazi Municipality can therefore not report on these services.

COMPONENT F: SAFETY

Introduction to Security and Safety

The Directorate Protection Services of the Municipality is responsible for community safety, including traffic control, road safety, firefighting services, law enforcement services related to the control of public nuisances as well as the enforcement of by-laws, and disaster management. The latter service is rendered in conjunction with the uThungulu District Municipality which operates a district disaster management centre. The Directorate Protection Services is also responsible for vehicle licensing services on which will be reported in this section as well.

3.18 COMMUNITY SAFETY

Introduction to Community Safety

The Department of Protection Services has the responsibility to enhance the safety of the community by means of ensuring that competent and responsible drivers make use of roadworthy vehicles on public roads.

To facilitate these functions the department is divided into three sections namely:

- Law Enforcement (Traffic Officers and By-Law Enforcement Officers).
- Vehicle Registration.
- Driving Licence Testing Centre.

Road safety education was conducted on a regular basis and the majority of uMlalazi's schools were visited to present educational programs. Scholar patrols were operational at Schools in Eshowe.

The biggest challenge facing traffic officers is to render an equal and quality service to all 26 wards within the uMlalazi area with the limited resources and personnel at the department's disposal.

Comment on the Performance of Community Safety Overall

The Protection Services Directorate concentrates on traffic law enforcement, policing of Municipal by-laws and crime prevention. Prioritisation with regard to the different functions are based on requests from the community, observation and the priorities identified in cooperation with the South African Police Service (SAPS) and community policing forums in the different areas.

3.19 FIRE

Introduction to Fire Services

uMlalazi Fire and Rescue Services is a function within the Protection Services Directorate and its purpose is to protect the community and the environment from fires and other emergencies.

Ultimately the Constitution directs that it must strive to promote a safe and healthy environment and provide services in a sustainable manner. However, there are other specific legislation that gives uMlalazi Fire and Rescue Services clear objectives. They are:

Fire Brigade Services Act

- The Fire Brigade Services Act, Act 99 of 1987, directs that the Fire and Rescue Service must strive to:
 - Prevent the outbreak or spread of fire.
 - Fight or extinguish a fire.
 - Protect lives and property against fire or other threatening danger.
 - Rescue life or property from a fire or other danger.

Disaster Management Act

- The Disaster Management Act, Act 57 of 2002, directs that the services must strive to:
 - Promote an integrated and co-ordinated focus in preventing and reducing the risk of disaster.
 - Mitigate the severity of disasters.
 - Have in place emergency preparedness systems that provide for an effective response to disasters and post disaster recovery
- Other Acts and Legislation relevant to the Fire and Rescue Service
 - National Water Act.
 - Hazardous Substances Act.
 - National Veld and Forest Fire Act.
 - Explosives Act.
 - Occupational Health and Safety Act.
 - Aviation Act.
 - Safety at Sporting and Recreational Act.
 - National Road Traffic Safety Act.
 - Occupational Health and Safety Act.
 - Merchant Shipping Act.

- Nuclear Energy Act.
- SANS 10900: Community Protection against Fire.

The uMlalazi Fire and Rescue Service has focused its energy on a pro-active approach to mitigate the effects of fire by implementing strategies to reduce fires and the loss of life and property. This was achieved by means of:

- Public education initiatives – visiting informal settlements and discussing safety tips with residents.
- Fire and life safety education programmes at pre-schools, primary schools and high Schools.
- Public education at community events.
- Fire load reduction strategies by implementing fire breaks on urban fringes to reduce the risk of fires within the informal settlements.
- Implementation of strategic fire breaks to minimise spread of fire from and onto municipal land.
- Fire and life safety inspections to industry.
- Training of Fire and Rescue Service staff to be better equipped to deal with incidents in a professional manner focussing on proactive and reactive strategies to enhance service delivery.

3.20 DISASTER MANAGEMENT

Introduction to Disaster Management

The Disaster Management function of the Municipality has been placed under the Directorate of Protection Services.

As per the Disaster Management Act, the uMlalazi Municipality must do every effort to mitigate, prevent and reduce disaster risks, which could affect communities and the environment adversely.

COMPONENT H: SPORT AND RECREATION

Introduction to Sport and Recreation

The uMlalazi Municipality provides sports facilities to the local community. This function is performed by the Directorate Community Services.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

Introduction to Corporate Policy Offices and Other Services

The functions in this category are distributed amongst different Directorates within the uMlalazi Municipality. Corporate policy issues are handled on a departmental basis depending on the responsibility for specific function. The Directorate Financial Services is responsible for the financial affairs of the Municipality. The Directorate Corporate Services is responsible for the Human Resources as well as Information Technology functions of the Municipality. The latter Directorate is also responsible for rendering general administrative services to the Municipality overall as well as administrative and support services to ensure the effective functioning of Council and its Committees. Specific support services are rendered to the Office of the Mayor, the Executive Committee and the Office of the Speaker.

3.24 FINANCIAL SERVICES

Introduction

The Directorate Financial Services is responsible for the delivery of all financial-related services to the Municipality. This includes the following:

- Strategic financial guidance.
- Budget, financial statements and related aspects.
- Expenditure management, which includes salaries and wages.
- Income and account services.
- Supply chain management services

The aim of this Directorate is to keep the financial position of the Municipality stable and to ensure that it will continue to being able to not only meeting its financial commitments but to ensure that economically viable services are rendered to the community on an effective and efficient basis. To maintain the present high standard of financial services the Municipality must adhere to many acts and other legal prescripts, policies , regulations, etcetera. Most important, however, is the Directorate's personnel, which are very competent and highly motivated.

3.25 HUMAN RESOURCE SERVICES

Introduction to Human Resource Services

The Directorate Corporate Services is responsible for the administration of all matters relating to the Municipality's personnel. In addition to this, the Directorate assists the Municipality in maintaining smooth human resources processes and procedures in compliance with the relevant legislations. This Directorate is responsible for the following functions:

- Labour relations.
- Recruitment and selection.
- Skills development and training.
- Occupational Health and Safety.
- Leave and Fringe Benefit Administration.
- Employee Assistance.

3.27 LEGAL SERVICES AND RISK MANAGEMENT

Introduction to Legal Services and Risk Management

Legal Services reports directly to the Municipal Manager and is responsible for ensuring that all actions and decisions of Council's structures are in compliance with the legal framework of uMlalazi Municipality.

The main purpose is to provide professional legal advice and assistance to the Municipality to ensure the proper protection of its interests and compliance with its obligations.

The Municipal Manager has also been entrusted with the risk management function of the Municipality and it aims to support the objectives of the Municipality to enable the implementation and maintenance of effective systems to identify and mitigate the risks that threaten the attainment of service delivery and other objectives, and optimise opportunities that enhance institutional performance.

Risk management forms part of management's core responsibilities and is an integral part of the internal processes of an institution. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the institutions service delivery capacity.

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Component A: Employees per Department
Component B: Employee Turnover
Component C: Municipal Policies
Component D: Injuries, Sickness & Suspensions
Component E: Managing Municipal Workforce
Component F: Capacitating Municipal Workforce
Component G: Managing Municipal Workforce Expenditure

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART I)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

Introduction

For the Municipality to be successful in reaching its objectives, rendering services as required in the community and maintain a knowledgeable and skillful workforce, it is important to operate according to a sound and transparent staffing policy.

It is also important for the Municipality to staff its establishment with the best available employees for particular posts. The principle of sound labour relations and employment equity forms an indispensable part of the process.

Human Resources Management within the municipal environment is responsible for the administration of the municipal workforce by ensuring that the Municipality maintained effective and efficient functionality of human resource processes and procedures which are legislatively required and complied to.

Name of Departments	Number of Employees
Office of the Mayor	5
Office of the Speaker	3
Department Municipal Manager	10
Department of Financial Services Officer	27
Department of Corporate Services	39
Department of Engineering Services	109
Department of Community Services	45
Department of Protection Services	55
Total	293

The bulk of employees are attached to the Engineering Services department. This is simply because the department is service delivery centred and is heavily staffed to ensure that services are smoothly delivered to the communities. The employees enjoy benefits such as pension, medical aid, UIF, annual leave, group life, Home Owners Allowance, Leave etcetera.

There are two recognised trade unions at uMlalazi Municipality i.e. Independent Municipal and Allied Trade Union (IMATU) and South African Municipal Workers Union (SAMWU). The continuous engagement with organised labour is done at the level of the Local Labour Forum to ensure that there is labour stability and employees are consulted on matters of common interest.

The 2014/2015 financial year never experienced any industrial actions or work stoppage by labour. The Municipality is managed by the Accounting Officer (Municipal Manager) and 5 Manager directly accountable to the Municipal Manager.

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The only critical funded post that remained vacant throughout the 2014/2015 financial year was that of the Director Protection Services due to a legal process that was pending.

The following new positions were filled during the 2014/2015 financial year:

Name	Position	Date filled
Miss T B Ndawonde	Control Room operator	01/07/2014
Miss N N Zulu	Control Room operator	01/07/2014
Mr O N Gumede	Control Room operator	01/07/2014
Mr Z Yimba	Secretary	22/07/2013
Miss H Ntuli	Secretary	22/07/2013
Miss S V Zulu	Secretary	22/07/2014
Mr V B Mbatha	Senior Manager (Compliance)	17/12/2013
Mr N L S Fihlela	Manager in the Office of the Mayor	09/01/2014
Mr S N Mngomezulu	Audit Clerk	01/01/2014
Miss S Nkwanyana	Risk Management Officer	01/01/2014
Mr V T Manqele	Committee Officer	01/01/2014
Miss S C Makhathini	Administration Officer (Bid Committee's)	01/03/2014
Mrs T G Mdalose	Administrative Officer: Youth Advisory Centre.	01/03/2014
Miss M A Mbonambi	Administrative Officer: Public Participation	07/04/2014

The following posts were vacant as a result of resignations/retirements/deaths and were filled during the 2014/2015 financial year:-

Designation	Reason for vacancy	Period of vacancy	Position filled by
Manager Income	Internal transfer	08/07/2013	K W Nxumalo
Local Economic Development Officer	Dismissal	01/08/2014	M N M Vilakazi
Geographic Information Systems Officer	Resignation	12/08/2013	L W Sibiya
General Assistant	Dismissal	01/09/2013	R Govender
General Assistant	Retirement	01/09/2013	M Maytham
Driver Operator	Resignation	01/09/2013	T P Ngcobo
Senior Technician	Resignation	28/10/2013	S G G Cele
General assistant	Retirement	01/11/2013	Z Mkhize
General Assistant	Retirement	01/11/2013	S A Dube
General Assistant	Retirement	01/11/2013	M Majola
Cashier	Internal transfer	01/02/2014	L P Xulu
Driver Operator	Retirement	10/03/2014	B K Xulu
Librarian	Resignation	10/03/2014	T Mdutshane
Librarian	Resignation	10/03/2014	X C Biyela
Museum Curator	Resignation	01/04/2014	J Diemont

The municipality also experience sporadic resignations due to employees who have found greener pastures elsewhere.

COMPONENT B: MANAGING MUNICIPAL WORKFORCE

ORGANISATIONAL PERFORMANCE SCORECARD

This component includes the Annual Performance Scorecard Report for the financial year ending June 2015.

4.1 ORGANISATIONAL PERFORMANCE MANAGEMENT AND SDBIP REPORT

The Municipality has made tremendous strides in improving organisational performance and has improved its capacity in the following aspects;

- Developing and Setting of Key Performance Areas that complies with the SMART principle.
- Stronger / Clear linkage between IDP, Budget, SDBIP and Annual Report.
- Implementation of Performance Management System by creating an organisational culture of performance monitoring and evaluation.
- Review and expanding organisational Macro and Micro structures and the filling of key posts to implement projects and programmes.

The overall performance of the Municipality is managed and evaluated by a municipal scorecard at organisational level and through monitoring and evaluation of the detailed Departmental Service Delivery Budget Implementation Plan (SDBIP) at directorate levels.

Approval of SDBIP 2014/2015

- The Mayor approved the SDBIP for the 2014/2015 financial year on 28 June 2014.
- The SDBIP is the Municipality's strategic implementation tool and shows the alignment between the Integrated Development Plan, the budget and Annual Performance Agreements of all Section 57 managers.
- As it is a legislative requirement the municipal key performance indicators were revised and aligned for the 2014/2015 financial year.
- The SDBIP was made public and published on the municipal website

Quarterly Reporting on the SDBIP for 2014/2015

The PMS System serves as primary mechanism to monitor, review and improve the implementation of the municipality's IDP and eventually the budget. The municipal performance is evaluated and measured by means of a municipal scorecard, The Top-Level Service Delivery Budget Implementation Plan (SDBIP) and also the Departmental Service Delivery Budget Implementation Plan (SDBIP) at directorate and departmental levels.

Reporting on the Top-Level SDBIP for 2014/2015 has been submitted to Council in terms of Section 52 of the Municipal Finance Management Act.

The mid-year assessment report has also been submitted to the Audit Committee.

Individual Performance Management

The performance of a Municipality is integrally linked to that of staff. It is therefore important to link organisational performance to individual performance and to manage both simultaneously.

The following activities took place with regard to individual performance management during 2014/2015 financial year:

- All the Senior Managers (Section 57 employees) signed Performance Agreements.

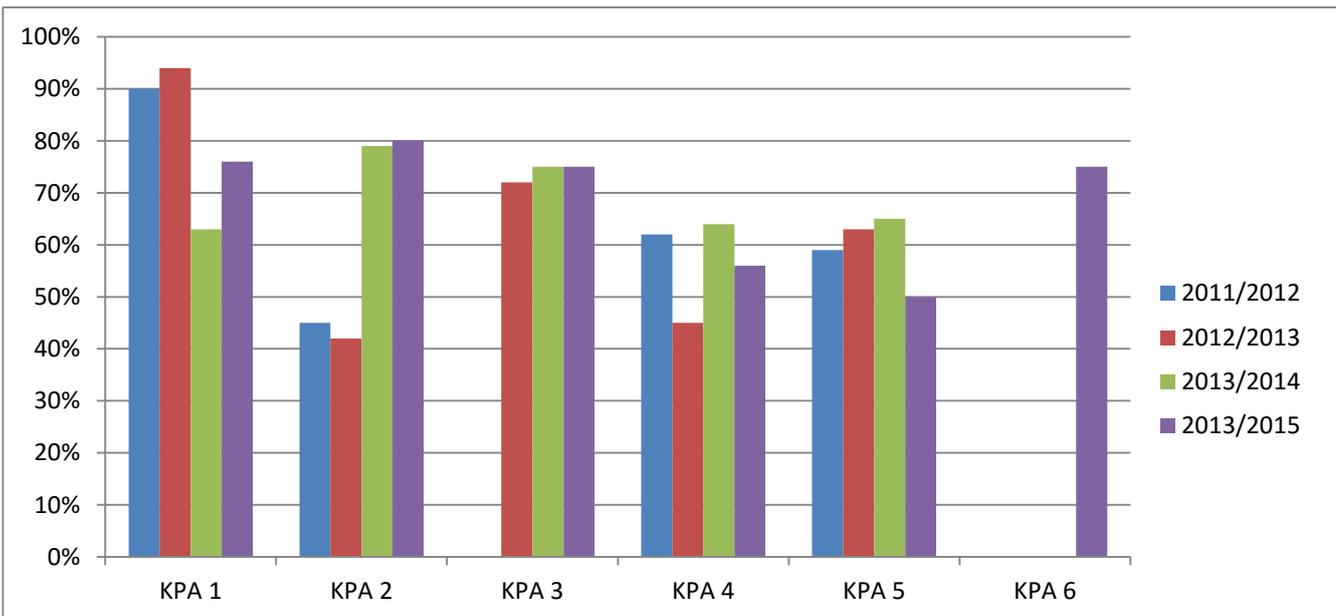
As per the signed performance agreements and plans for the Section 57 Employees for the financial year 2014-2015, the performance of the Municipal Manager and the managers reporting directly to the

Municipal Manager were evaluated in terms of the agreement within the required timeframes as set for the financial year

Overall performance

Table 1: Comparative Target Achievement Information

ANNUAL PERFORMANCE COMPARISON OF uMlalazi MUNICIPALITY OVER 4 YEARS				
	2011/2012	2012/2013	2013/2014	2014/2015
Annual Overall Performance	64%	63%	69%	72%
KEY PERFORMANCE AREA'S				
Municipal Transformation & Organisational Development	90%	94%	63%	76%
Basic Service Delivery & Infrastructure Development	45%	42%	79%	80%
Local Economic Development	KPA was excluded in Scorecard	72%	75%	75%
Good Governance & Public Participation	62%	45%	64%	56%
Financial Viability & Financial Management	59%	63%	65%	50%
Cross Cutting Issues	KPA was excluded in Scorecard	KPA was excluded in Scorecard	KPA was excluded in Scorecard	75%



Graph: Comparative Target Achievement Information

5. Performance Management Processes

Key performance indicators have been refined in support of the municipality's development priorities and objectives as set out in the revised IDP framework and will remain for the duration of the IDP period

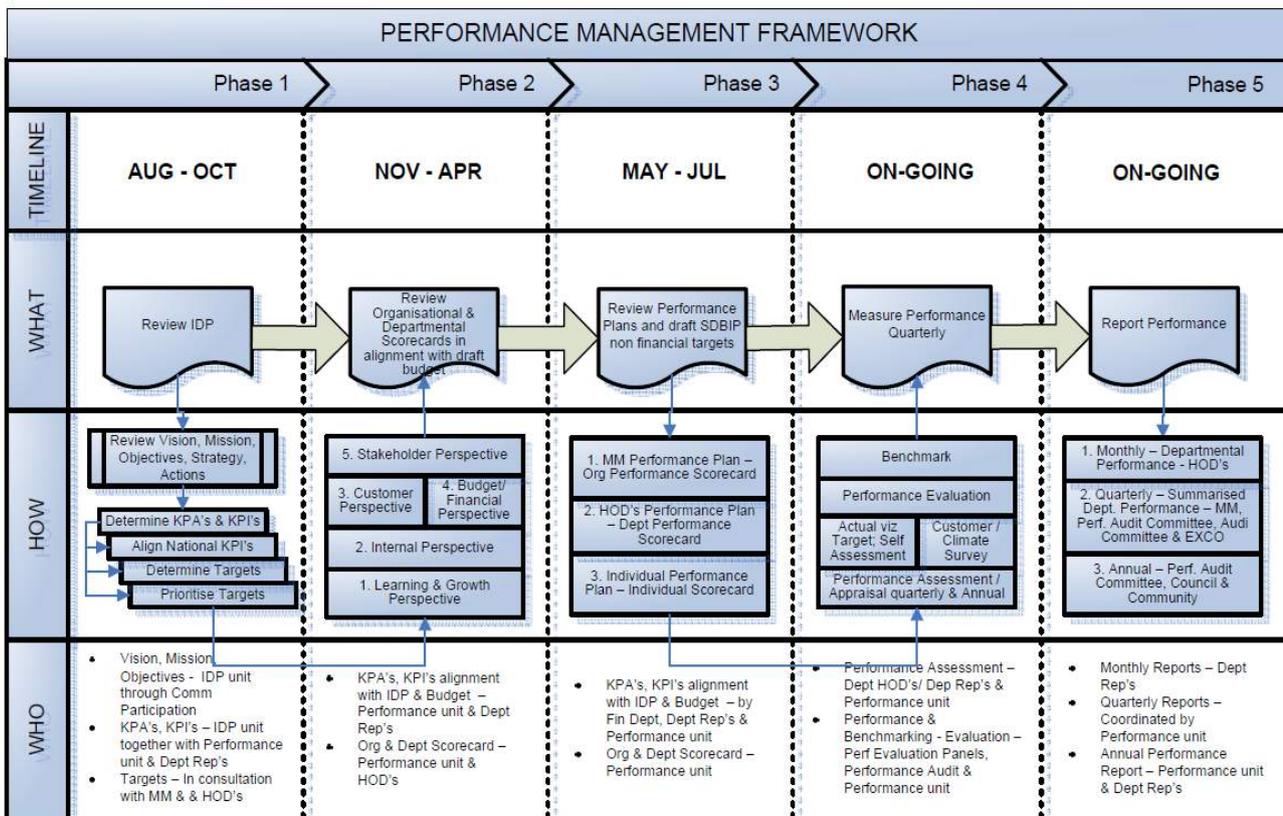
for consistency in measuring and reporting on long term strategies and projects. Measurable performance targets with regard to each of these development priorities and objectives were established. A process to ensure regular reporting is in place and is fed back to the Council via the Audit Committee.

Individual performance agreements and performance plans are prepared in line with provisions prescribed in the Performance Regulations (Notice 805, published on 1 August 2006 in the official gazette) and signed by the Municipal Manager and Heads of Department. These agreements are fully implemented and aligned with the Service Delivery and Budget Implementation Plan as required in terms of the Municipal Finance Management Act.

Performance Evaluation Panels have also been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager. These panels meet on an annual basis to evaluate individual performance.

The following diagram illustrates a summary of the performance management framework for the uMlalazi Municipality for performance measurement and reporting, adhering to the guidelines suggested by KwaZulu-Natal Province, Department for Cooperative Governance and Traditional Affairs:

Table 2: Summary of Performance Management Framework



In the 2014/2015 financial year, every attempt was made to ensure that the municipality complies with legislation concerning the development, operation and maintenance of a performance management

system that is commensurate to the institutional service delivery objectives captured in the IDP. The uMlalazi Municipality has continued to maintain the effective operation of the following mechanisms:

- The 2014/2015 IDP included strategic objectives, strategies and key performance indicators (KPIs) as required by the Municipal Systems Act, 32 of 2000;
- The budget for implementation of the IDP was approved within the prescribed timelines prescribed in the Municipal Finance Management Act, 56 of 2003;
- After approval of the budget, the SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies;
- Performance agreements with performance plans were developed, signed and approved as required by the Municipal Performance Regulations, 2006;

The Quarterly assessments of performance of Managers directly reporting to the Municipal Manager as well as the Municipal Manager’s performance were conducted by a duly constituted performance evaluation panel as required by the performance regulations; and

The Performance Audit Committee (PAC) functioned optimally in the year; in line with the committee’s approved terms of reference. The meetings to assess the Performance of the Municipal Manager and the Managers directly accountable to the Municipal Manager were conducted as follows:

Table 3: Summary of Performance Assessment meetings

DATE OF MEETING	DETAILS
22 December 2014	Quarter 1 - One-one-one performance assessments of Chief Financial Officer and Directors
12 February 2015	Quarter 1 - One-one-one performance assessment of MM
19 May 2015	Quarter 2 – One-one-one performance assessments of Chief Financial Officer and Directors
05 June 2015	Quarter 2 – One-one-one performance assessment of M
19 May 2015	Quarter 3 - One-one-one performance assessments of Chief Financial Officer and Directors
05 June 2015	Quarter 3 - One-one-one performance assessment of MM

The performance assessments were objectively and independently audited by the Internal Audit unit to verify and to confirm performance information as reflected in the reports; the unit also confirmed the credibility of evidence that was submitted quarterly;

6. Performance and Supporting Information

6.1 Background to municipal scorecard

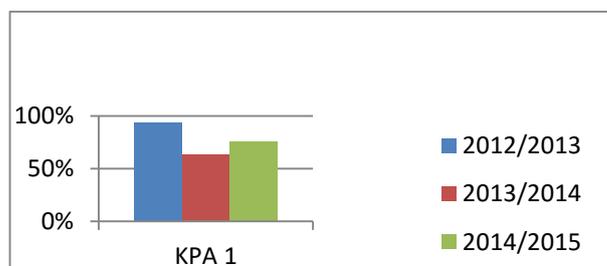
6.1.1 The Municipal Scorecard below reflects the 5 national KPA’s and local priorities and enables a wider assessment of how the municipality is performing.

- 6.1.2** The performance report is based on measures included within the Municipal Scorecard.
- 6.1.3** This incorporates 64 priority measures selected from the IDP. The criteria used reflect factors such as previous performance levels, comparative performance and budget implications. These were agreed by Council on 30 June 2014. These targets were reviewed and updated at Council meeting on 24 February 2015.
- 6.1.4** Summary performance results for all priority measures included in the municipal scorecard are as follows.

6.3 Summary of Performance in terms of the Scorecard

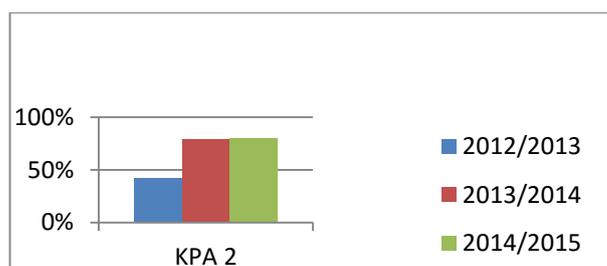
KPA 1: Municipal Institutional Development and Transformation

The total number of targets set for this KPA is 21. There were 5 targets not achieved. Overall achievement for the KPA is 76% for 2014/2015, increased by 13% from 2013/2014.



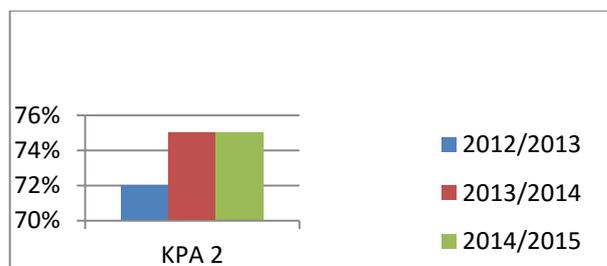
KPA 2: Basic Service Delivery

The total number of targets set for this KPA is 20. There were 4 targets not achieved. Overall achievement for the KPA is 80% for 2014/2015, up by 1% from 2013/2014.



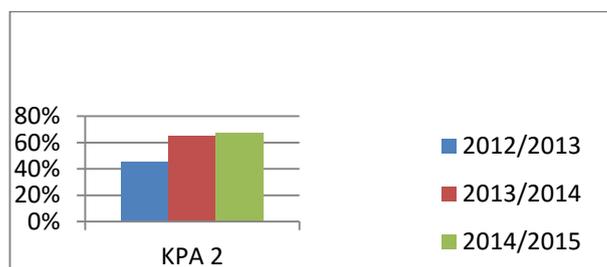
KPA 3: Local Economic Development

The total number of targets set for this KPA is 4. There was 1 target not achieved. Overall achievement for the KPA is 75% for 2014/2015, same as 2013/2014.



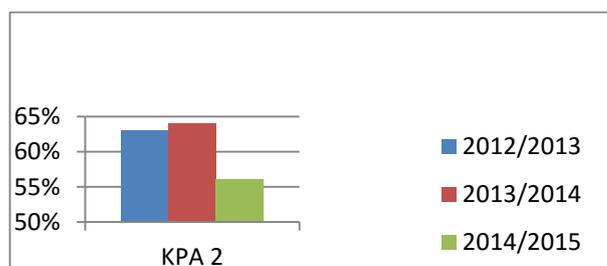
KPA 4: Municipal Financial Viability and Management

The total number of targets set for this KPA is 6. There were 2 targets not achieved. Overall achievement for the KPA is 67% for 2014/2015, up by 2% from 2013/2014.



KPA 5: Good Governance and Public Participation

The total number of targets set for this KPA is 9. There were 4 targets not achieved. Overall achievement for the KPA is 56% for 2014/2015, down by 8% from 2013/2014.



1.1 Performance Highlights for 2013/2014 & 2014/2015

2013/2014	2014/2015
The Municipality has successfully finalised the process of the placement of staff into the new organisational structure. This process has improved the capacity challenges that the municipality was facing and will continuously improve until all vacant positions are funded and filled.	The Municipality has filled the vacant post of IDP Manager. Critical posts have been identified and approved for filling in the 2015/2016 budget.
There is also significant improvement with regards to performance reporting by all departments in terms of monthly reporting to the Executive Committee.	Performance reports are submitted to EXCO quarterly and monthly to MANCO.
The functioning of the Municipality's Records office has improved and the department is in the process of integrating the records office which will function in terms of the National Archives Act.	The document Management system has been installed.
The Municipality has improved its relations with uThungulu District Municipality and Eskom by attending alignment meetings regularly. These relations are an important part of service delivery to ensure that the demand for services such as water, sanitation and electricity are addressed for the uMlalazi Municipality community.	The Municipality is still maintaining good progress made in this section in the year under review.
10710 Households situated in 14 rural wards are provided with free refuse removal services and simultaneously through this service temporary jobs are created for unemployed people.	11115 households are provided with free refuse removal services and simultaneously through this service temporary jobs are created for unemployed people
The Municipality has ensured that communities have access to community facilities by providing grading services for rural access roads during inclement weather.	The Municipality is still maintaining good progress made in this section in the year under review.
Trading area plans have been benchmarked and approved by the Portfolio Committee in order to formalise trading areas commencing with the main town being Osborne Road in Eshowe which will avoid congestion in the streets. The trading areas at the Eshowe Bus and Taxi Rank is also being formalised with assistance from the Department of Economic Development and Tourism.	The SCM process was finalized, however the trading shelters were not constructed.
The Municipality's Project Management Unit undertook numerous site inspections during the construction of capital infrastructure projects although the unit had capacity constraints	The Municipality's Project Management Unit undertook numerous site inspections during the construction of capital infrastructure projects although the unit still had capacity constraints
This target was a challenge in the 2013/2014 FY.	The municipality exceeded the target on the upgrading of roads.
The target set for the period under review for job creation was 500 and the municipality has exceeded this target by creating 771 jobs. There was a further 1000 jobs by the CWP through the assistance of the Department of Co-operative Governance and Traditional Affairs.	The Municipality maintained the good progress on job creation initiatives and managed to create 694 jobs through the EPWP programme and 1017 through CWP.
The municipality has done exceptionally well by exceeding the target set of maintaining its collection rate against billing. The achievement as at the end of the period under review is 96.97%.	The municipality has once again done exceptionally well by exceeding the target set of maintaining its collection rate against billing. The achievement as at the end of the period under review is 97.42%.
The payments to creditors are in most instances made within 30 days except in instances where there is a problem with a specific invoice or the work was not up to standard	This area of good performance is still maintained. Creditors are paid within 30 days.
There are more control measures in place in the municipality compared to the previous years in terms of Fraud and Risk. The Senior officials of the municipality have received training through National Treasury on fraud and risk.	This area of good performance us still maintained

1.2 Challenges for 2013/2014 & 2014/2015

2013/2014 Challenges	2013/2014 Measures taken to improve performance	2014/2015 Challenges	2014/2015 Measures taken to improve performance
The Municipality is lacking in its planning in terms of providing adequate training for staff and Councillors. 24% of the training budget for staff has not been spent and 64% of the training budget for Councillors still remained at the end of the financial year.	In terms of training, measures have been taken to commence with the SCM process in the beginning of the new financial year to avoid last minute spending.	This area still remains a challenge. Only 36% of Councillor training budget was spent and 61% of staff training budget.	A budget allocation has been made to appoint a training officer in the HR department. A training committee has been established
The Municipality failed to undertake Employee Assistance Programmes due to companies not willing to undertake such assistance at no cost.	The Municipality has included a position of Employee Assistance Practitioner in the organogram.	A target was not set due to the fact that no budget was accommodated.	No measures can be taken as there was no target set in the year under review
Only 58% of job descriptions were done due to insufficient funds budgeted for the service provider to produce the remaining job descriptions.	-	Challenge addressed in 2014/2015 – all job descriptions were completed.	No measures are implemented as the challenge was addresses
The critical post of Director Protection Services remained vacant throughout the 2013/2014 financial year due to a pending legal dispute.	The vacant position of Director Protection Services has been advertised and will be filled in the 2014/2015 financial year.	The Director Protection Services post is still not filled. This is a major challenge.	There was a challenge with the appointment of a Municipal Manager of another Municipality to form part of the interview panel. This challenge is now addressed by the appointment of the MM from Mthonjaneni
This target was not set in 2013/2014	This target was not set in 2013/2014	Needs assessment for the uses of Services Providers was not done.	The target was only set for the Engineering department and due to Multi-year projects the assessment was not required for that department, however this target has been included in all department in 2015/2016 FY to ensure that needs assessments are undertaken in all departments prior to the appointment of Service Providers.
This target was not set in 2013/2014	This target was not set in 2013/2014	The Employment Equity Plan is a challenge in the 3 highest levels of management. The gaps are not filled by new appointments.	It is not practical to ensure 100% of people employed in 3 highest levels of management are in compliance with EEP. This is due to the fact that only vacant posts can be targeted and in this regard we can only target these posts. WE will therefore be specific and stipulate the positions that will be targeted.
This target was not set in 2013/2014	This target was not set in 2013/2014	The investigation on the expansion of the civic centre is still outstanding	The tender is in the processed of being re-advertised

		and this is a major challenge as there is insufficient office space to accommodate the required capacity.	
The slow progress on the survey of the site demarcated for the new Testing Station was a challenge due to the lengthy EIA process that was required to be undertaken.	EIA will be finalised in 2014/2015	Challenge addressed in 2014/2015 – EIA finalised	No measures are implemented as the challenge was addresses
The Municipality does not have an Environmental Department and therefore faced a challenge when Environmental matters needed to be pursued for example the Coastal Working Group meeting held at the District was only attended once.	The organisational structure includes the position of an Environmentalist. This will eliminate the challenge	The challenge still remains	The position of Environment Officer has been budgeted in 2015/2016
The other challenge in terms of this KPA was the development of a Regional Cemetery. The Municipality in consultation with the District Municipality are trying to locate land in the rural area to accommodate the Regional Cemetery.	The Municipality has located a site for the Regional Cemetery and is in discussion with the Inkosi.	Still remains a challenge – was not included in the 2014/2015 plan	No measures can be taken as there was no target set in the year under review
The Municipality had received 100 applications from the Youth for skills development, however only 19 met the criteria. The target of 40 could not be met.	Steps have been taken to ensure that Ward Councillors in consultation with their ward Committees approach deserving youth who meet the criteria to apply for such assistance in future.	The target was not set as this was not SMART due to the fact that we cannot determine in advance how many applicants would qualify in terms of the assessment on the applications.	No measures can be taken as there was no target set in the year under review
The Municipality approached the Department of Agriculture to sign a MOU in order to establish a partnership with them and compile an Agricultural Plan for the Municipal area but no response was received	Steps have been taken to ensure that pressure is put on the department to respond timeously.	The target was not set as this was not SMART as we cannot be responsible for another department. This target was dependent on whether the Department of Agriculture would sign the MOU.	No measures can be taken as there was no target set in the year under review
This target was not set in 2013/2014	This target was not set in 2013/2014	Database for businesses was not done	The department will be embarking on a job creation initiative and employ youth for a month to undertake the survey and compile the database
The MIG expenditure remains a challenge due to poor planning.	A procurement plan has been done and aligned to the SDBIP. Proper planning of the MIG expenditure has been done in consultation with the PMU.	The Municipality has improved – the MIG expenditure is 81%, however the planning must still improve to avoid last minute spending	A procurement plan has been done and aligned to the SDBIP. PMU will be capacitated in 2015/2016 as the post of PMU Manager has been included in the budget.

The Municipality does not have an approved land use register and therefore the demand for land is not addressed.	The draft land use register has been done	Challenge addressed – Land use register approved	No measures are implemented as the challenge was addresses
A budget is allocated for recycling however the decrease of waste transported to the landfill site is not measured and in this regard it cannot be determined whether the recycling methods are working.	A baseline is set and continuous monitoring will be done by the Finance and Engineering department.	This area still remains a challenge	A baseline is set and continuous monitoring will be done by the Community Services department
The contract entered into with TMT is still a concern as the collection rate is low.	There was an increase in revenue collection in the last quarter. The performance targets of the new Director's will include the TMT contract viability. Should the collection rate not improve the municipality will re-look at the contract.	As per Performance assessment done in 2014/2015 – this challenge has been addressed	No measures are implemented as the challenge was addresses
This target was not set in 2013/2014	This target was not set in 2013/2014	Capital expenditure still not over 90%.	Will be monitored through SDBIP and Procurement Plan
The major concern is the poor functioning of Ward Committees. Despite trainings provided to Ward Committees they still fail to hold meetings and submit reports timeously. Functionality of Ward Committees remains a challenge.	Training will be provided and COGTA will be required to assist	This area still remains a challenge	The Municipal Manager forwarded a memo to the Speaker of Council advising her of the poor functioning of Ward Committees
A further challenge is the Municipal Co-operative Relations as there is no progress on re-signing of the Agreements entered into with Norway and Belgium municipalities.	N/A	This area still remains a challenge	Target included on 2015/2016 scorecard to investigate other National and International relations that would add value to the Municipality
This target was not set in 2013/2014	This target was not set in 2013/2014	IDP Roadshows were not undertaken in all wards	Capacity addressed budget has been included in 2015/2016 to appoint Communication department staff and IDP Officer

6.1 Key Areas to Note

2013/2014	2014/2015
The implementation of the placement of staff into the new organisational structure was a success in terms of addressing capacity constraints. The funding and filling of the vacant posts in the 2015/2016 financial year will further close the capacity gaps.	Budget has been included in 2015/2016 to address capacity.
Free refuse services is provided to households in the rural wards and in the past the number of households was estimated. There is a major improvement in this area as the people that are employed to collect the refuse were tasked to get the signatures of the households in order to get an accurate number of households receiving the service. We intend on going a step further by confirming the details with Ward Committees.	This area of Service delivery is still maintained.
The rehabilitation of urban roads was put on hold during the year under review in order to accommodate the grading of rural access roads which was a much needed service during inclement weather conditions.	The rehabilitation of urban roads was done in 2014/2015. 2.6km of road was upgraded.
The MPAC undertook a site visit to a project which commenced in 2011 and was left incomplete. Following the visit attempts was made to ensure the projects is completed. The Creche at Ward 8 is now complete.	Following the MPAC site visits these projects were completed and further visits were undertaken by MPAC and Management.
The target set for the period under review for job creation was 500 and the municipality has exceeded this target by creating 771 jobs. There was a further 1000 jobs by the CWP through the assistance of the Department of Co-operative Governance and Traditional Affairs.	The target set for the period under review for job creation was 1650 and the municipality has exceeded this target by creating 1711 jobs through EPWP and CWP.
The 96.97% collection rate against billing as at the end of June 2014 was an excellent achievement for the Municipality. The collection rate was maintained throughout the period at over 90%, which was the target	The 97.42% collection rate against billing as at the end of June 2015 was an excellent achievement for the Municipality

Deteriorating Performance

2013/2014	2014/2015
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The percentage budget remaining on staff (24%) and Councillors (64%) training is very high. An improvement will be made in the new financial year by processing the SCM processes early in the Financial year in terms of the SDBIP.	The percentage budget spent on staff (61%) and Councillors (36%) training is very low.
The critical post of Director Protection Services remained vacant throughout the year due to legal disputes. This has been resolved and the post will be filled in the beginning of the new financial year.	The critical post of Director Protection Services remained vacant throughout the year
The functioning of Ward Committees is a major concern. Trainings were provided to Ward Committees but they still fail to submit quarterly reports timeously. A Public Participation Officer has been appointed in the Office of the Speaker. This official will assist in ensuring the functionality.	The functioning of Ward Committees is a major concern
Agreements were entered into with the Municipalities of Norway and Belgium to promote Co-operative Relations, however during the year under review the relations were stagnant and therefore the municipality did not achieve the target set. The municipality will investigate the possibility of promoting C-operative relations with Municipalities in South Africa.	Agreements were entered into with the Municipalities of Norway and Belgium to promote Co-operative Relations, however during the year under review the relations were stagnant and therefore the municipality did not achieve the target set. The municipality will investigate the possibility of promoting C-operative relations with Municipalities in South Africa.

6.6 Lessons Learnt and Way Forward

The most important lesson that should be learnt is that the end result of poor planning is poor performance and in this regard an action plan will be implemented for those targets that have not been met in the year under review in order that improvements are made.

7. DEPARTMENTAL PERFORMANCE

The performance of a Municipality is integrally linked to that of staff. It is therefore important to link organisational performance to individual performance and to manage both simultaneously.

The following activities took place with regard to individual performance management during 2014/2015 financial year:

- All the Senior Managers (Section 57 employees) signed Performance Agreements.

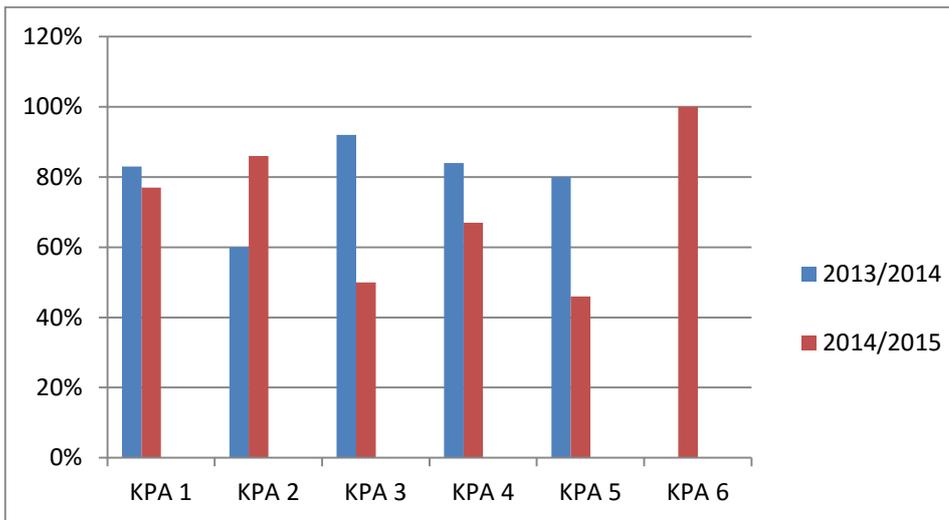
As per the signed performance agreements and plans for the Section 57 Employees for the financial year 2014-2015, the performance of the Municipal Manager and the managers reporting directly to the Municipal Manager were evaluated in terms of the agreement within the required timeframes as set for the financial year.

Further full information on the performance of each department in regard to its specific functional areas, are recorded in performance scorecard format and can be viewed in detail below:-

3.6.1. Department Municipal Manager (Annexure A 1)

The performance plan of the Municipal Manager has 42 targets. The performance is summarised as follows in terms of achievements/non-achievements:-

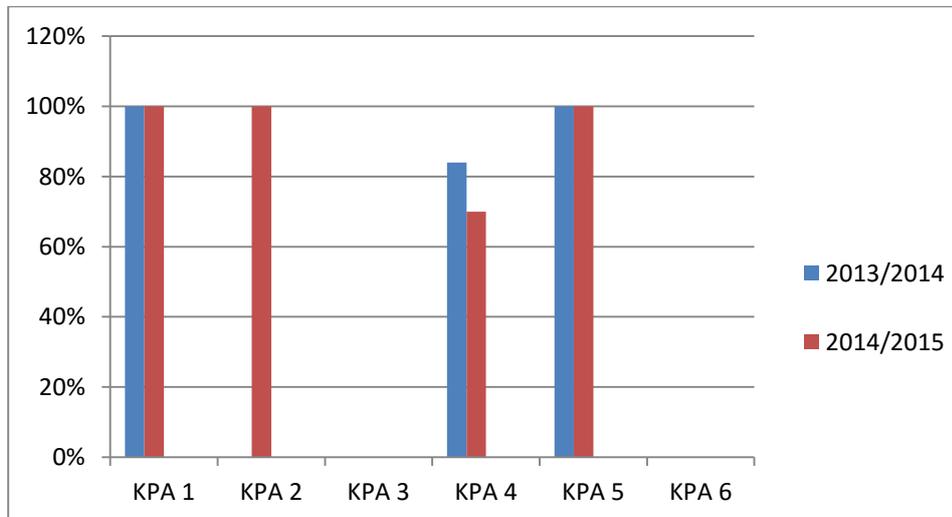
KPA	Total Number of targets	Number of targets achieved	Number of targets not achieved	Targets not achieved
Municipal Transformation & Institutional Development	13	10	3	Appointment of Director Protection Services Not achieved due to pending legal process Training budget for staff and Councillors was not spent Employment Equity target was not achieved
Basic Service Delivery	7	6	1	Operation Sukuma Sakhe reports were not submitted to Portfolio Committee
Local Economic Development	2	1	1	Database for businesses was not developed
Municipal Financial Viability and Management	6	5	1	Capital expenditure was not 90%
Good Governance & Public Participation	13	6	7	HIV/Aids plan was not developed PMS Unit was not capacitated Risk training was not done for the remaining 73 staff members Investigation on alternative twinning arrangements was not done Process plan was not discussed at Ward Committee level Ward Committees were non-functional MCOR meetings were not held
Cross Cutting Issues	1	1	0	
TOTAL	42	29 (69%)	13 (31%)	



3.6.2 Department Financial Services (Annexure A 2)

The performance plan of the Chief Financial Officer has 29 targets. The performance is summarised as follows in terms of achievements/non-achievements:-

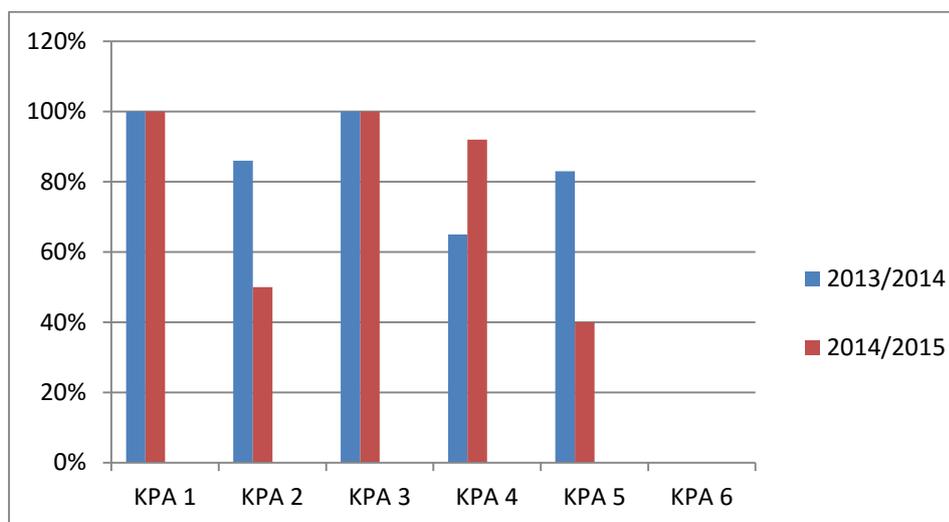
KPA	Total Number of targets	Number of targets achieved	Number of targets not achieved	Summary of Targets not achieved
Municipal Transformation & Institutional Development	8	8	0	0
Basic Service Delivery	1	1	0	0
Municipal Financial Viability and Management	13	9	4	Rates Committee meetings did not take place SCM offices were not extended as per budget allocation Furniture for SCM not purchased Office renovations were not done
Good Governance & Public Participation	6	6	0	0
TOTAL	29	25 (86%)	4 (14%)	



3.6.3 Department Community Services (Annexure A 3)

The performance plan of the Director Community Services has 36 targets. The performance is summarised as follows in terms of achievements/non-achievements:-

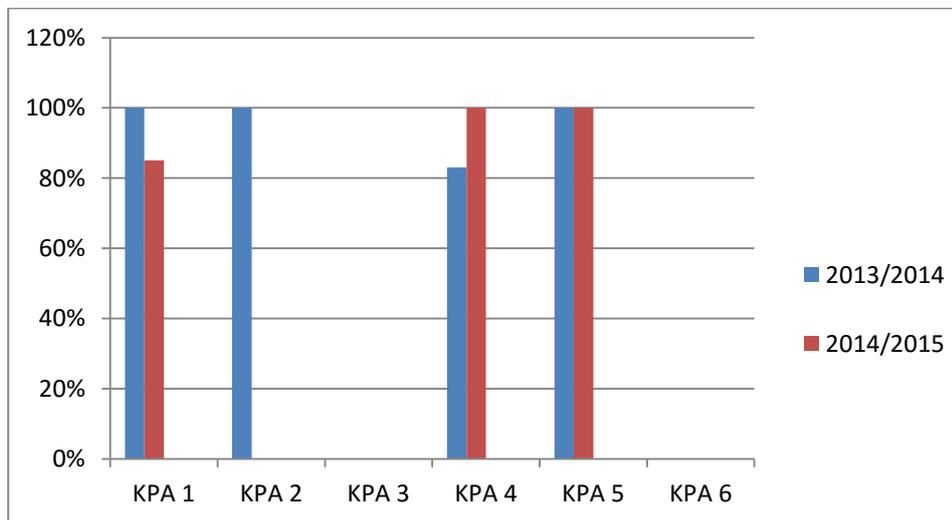
KPA	Total Number of targets	Number of targets achieved	Number of targets not achieved	Targets not achieved
Municipal Transformation & Institutional Development	6	5	1	Reports were not forwarded to MM on actioning of resolutions
Basic Service Delivery	6	4	2	Decrease of tonnage of waste could not be measured
				Rural community facilities were not transferred to the municipality
Local Economic Development	5		0	N/A
Municipal Financial Viability and Management	13		1	Budget on the construction of change rooms was not spent
Good Governance & Public Participation	5		3	Target not met in terms of number of LTT meetings held
				Rural facilities not maintained
				Cameras were not installed for safety
TOTAL	36		7	81% achieved



3.6.4 Department Corporate Services (Annexure A 4)

The performance plan of the Director Corporate Services has 27 targets. The performance is summarised as follows in terms of achievements/non-achievements:-

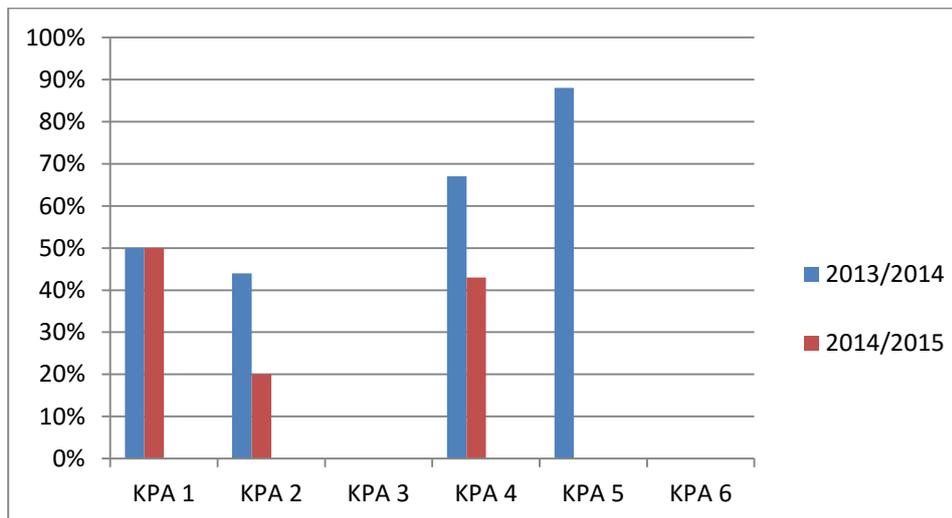
KPA	Total Number of targets	Number of targets not achieved	Targets not achieved
Municipal Transformation & Institutional Development	13	2	Training budget for staff and Councillors was not spent Employment Equity target was not achieved
Municipal Financial Viability and Management	9	0	N/A
Good Governance & Public Participation	3	0	N/A
TOTAL	27	2	93% achieved



3.6.5 Department Protection Services (Annexure A 5)

The performance plan of the Director Protection Services has 18 targets. The performance is summarised as follows in terms of achievements/non-achievements:-

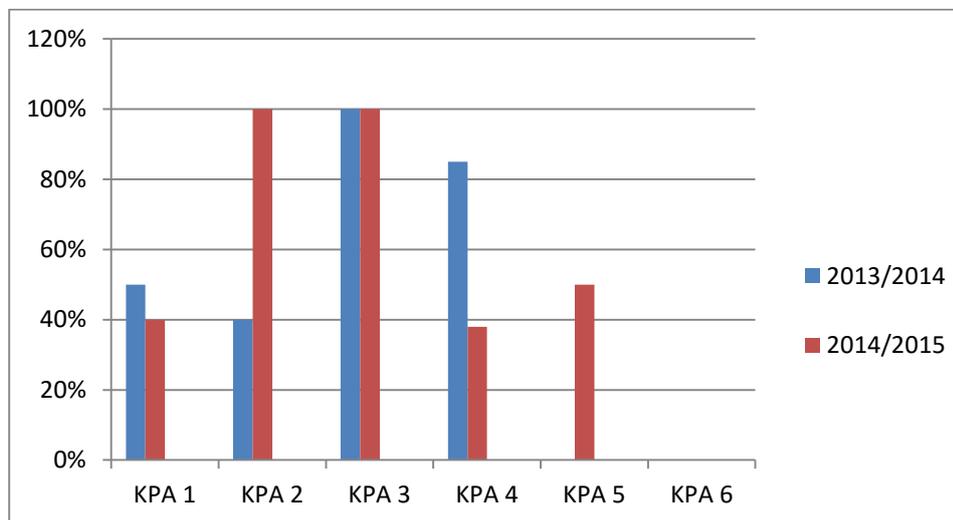
KPA	Total Number of targets	Number of targets not achieved	Targets not achieved
Municipal Transformation & Institutional Development	4	2	Insufficient staff meetings were held Reports were not submitted to MM on actioning of resolutions
Basic Service Delivery	5	4	No report was submitted to Portfolio Committee on rural satellite fire stations Disaster Forum was not established Report was not submitted to Portfolio Committee on the effectiveness of the Disaster Forum Crime prevention plan was not done
Municipal Financial Viability and Management	7	4	No meetings held with the Pound masters and reported to Portfolio Committee Rural fire prevention training reports were not submitted to the Portfolio Committee Upgrade of fire station living quarters were not done Equipment was not purchased
TOTAL	18	10	45% achieved



3.6.6 Department Engineering Services (Annexure A 6)

The performance plan of the Director Engineering Services has 33 targets. The performance is summarised as follows in terms of achievements/non-achievements:-

KPA	Total Number of targets	Number of targets not achieved	Targets not achieved
Municipal Transformation & Institutional Development	5	3	Reports were not submitted to MM on actioning of resolutions
			Needs assessment for the use of Service Providers was not done
			Investigation on the expansion of the civic centre was not done
Basic Service Delivery	17	0	N/A
Local Economic Development	1	0	N/A
Municipal Financial Viability and Management	8	5	Upgrade of Sunnysdale intersection was not done
			Auto recloser was not purchased
			Budget on landfill site was not spent
			Budget on Kwayabu Sports field was not spent
			Budget on Nkume Sports field was not spent
Good Governance & Public Participation	2	1	Vehicle tracking system was not installed
TOTAL	33	9	73% achieved



3.6.6 Department Planning & Development (Annexure A 7)

The performance plan of the Planning & Development department has 14 targets. The performance is summarised as follows in terms of achievements/non-achievements:-

KPA	Total Number of targets	Number of targets not achieved	Targets not achieved
Basic Service Delivery	5	3	Housing Forum meetings were not held
			Outstanding transfer of houses were not finalised
			Trading area shelters were not constructed at Osborne Road
Local Economic Development	3	1	Database for businesses was not done
Municipal Financial Viability and Management	1	1	Budget on office building was not spent
Good Governance & Public Participation	1	1	IDP roads shows were not held in all wards
Cross Cutting Issues	4	1	Coastal Working Group meetings were not attended and reported to Portfolio Committee
TOTAL	14	7	50% achieved

ANNUAL PERFORMANCE REPORT

ORGANISATIONAL PERFORMANCE MANAGEMENT SCORECARD

Targets achieved

Targets not achieved

* Targets were achieved – therefore no variance & planned measures recorded

IDP REF	OPMS REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES TAKEN TO IMPROVE PERFORMANCE
					TARGET	ACTUAL	TARGET	ACTUAL		
KPA 1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT										
1.1.1	OPMS 1	To improve Service Delivery and the image of uMlalazi Municipality	Identify critical posts & fill funded critical post of IDP Manager by 31 March 2015.	Date of approval of critical posts by LLF and filling of funded vacant post of IDP Manager.	Finalization of placement of staff according to new structure to be completed by 30 June 2014	Placements completed on 01 April 2014	Critical posts to be identified & funded vacant posts of IDP Manager to be filled by 31 March 2015.	Critical posts identified and funded in Council budget approved * IDP Manager appointed on 01 February 2015.	*	*
1.1.2	OPMS 2		Complete outstanding job descriptions for newly established posts in the organogram by 31 March 2015	Percentage of outstanding job descriptions completed by 30 June 2015	100% of job descriptions to be completed by 30 June 2014	58% of job descriptions completed	100% of remaining job descriptions to be completed by 30 June 2015	100%	*	*
1.1.3	OPMS 3		To ensure that all S54/56 Performance Agreements are signed by 31 July 2014.	No of S54/56 Performance Agreements signed by 31 July 2014.	5 x S54/56 Performance Agreements (MM, CFO, DCS, DES, DCOM) signed by 31 July 2013 and 1 x S54/56 Agreement (DPS) to be signed by 30 June 2014.	* 5 Performance Agreements signed on 31 July 2013 * DPS post vacant	5 x S54/56 Performance Agreements (MM, CFO, DCS, DES, DCOM) signed by 31 July 2014 and 1 x S54/56 Agreement (DPS) to be signed by 31 March 2015.	* 5 Performance Agreements signed on 31 July 2014 * DPS post vacant	DPS post not filled	There was a challenge with the appointment of a Municipal Manager of another Municipality to form part of the interview panel. This challenge is now addressed by the appointment of

IDP REF	OPMS REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES TAKEN TO IMPROVE PERFORMANCE
					TARGET	ACTUAL	TARGET	ACTUAL		
										the MM from Mthonjaneni
1.2.1	OPMS 4	Organisational skills development and capacity building	Undertake training for staff and Councillors as per skills development plan and to ensure at least 90% of training budget is spent by 30 June 2015.	Percentage of training budget actually spent on skills development and capacity building by 30 June 2015.	100% of training budget to be spent by 30 June 2015.	76% of staff training budget spent 38% of Cllrs training budget spent	90% of training budget to be spent by 30 June 2015.	* 89% spent on staff training * 36% spent on Councillor training	90% of budget not spent	There is staff capacity in the department and a budget allocation has been made to appoint a training officer in the HR department. A training committee has been established also been established
1.2.2	OPMS 5		Develop a succession plan for staff by 30 June 2015	Date of approval of succession plan by EXCO	Target did not appear in 2013/2014 scorecard	Succession plan to be approved by EXCO by 30 June 2015	Succession plan approved by EXCO on 03 June 2015	*	*	
1.2.3	OPMS 6		Implement and support internship, learnership and in-service training programmes	Number of reports submitted to LLF on internship, learnership and in-service trainings/programmes implemented	Target did not appear in 2013/2014 scorecard	4 reports to be submitted to LLF on internship, learnership and in-service trainings/programmes implemented	4 reports submitted to LLF on 23 September, 04 & 25 March & 27 May	*	*	
1.3.1	OPMS 7	Improve Contract management	Conduct needs assessment by 31 March 2015 for the use of Service Providers and submit reports to the Portfolio Committee on updates done on the Contracts Register .	Date of approval by EXCO of needs assessment for the use of Service Providers and Number of reports submitted to the Portfolio Committee on updates to contracts register	Target did not appear in 2013/2014 scorecard	Needs assessment for the use of Service Providers to be approved by EXCO by 31 March 2015. 4 reports to be submitted to Council on the updates made to the Contract Register	* Needs assessment for the use of Service Providers not achieved. * 4 reports submitted to Council on the updates made to the Contract Register	Needs assessment for the use of Service Providers was not achieved.	The target was only set for the Engineering department and due to Multi-year projects the assessment was not required for that department, however this target has been included in all department in 2015/2016 FY to ensure that needs assessments are undertaken in all departments prior to	

IDP REF	OPMS REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES TAKEN TO IMPROVE PERFORMANCE
					TARGET	ACTUAL	TARGET	ACTUAL		
										the appointment of Service Providers.
1.3.2	OPMS 8		Develop a Policy on the management of Service Providers by 30 May 2015	Date of approval by EXCO of Policy on the management of Service Providers	Target did not appear in 2013/2014 scorecard		Policy on the management of Service Providers to be approved by EXCO by 30 May 2015.	Policy approved by EXCO on 13 May 2015	*	*
1.4.1	OPMS 9	Improve ICT Systems within the Municipality	Submit Quarterly reports to ICT Steering Committee on Improvements made to ICT Systems (Computer Audits, Document Management Systems, Communication Plan, Switchboard, Website)	Number of reports submitted to ICT Steering Committee on Improvements made to ICT Systems	Target did not appear in 2013/2014 scorecard		2 reports to be submitted to ICT Steering Committee on Improvements made to ICT Systems	5 reports submitted to ICT Steering Committee on Improvements made to ICT Systems	*	*
1.5.1	OPMS 10	To ensure effective and efficient Municipal Administration and communication	Administer Council, EXCO, Portfolio and staff meetings	No. Of Council, EXCO, Portfolio and staff meetings held	Ensure that 6 Council, 11 Exco, 38 Portfolio Committee & 24 MANCO meetings are held in the 2013/2014 FY.	13 x Council meetings; 13 x Exco 18 MANCO	Ensure that 4 Council, 11 Exco, 38 Portfolio Committee & 24 MANCO meetings are held in the 2014/2015 FY.	14 x Council meetings; 14 x Exco ; 42 x Portfolio meetings; 24 MANCO	*	*
1.5.2	OPMS 11		Develop/Review communication framework/strategy	Date of approval of communication strategy by EXCO	Target did not appear in 2013/2014 scorecard		'Communication strategy to be approved by EXCO by 30 June 2015.	Communication strategy approved by EXCO on 01 April 2015 & Council on 30 June 2015	*	*
1.6.1	OPMS 12	Ensure effective Municipal oversight	Develop SMART Organisational Performance Management Systems by 30 June 2015	Date of approval of OPMS by Council	OPMS Scorecard for 2014/2015 FY to be approved with IDP by 30 June 2014	OPMS Scorecard approved with IDP on 30 June 2014	OPMS Scorecard for 2015/2016 FY to be approved with IDP by 30 June 2015.	OPMS Scorecard approved with IDP on 30 June 2015	*	*
1.6.2	OPMS 13		Submit Quarterly PMS reports to Council & Internal Audit	No. Of Quarterly PMS reports submitted o Council	4 PMS reports to be submitted to Council and Internal Audit in the 2013/2014 FY.	4 PMS reports submitted to Council and Internal Audit	4 PMS reports submitted to Council and Internal Audit in the 2014/2015 FY.	4 PMS reports submitted to Council and Internal Audit	*	*

IDP REF	OPMS REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES TAKEN TO IMPROVE PERFORMANCE
					TARGET	ACTUAL	TARGET	ACTUAL		
				and Audit Committee						
1.6.3	OPMS 14	Strengthen and improve employment equity in the municipality	Hold Bi-annual Performance Audit Committee meetings	No of PAC meetings held	2 PAC meetings to be held in the 2013/2014 FY.	4 PAC meetings held	2 PAC meetings to be held in the 2014/2015 FY.	4 PAC meetings held	*	*
1.6.4	OPMS 15		Hold Quarterly Municipal Public Accounts Committee (MPAC) meetings	No. of MPAC meetings held	4 MPAC meetings to be held in the 2013/2014 FY.	4 MPAC meetings held	4 MPAC meetings to be held in the 2014/2015 FY.	4 MPAC meetings held	*	*
1.6.5	OPMS 16		Hold Quarterly Audit Committee meetings	No. of Internal Audit Committee meetings held	4 Audit Committee meetings to be held in the 2013/2014 FY.	5 Audit Committee meetings held	4 Audit Committee meetings to be held in the 2014/2015 FY.	4 Audit Committee meetings held	*	*
1.6.6	OPMS 17		Ensure the submission of annual report to AG by 31 August 2014	Date of Submission of Annual Report to AG	Annual Report for 2012/2013 FY to be submitted to AG by 31 August 2013.	Annual report submitted to AG on 30 August 2013	Annual Report for 2013/2014 FY to be submitted to AG by 31 August 2014.	Annual report submitted to AG on 02 September 2014	*	*
1.6.8	OPMS 18		Ensure the submission of the Annual Financial Statement to AG by 31 August 2014	Date of Submission of AFS to AG	AFS for 2012/2013 FY to be submitted to AG by 31 August 2013.	AFS submitted to AG on 30 August 2013	Annual Financial Statement for 2013/2014 FY to be submitted to AG by 31 August 2014.	Annual Financial Statement submitted to AG on 02 September 2014	*	*
1.6.7	OPMS 19		Ensure the approval of Oversight Report on annual report by 31 March 2015	Date of approval of oversight report	Oversight Report for 2012/2013 FY to be approved by Council by 31 March 2014.	Oversight Report adopted by Council by 31 March 2014	Oversight Report for 2013/2014 FY to be approved by Council by 31 March 2015.	Oversight Report adopted by Council on 31 March 2015	*	*
1.7.1	OPMS 20		Ensure 100% of people employed in the three highest levels of management in the 2014/2015 FY is in compliance with approved equity plan	Percentage of people employed in the three highest levels of management in the 2014/2015 FY	100% of people employed in the three highest levels of management in the 2014/2015 FY is in compliance with approved equity plan	Not achieved	100% of people employed in the three highest levels of management in the 2014/2015 FY is in compliance with approved equity plan	Not achieved	Not 100% achieved	It is not practical to ensure that 100% of people employed in the 3 highest levels of management are in compliance with EEP. This is due to the fact that only vacant posts can be targeted and in this regard we can only target these posts. We will therefore be specific and stipulate the positions that will be targeted.

IDP REF	OPMS REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES TAKEN TO IMPROVE PERFORMANCE
					TARGET	ACTUAL	TARGET	ACTUAL		
1.8.1	OPMS 21	Ensure the provision of adequate office space within one civic centre	Investigate the possibility of expansion of the existing civic centre at Hutchinson Street by 30 June 2015.	Date of approval of the investigation of the expansion of the civic centre by EXCO	Target did not appear in 2013/2014 scorecard		The investigation of the expansion of the civic centre to be approved by EXCO by 30 June 2015.	0	Investigation was not done.	The tenderers did not meet the functionality requirements and were disqualified. Could not be re-advertised as it was the end of the FY. Budget will be accommodated at adjustments budget.
KPA 2: BASIC SERVICE DELIVERY										
2.1.2	OPMS 22	To provide Basic Services to all households and address Service Delivery Backlogs	Provide free basic services to all indigent households with available resources	Number of households with access to free basic waste collection services	10227 households to benefit in the 2013/2014 FY from free basic waste collection services	10710 households	10710 households to benefit in the 2014/2015 FY from free basic waste collection services	11115 - rural households 5482 urban households	*	*
2.1.2	OPMS 23			Number of households with access to free basic electricity	2023 households to benefit in the 2013/2014 FY from free basic waste collection services	2667 average	2300 households to benefit in the 2014/2015 FY from free basic waste collection services	2340 average	*	*
2.1.3	OPMS 24			Replacement of existing conventional meters with pre-paid meters in terms of cost saving initiative.	Percentage of meters replaced as per requests received	100% of conventional meters replaced with pre-paid meters as per requests received	100% of meters replaced as per requests received (only after payment received)	90% of conventional meters replaced with pre-paid meters as per requests received	100% of meters replaced as per requests received (only after payment received)	*
2.2.1	OPMS 25	Facilitate with uThungulu to ensure alignment of water and sanitation provisioning to all Municipal Capital and other large scale Projects	Attend quarterly alignment meetings with uThungulu District Municipality (UDM)	Number of alignment meetings attended with UDM	4 alignment meetings to be attended at Uthungulu District Municipality in the 2013/2014 FY	5 alignment meetings attended at Uthungulu District Municipality in the 2013/2014 FY	4 alignment meetings to be attended at Uthungulu District Municipality in the 2014/2015 FY	4 alignment meetings attended at Uthungulu District Municipality in the 2014/2015 FY	*	*
2.3.1	OPMS 26	Facilitate with Eskom to ensure alignment of Eskom provisioning to all Municipal areas	Ensure payment is made to eskom for the upgrade of Eskom Power Supply to improve capacity	Date of payment made to Eskom for upgrade of power supply to Eshowe	Payment for upgrade of Eskom Power Supply to be made by 30 September 2013.	Payment made on 13 December 2013	Payment for upgrade of Eskom Power Supply to be made by 31 December 2014.	Payment made in December 2014	*	*

IDP REF	OPMS REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES TAKEN TO IMPROVE PERFORMANCE
					TARGET	ACTUAL	TARGET	ACTUAL		
			to Eshowe in terms of the 3 year Agreement							
2.3.2	OPMS 27		Attend quarterly alignment meetings	Number of alignment meetings attended with Eskom	4 alignment meetings to be attended with Eskom in 2013/2014 FY	7 alignment meetings attended with Eskom in 2013/2014 FY	4 alignment meetings to be attended with Eskom in 2014/2015 FY	5 alignment meetings attended with Eskom in 2014/2015 FY	*	*
2.3.3	OPMS 28		Investigate and implement green energy programmes in relation to energy saving projects such as solar water geysers	Number of reports submitted to the Portfolio Committee on the investigation of Green Energy programmes	Facilitate the implementation of solar water geysers project	Facilitated the implementation of Solar water geysers with consultant	4 reports to be submitted to Portfolio Committee by 30 June 2015.	5 reports submitted to Portfolio Committee by 30 June 2015.	*	*
2.4.1	OPMS 29	Ensure the effectiveness of waste management services in all areas and the provision of recycling facilities at appropriate locations	Submit reports to the Portfolio Committee on the effectiveness of waste management services in all wards	Number of reports submitted to the Portfolio Committee on the effectiveness of waste management services in all wards	Target did not appear in 2013/2014 scorecard		4 reports to be submitted to the Portfolio Committee on the expansion of waste management services in all wards	6 reports submitted	*	*
2.15.1	OPMS 30	Facilitate early childhood development	Ensure an healthy environment for childhood development by visiting creches	Number of creches visited to ensure and health environment for childhood development	Target did not appear in 2013/2014 scorecard		12 creches to be visited and submit report to Portfolio Committee	95 Creches visited	*	*
2.5.1	OPMS 31	Ensure the provision and maintenance of municipal roads, access roads and causeways	Construct 15km of road / causeways as per MIG budget by 30 June 2015	Km of roads upgraded by 30 June 2015	Target did not appear in 2013/2014 scorecard		15kms of road to be upgraded by 30 June 2015	20.33 km of road upgraded by 30 June 2015	*	*
2.5.2	OPMS 32		Upgrade/rehabilitation of 2km of urban roads as per MIG/capital budget	km of urban roads upgraded / rehabilitated by 30 June 2015	Target did not appear in 2013/2014 scorecard		2kms of road to be upgraded by 30 June 2015	2.6km of urban road upgraded	*	*
2.5.3	OPMS 33		Implement rural roads programme with hired graders by grading 2000km of rural access road	Km of roads graded by 30 June 2015	1920 kms of road to be graded by 30 June 2014.	4529.6 km of road graded by 30 June 2014	2000 kms of road to be graded by 30 June 2015.	3400.4 km	*	*
2.6.1	OPMS 34	To facilitate adequate provisioning and	Facilitate the transfer of rural	Number of community facilities	Target did not appear in 2013/2014 scorecard		10 rural community facilities to be	0	10 facilities were not transferred	Issues were raised by Amakhosi which had

IDP REF	OPMS REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES TAKEN TO IMPROVE PERFORMANCE
					TARGET	ACTUAL	TARGET	ACTUAL		
		management of community facilities at appropriate locations	community facilities to the Municipality	transferred to the municipality by 30 June 2015			transferred to the municipality by 30 June 2015			to be resolved prior to transfer process. Issues are now resolved and transfers will proceed in 2015/2016 FY.
2.7.1	OPMS 35	Plan and support the acceleration of sustainable human settlement	Review the Housing Sector Plan by 30 June 2015 and submit quarterly reports on implementation of housing projects to Portfolio Committee	Date of Review of Housing Plan and number of reports submitted to Portfolio Committee on progress of implementation of housing projects	Housing Sector Plan to be reviewed by 30 June 2014	* Housing sector plan approved on 12 June 2014	Housing Sector Plan to be reviewed by 30 June 2015 and 4 reports to be submitted to Portfolio Committee on progress of implementation of housing projects	* Housing sector plan approved on 30 June 2015 * 4 reports submitted to Portfolio Committee	*	*
2.8.1	OPMS 36	Formalise trading areas in the Municipality	Provide commuter and trading shelters in Osborne Road Eshowe by 30 June 2015	Date of completion of Trading Shelters in Osborne Road Eshowe	Trading area plans to be approved by 30 June 2014 in Osborne Road Eshowe	Plans approved on 09 July 2014	Trading shelters to be completed by 30 June 2015 in Osborne Road Eshowe	0 Not achieved	Trading shelters were not completed by 30 June 2015	Delays caused by the SCM processes. Tender was advertised but appointment could only be made in 2015/2016 FY.
2.9.1	OPMS 37	Ensure quality control of infrastructure projects	Undertake site visits to Capital projects to ensure quality control	Number of site visits undertaken on Capital projects	12 site visits to be undertaken	37 site visits undertaken	100 site visits to be undertaken	79	only 79 site visits undertaken	Staff capacity - PMU will be capacitated in 2015/2016 FY. The position of PMU Manager is included in the budget
2.10.1	OPMS 38	Mitigate the effective of disasters	Ensure the functionality of Disaster Management in the Municipality and submit quarterly reports to the Portfolio Committee	Number of reports submitted to Portfolio Committee on the functionality of Municipal Disaster Management	No of reports to be submitted to Portfolio Committee on Disaster Management services in rural areas	5 reports submitted to Portfolio Committee	4 reports to be submitted to Portfolio Committee on establishment and functionality of the Municipal Disaster Management Forum	5 reports submitted to Portfolio Committee	*	*
2.11.1	OPMS 40	Facilitate the Implementation of Operation Sukuma	Report on the Operation Sukuma Sakhe initiatives	Number of reports submitted to Portfolio Committee on the Operation	4 reports to be submitted to Portfolio Committee on the Operation	5 reports submitted	4 reports to be submitted to Portfolio Committee on the Operation Sukuma	1	3	The Back to Basics programme is linked to OSS and the departments are

IDP REF	OPMS REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES TAKEN TO IMPROVE PERFORMANCE
					TARGET	ACTUAL	TARGET	ACTUAL		
		Sakhe (Flagship Programme)	implemented in all wards	Sukuma Sakhe initiatives implemented in all wards	Sukuma Sakhe initiatives implemented in all wards		Sakhe initiatives implemented in all wards			required to report on the functionality is will ensure functionality.
2.12.1	OPMS 41	Provide for the cemetery needs in the Municipal area	Submit reports to the Portfolio Committee on initiatives implemented for the provision of cemetery needs	Number of reports submitted to Portfolio Committee on initiatives implemented to provide for cemetery needs in the municipal area	4 alignment meetings to be held with UDM – mandawe cemetery	3 meetings held	4 reports to be submitted to Portfolio Committee on initiatives implemented to provide for cemetery needs in the municipal area	5 reports submitted to Portfolio Committee	*	*
2.14.1	OPMS 43	Contribute to the prevention of Crime	Submit reports to the Portfolio Committee on crime prevention strategies implemented in partnership with the relevant stakeholders	No of reports submitted to Portfolio Committee on crime prevention strategies implemented	Target did not appear in 2013/2014 scorecard		4 reports to be submitted to Portfolio Committee on crime prevention strategies implemented	5 reports submitted to Portfolio Committee	*	*
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
3.1.1	OPMS 44	Local Economic Development	Ensure that businesses within uMlalazi Municipality are licensed through the LED department and develop a database of all businesses in uMlalazi Municipality area	Date of approval of database of businesses in uMlalazi Municipality area	Target did not appear in 2013/2014 scorecard		Database of businesses in uMlalazi Municipality to be approved by Council by 30 June 2015.	0 Not achieved	Database of businesses not approved due to capacity. There is currently no dedicated staff member appointed to perform the functions of business licences as it was transferred from another department.	The LED department will be providing job opportunities for the youth and they will be conducting the survey and complete the database
3.1.2	OPMS 45		Ensure a fully functional Youth Business Advisory	No of reports submitted to Portfolio Committee	Target did not appear in 2013/2014 scorecard		4 reports submitted to Portfolio Committee on	5 reports submitted to	*	*

IDP REF	OPMS REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES TAKEN TO IMPROVE PERFORMANCE
					TARGET	ACTUAL	TARGET	ACTUAL		
			Centre by providing assistance to youth to register co-opts and businesses and submit reports to the Portfolio Committee	on assistance provided to Youth through the YBAC.			assistance provided to Youth through the YBAC	Portfolio Committee		
3.1.3	OPMS 46		Promote Local Economic Development by implementing LED & Tourism initiatives across Municipal area with available resources and submit reports to the Portfolio Committee	Number of reports submitted to the Portfolio Committee on LED & Tourism initiatives	Target did not appear in 2013/2014 scorecard		4 Reports submitted to Portfolio Committee on the Implementation of LED & Tourism initiatives across Municipal area with available resources	5 reports submitted to Portfolio Committee	*	*
3.2.1	OPMS 47	Contribute towards the reduction of unemployment	Create 1650 jobs through various municipal projects / EPWP /CWP/ programmes	Number of jobs created through various municipal projects / EPWP programmes & CWP	526 Jobs to be created through various Municipal projects / EPWP programmes	855 Jobs created	1650 Jobs to be created through various Municipal projects / EPWP programmes & CWP	1711 jobs created	*	*
KPA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT										
4.1.1	OPMS 48	Advance and maintain the financial viability of the Municipality	Enhance revenue collection	% of revenue collection	90% revenue collection	96.97% revenue collection	90% revenue collection	99.3% revenue collection	*	*
4.1.2	OPMS 49		Maintain acceptable norm of municipal liquidity management	Ratio of cash / cost coverage of monthly fixed operating commitments	2.58	2.60	Maintain acceptable norm 3.00	3.5	*	*
4.2.1	OPMS 51		Minimise service delivery distribution losses	Percentage loss of potential revenue of services delivered	Target did not appear in 2013/2014 scorecard		Service Delivery losses for electricity to be between 5% - 12%	11.09%	*	*
4.2.2	OPMS 52		Review SCM, Investment & Budget Policies	Date of approval of review of Policies	Target did not appear in 2013/2014 scorecard		SCM Policy to be Reviewed by 30 June 2014	Review of SCM, Investment & Budget Policies - budget document mtg held on 28/05/2015.	*	*

IDP REF	OPMS REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES TAKEN TO IMPROVE PERFORMANCE
					TARGET	ACTUAL	TARGET	ACTUAL		
4.3.1	OPMS 55	Optimise budget implementation in the municipality	Ensure that at least 90% of the operating budget amount is spent in the municipality by 30 June 2015	Percentage of total municipal operating budget spent	Target did not appear in 2013/2014 scorecard		90% of operating budget to be spent by 30 June 2015	91%	*	*
4.3.2	OPMS 56		Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2015	Percentage of capital budget spent on capital projects identified in the IDP.	Target did not appear in 2013/2014 scorecard		90% of Capital budget to be spent by 30 June 2015.	76%	Capital expenditure was under 90%.	Will be monitored through SDBIP and Procurement Plan
KPA 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION										
5.1.1	OPMS 57	To obtain a Clean Audit	Submit a report to the Executive Committee by 30 June 2015 on the actions taken by management in terms of improving the 2013/2014 Audit Opinion of the Municipality	Date of submission of report to the Executive Committee on the actions taken by management in terms of improving the 2013/2014 Audit Opinion of the Municipality	Target did not appear in 2013/2014 scorecard		1 report to be submitted to the Executive Committee by 30 June 2015 on the actions taken by management to improve the 2013/2014 Audit Opinion of the Municipality	2 reports submitted to Council	*	*
5.2.1	OPMS 58	Mitigate the Impact of HIV/Aids in the Municipality area	Ensure the effective functioning of uMlalazi Aids Council by ensuring regular meetings are held	No of uMlalazi Aids Council meetings held	Target did not appear in 2013/2014 scorecard		4 uMlalazi Aids Council meetings to be held	4 uMlalazi Aids Council meetings held	*	*
5.2.2	OPMS 59		Develop/ review HIV/Aids Strategy/Plan by 30 June 2015	Date of approval of HIV/Aids plan	Target did not appear in 2013/2014 scorecard		HIV Aids Plan to be approved by Council by 30 June 2015.	0 Not achieved	HIV Aids Plan was not reviewed.	The office of the Mayor held a meeting with the relevant stakeholders and a plan has been drawn up in consultation with the various stakeholders

IDP REF	OPMS REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES TAKEN TO IMPROVE PERFORMANCE
					TARGET	ACTUAL	TARGET	ACTUAL		
5.3.1	OPMS 60	To reduce Risk to the Organisation	Review Enterprise Risk Plan	Date of Review of Enterprise Risk Plan	Enterprise Risk Plan to be approved by 31 December 2013.	Approved on 21 August 2013	Enterprise Risk Plan to be approved by 30 May 2015.	Approved by EXCO on 16 October 2014	*	*
5.3.2	OPMS 61		Mitigate risks identified in the departmental risk registers to be actioned in the 2014/2015 financial year	Date of actioning of Risks identified in risk register	Target did not appear in 2013/2014 scorecard		Risks identified in the departmental risk register to be actioned by 30 June 2015.	Risks identified in the departmental risk register was actioned quarterly	*	*
5.3.3	OPMS 62		Review Fraud Risk Plan	Date of Review of Fraud Risk Plan	Target did not appear in 2013/2014 scorecard		Fraud Risk Plan to be approved by 30 May 2015	Approved by Audit Committee on 20 January 2015	*	*
5.4.1	OPMS 63	Ensure that public participation structures are established, capacitated and functional	Roll out IDP and Budget public participation through road shows	No of IDP & Budget Roadshows held	Target did not appear in 2013/2014 scorecard		26 IDP & Budget Roadshows to be held by 30 June 2015	8 IDP Roadshows held in May 2015	18	IDP Manager is appointed and this addressed the capacity issue. A further staff member will be appointed in 2015/16 as the post has been included in the budget.
5.4.2	OPMS 64		Facilitate functionality of all Ward Committees (include training and development) and ensure that 26 Ward Committees are functional by 30 June 2015 in terms of COGTA functionality tests	No of functional Ward Committees in terms of COGTA functionality tests	250 ward committee meetings to be held	Not achieved		26 Wards to be functional by 30 June 2015 in terms of COGTA functionality tests	0 Not achieved	Ward Committees are not functional in terms of COGTA functionality assessment.
5.5.1	OPMS 65	To ensure the continuation of the twinning agreement with Songdal Municipality (Norway)	Submit reports to the Municipal Co-operative Relations Committee on the effectiveness of the twinning agreement of Norway Municipality	No of reports submitted to MCOR Committee on the effectiveness of the Municipal Co-operative Relations with Norway Municipality	4 reports to be submitted to MCOR	1 report submitted	2 reports to be submitted to MCOR Committee to ensure continuation of Twinning Arrangements with Norway Municipality	0 Not achieved	4 meetings were not held	Budget for Twinning was transferred to another Service Delivery item. The Municipality will also investigate other Municipalities both local and

IDP REF	OPMS REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES TAKEN TO IMPROVE PERFORMANCE
					TARGET	ACTUAL	TARGET	ACTUAL		
										international for twinning arrangements. The meetings could not take place in the FY as there were no items for discussion.
KPA 6: CROSS CUTTING ISSUES										
6.1.1	OPMS 66	To ensure sustainable planning and development of the municipal area	Prepare Land Use Management Scheme for Rural Areas and submit a report to EXCO on the progress by 30 June 2015	Number of reports submitted to EXCO by 30 June 2015	Target did not appear in 2013/2014 scorecard		1 progress report on the LUMS to be submitted to EXCO by 30 June 2015.	2 reports submitted to EXCO on 1 April & 06 May 2015	*	*
6.1.2	OPMS 67		Participate in the management of the coast via the Coastal Management Working Group	No of reports submitted to the Portfolio Committee on Coastal Working Group meetings attended.	4 meetings to be attended on the management of the coast via the Coastal Management Working Group	2 meeting attended	4 reports to be submitted to Portfolio Committee on the management of the coast via the Coastal Management Working Group	1 meeting attended by Tourism Officer on 17 Sept	4 reports were not submitted	No designated staff to attend the meeting due to capacity. Will be addressed in 2015/2016 after the appointment of the Environmental Officer which has been included in the budget
6.1.3	OPMS 68		Review uMlalazi IDP for 2015/2016 by 30 June 2015.	Date of Review of 2015/2016 IDP	IDP to be reviewed by 30 June 2014	2014/2015 IDP Review approved by Council on 30 June 2014	IDP to be reviewed by 30 June 2015	2015/2016 IDP Review approved by Council on 30 June 2015	*	*
6.1.4	OPMS 69		Database of Municipal land to be approved by EXCO by 30 June 2015.	Date of approval of Municipal land database by EXCO	Target did not appear in 2013/2014 scorecard		Database of Municipal land to be approved by EXCO by 30 June 2015.	Database of Municipal Land approved by EXCO on 06 May 2015	*	*

IPMS REF	IDP REF	INDICATORS	OBJECTIVE	STRATEGY	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
KPA 1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT										
MM 1	IDP 1.1.1 OPMS 1	To improve Service Delivery and the image of uMlalazi Municipality	Identify critical posts & fill funded critical posts of IDP Manager by 31 March 2015.	Date of approval of critical posts by LLF and filling of funded vacant posts of IDP Manager.	Finalization of placement of staff according to new structure to be completed by 30 June 2014	Placements completed on 01 April 2014	Critical posts to be identified & funded vacant posts of IDP Manager to be filled by 31 March 2015.	Critical posts identified and funded on Council budget approved IDP Manager appointed on 01 Feb 2015		
MM 2	IDP 1.1.3 OPMS 3		To ensure that all S54/56 Performance Agreements are signed by 31 July 2014.	No of performance agreements signed by 31 July 2014 for all funded Section 57 posts	5 x S54/56 Performance Agreements (MM, CFO, DCS, DES, DCOM) signed by 31 July 2013 and 1 x S54/56 Agreement (DPS) to be signed by 30 June 2014.	* 5 Performance Agreements signed on 31 July 2013 * DPS post vacant	5 x S54/56 Performance Agreements (MM, CFO, DCS, DES, DCOM) signed by 31 July 2014 and 1 x S54/56 Agreement (DPS) to be signed by 31 March 2015.	5 Performance Agreements signed on 31 July 2014 (MM, CFO, DCS, DES, DCOM) and submitted to MEC on 14 August . DPS position not filled	DPS post not filled	There was a challenge with the appointment of a Municipal Manager of another Municipality to form part of the interview panel. This challenge is now addressed by the appointment of the MM from Mthonjaneni
MM 3	IDP 1.2.1 OPMS 4	Organisational skills development and capacity building	Undertake training for staff and Councillors as per skills development plan and to ensure at least 90% of training budget is spent by 30 June 2015.	% of training budget actually spent on skills development and capacity building by 30 June 2015.	100% of training budget to be spent by 30 June 2015.	76% of staff training budget spent 38% of Cllrs training budget spent	90% of Training budget to be spent by 30 June 2015	* 89% budget on staff training vote spent * 36% of Councillors training budget spent	90% of budget not spent	A budget allocation has been made to appoint a training officer in the HR department to address capacity issues. A training committee has also been established
MM 4	IDP 1.5.1 OPMS 10	Effective and efficient Municipal Administration & Communication	Administer Council, EXCO, Portfolio and staff meetings	No. Of Council, EXCO, Portfolio and staff meetings held	Ensure that 6 Council, 11 Exco, 38 Portfolio Committee & 24 MANCO meetings are held in the 2013/2014 FY.	13 x Council meetings; 13 x Exco 18 MANCO	Ensure that 4 Council, 11 Exco, 38 Portfolio Committee & 24 MANCO meetings are held in the 2014/2015 FY.	14 CI meetings; 14 Exco, 42 Portfolio & 17 MANCO meetings.	*	*
MM 5	IDP 1.5.2 OPMS 11		Develop/Review communication framework/strategy	Date of approval of communication strategy by EXCO	Target did not appear in 2013/2014 scorecard	Communication strategy to be approved by EXCO by 30 June 2015.	'Communication strategy approved by EXCO on 01 April 2015.			*

MM 6	IDP 1.6.1 OPMS 12	Effective Municipal Oversight	Develop SMART Organisational Performance Management Systems by 30 June 2015	Date of approval of OPMS by Council	OPMS Scorecard for 2014/2015 FY to be approved with IDP by 30 June 2014	OPMS Scorecard approved with IDP on 30 June 2014	OPMS Scorecard for 2015/2016 FY to be approved with IDP by 30 June 2015.	OPMS Scorecard for 2015/2016 FY approved with IDP on 30 June 2015.	*	*
MM 7	IDP 1.6.2 OPMS 13		Submit Quarterly PMS reports to Council & Internal Audit	Number of PMS reports submitted to Council & Internal Audit	4 PMS reports to be submitted to Council and Internal Audit in the 2013/2014 FY.	4 PMS reports submitted to Council and Internal Audit	4 PMS reports to be submitted to EXCO and Internal Audit in 2014/2015.	4 PMS reports submitted to EXCO and Internal Audit in 2014/2015.	*	*
MM 8	IDP 1.6.3 - 1.6.5 OPMS 14-16		Hold Quarterly Municipal Public Accounts Committee (MPAC), Bi-annual Performance Audit Committee & Quarterly Audit Committee meetings	Number of Audit Committee, MPAC, PAC meetings held	4 Audit Committee, 4 PAC & 4 MPAC meeting to be held in the 2013/2014 FY.	5 Audit Committee, 4 PAC & 4 MPAC meeting held in the 2013/2014 FY.	4 Audit Committee, 4 PAC & 4 MPAC meeting to be held in the 2014/2015 FY.	4 Audit Committee, 4 PAC & 4 MPAC meeting held in the 2014/2015 FY.	*	*
MM 9	IDP 1.6.6 OPMS 17	Strengthen and improve employment equity in the municipality	Submission of annual report to AG	Date of submission of Annual report to Auditor General	Annual Report for 2012/2013 FY to be submitted to AG by 31 August 2013.	Annual report submitted to AG on 30 August 2013	Annual Report for 2013/2014 FY to be submitted to AG by 31 August 2014.	Annual report submitted on 02 September 2014	*	*
MM 10	IDP 1.6.7 OPMS 18		Ensure the submission of the Annual Financial Statement to AG by 31 August 2015	Date of Submission of AFS to AG	AFS for 2012/2013 FY to be submitted to AG by 31 August 2013.	AFS submitted to AG on 30 August 2013	Annual Financial Statement for 2013/2014 FY to be submitted to AG by 31 August 2014.	Annual Financial Statements submitted on 02 September 2014	*	*
MM 11	IDP 1.6.8 OPMS 19		Approval of Oversight Report of annual report	Date of finalisation of oversight report	Oversight Report for 2012/2013 FY to be approved by Council by 31 March 2014.	Oversight Report adopted by Council by 31 March 2014	Oversight Report for 2013/2014 FY to be approved by Council by 31 March 2014.	Oversight Report adopted by Council on 31 March 2015	*	*
MM 12	IDP 1.7.1 OPMS 20		Ensure compliance with approved employment equity plan	Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with approved equity plan	100% of people employed in the three highest levels of management in the 2014/2015 FY is in compliance with approved equity plan	100%	100% of people employed in the three highest levels of management in the 2014/2015 FY is in compliance with approved equity plan	Not achieved	Not 100% achieved	It is not practical to ensure 100% of people employed in 3 highest levels of management are in compliance with EEP. This is due to the fact that only vacant posts can be targeted and in this regard we can only target these posts. WE will therefore be specific and stipulate

										the positions that will be targeted.
MM 13	IDP 1.3.2 OPMS 8	To improve Contract Management	Develop policy on the management of Service Providers	Date of approval of Policy by Council	Target did not appear in 2013/2014 scorecard		Policy to be approved by Council by 31 March 2015.	Policy approved by Council on 13 May 2015.	*	*
KPA 2: BASIC SERVICE DELIVERY										
MM 14	IDP 2.1.1 OPMS 22	To provide Fee Basic Services to all indigent households	Provide free basic services to all indigent households with available resources	Number of households with access to free basic waste collection services	10227 households to benefit in the 2013/2014 FY from free basic waste collection services	10710 households	10710 households to benefit in the 2014/2015 FY from free basic waste collection services	11115 rural households provided with free basic refuse service 5482 urban households	*	*
MM 15	IDP 2.2.1 OPMS 24	To facilitate the provision of potable water and sanitation	Facilitate with uThungulu to ensure alignment of water and sanitation provisioning to all Municipal Capital and other large scale Projects	Number of with uThungulu to ensure alignment of water and sanitation provisioning to all Municipal Capital and other large scale Projects	4 alignment meetings to be attended at Uthungulu District Municipality in the 2013/2014 FY	5 alignment meetings attended at Uthungulu District Municipality in the 2013/2014 FY	4 alignment meetings to be attended at Uthungulu District Municipality in the 2014/2015 FY	4 alignment meetings attended at Uthungulu District Municipality in the 2014/2015 FY	*	*
MM 16	IDP 2.5.1 OPMS 31	To ensure the provision and maintenance of municipal roads, sidewalks and causeways	Implementation of Pavement Management System for municipal roads, sidewalks and Stormwater	Km of roads upgraded	Target did not appear in 2013/2014 scorecard		15km of road to be upgraded by 30 May 2015.	20.33km of road to be upgraded by 30 May 2015.	*	*
MM 17	IDP 2.5.2 OPMS 32		Upgrade/rehabilitation of 2km of urban roads as per MIG/capital budget	km of urban roads upgraded / rehabilitated by 30 June 2015	Target did not appear in 2013/2014 scorecard		2kms of road to be upgraded by 30 June 2015	2.6km of road to be upgraded by 30 June 2015	*	*
MM 18	IDP 2.5.3 OPMS 33		Implement rural roads programme with hired graders	Km of roads graded	1920 kms of road to be graded by 30 June 2014.	4529.6 km of road graded by 30 June 2014	2000kms of road to be graded by 30 May 2015.	3400.4km of road graded by 30 June 2015.	*	*
MM 19	IDP 2.7.1 OPMS 35	To plan and support the acceleration of sustainable human settlements	Review Housing Sector Plan	Date of approval by Council of Reviewed Housing Sector Plan	Housing Sector Plan to be reviewed by 30 June 2014	* Housing sector plan approved on 12 June 2014	Housing Sector Plan to be reviewed by 30 June 2015.	Housing Sector Plan reviewed on 30 June 2015.	*	*
MM 20	IDP 2.11.1	Facilitate the Implementation of Operation Sukuma	Submit reports to the Portfolio Committee on the Operation	Number of reports submitted to Portfolio Committee	4 reports to be submitted to Portfolio Committee on the	5 reports submitted	4 reports to be submitted to Portfolio Committee	1 report to be submitted to Portfolio	Only 1 report was submitted to the Portfolio	The Back to Basics programme is linked to OSS and the

	OPMS 40	Sakhe (Flagship Programme)	Sukuma Sakhe initiatives implemented in all wards	on the Operation Sukuma Sakhe initiatives implemented in all wards	Operation Sukuma Sakhe initiatives implemented in all wards		on the Operation Sukuma Sakhe initiatives implemented in all wards	Committee on the Operation Sukuma Sakhe initiatives implemented in all wards	Committee on Operation Sukuma Sakhe	departments are required to report on the functionality - this will ensure reports are submitted.
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
MM 21	IDP 3.1.1 OPMS 44	To ensure that businesses within uMlalazi Municipality are licensed through the LED department	Develop a database of businesses in uMlalazi Municipality area	Date of approval of database of businesses in uMlalazi Municipality area	Target did not appear in 2013/2014 scorecard		Database of businesses in uMlalazi Municipality to be approved by Council by 30 June 2015.	0 Not achieved	Database of businesses was not approved due to capacity. There is currently no dedicated staff member appointed to perform the functions of business licences as it was transferred from another department.	The LED department will be providing job opportunities for the youth and they would be conducting the survey and complete the database
MM 22	IDP 3.2.1 OPMS 47	To contribute towards the reduction of unemployment	To create jobs through various municipal projects	Number of jobs created	526 Jobs to be created through various Municipal projects / EPWP programmes	855 Jobs created	1650 Jobs to be created through various Municipal Projects/programmes	1711 jobs created	*	*
KPA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT										
MM 23	IDP 4.1.1 OPMS 48	Advance and maintain the financial viability of the Municipality	Enhance revenue collection	% of revenue collection	90% revenue collection	96.97% revenue collection	90% Revenue collection	99.3%	*	*
MM 24	IDP 4.1.2 OPMS 49		Maintain acceptable norm of municipal liquidity management	Ratio of cash / cost coverage of monthly fixed operating commitments	2.58	2.60	Acceptable norm of 3.00 to be maintained	3.5	*	*
MM 25	IDP 4.2.1 OPMS 51	Improve the financial performance of the municipality	Minimise Service Delivery Distribution loss for electricity services	Percentage loss of potential revenue of services delivered	Target did not appear in 2013/2014 scorecard		Service Delivery losses for electricity to be between 5% - 12%	11.09%	*	*

MM 26	IDP 4.2.2 OPMS 52		Review SCM, Investment & Budget Policies	Date of approval SCM, Investment & Budget Policies	Target did not appear in 2013/2014 scorecard		Policies to be Reviewed by 30 June 2015	Review of SCM, Investment & Budget Policies - budget document mtg held on 28/05/2015.	*	*
MM 27		Optimise budget implementation in the municipality	Ensure that at least 90% of the operating budget amount is spent in the municipality by 30 June 2015	% of the operating budget amount is spent in the municipality by 30 June 2015	Target did not appear in 2013/2014 scorecard		Ensure that at least 90% of the operating budget amount is spent in the municipality by 30 June 2015	91%	*	*
MM 28			Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2015	% of the Capital budget amount is spent in the municipality by 30 June 2015	Target did not appear in 2013/2014 scorecard		Ensure that at least 90% of the operating budget amount is spent in the municipality by 30 June 2015	76%	Capital expenditure still not over 90%.	Will be monitored through SDBIP and Procurement Plan

KPA 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION

MM 29	IDP 5.1.1 OPMS 57	To Obtain Clean Audit	Prepare Interim Financial Statements to ensure material misstatements of liabilities and revenue.	No. of Interim FS prepared	Target did not appear in 2013/2014 scorecard		1 Interim Financial statement for quarter 2 to be prepared by 31 March 2015.	1 Interim Financial statement for quarter 2 prepared in February 2015.	*	*
MM 30			Ensure 100% payment to Creditors (excluding exceptions) to be made within 30 days in terms of Section 65 OF MFMA	% payment to Creditors made within 30 days	100% payment to Creditors to be made within 30 days in terms of Section 65 OF MFMA	100% (excluding exceptions)	100% payment to Creditors to be made within 30 days in terms of Section 65 OF MFMA	100% (excluding exceptions)	*	*
MM 31			Ensure compliance in terms of financial reporting and with applicable laws and regulations relating to the granting of awards and related internal controls	No. of reports submitted to Portfolio Committee on granting of awards and related internal controls	4 reports to be submitted to Portfolio Committee on compliance in terms of financial reporting and with applicable laws and regulations relating to the granting of awards	4	4 reports to be submitted to Portfolio Committee on compliance in terms of financial reporting and with applicable laws and regulations relating to the granting of	4	*	*

					and related internal controls		awards and related internal controls			
MM 32	IDP 5.2.1 OPMS 58	Mitigate the Impact of HIV/Aids in the Municipality area	Effective functioning of uMlalazi Aids Council	No of HIV/Aids Committee meetings held	Target did not appear in 2013/2014 scorecard		4 uMlalazi Aids Council meetingsto be held	4 uMlalazi Aids Council meetings held	*	*
MM 33	IDP 5.2.2 OPMS 59		Develop/ review HIV/Aids Strategy/Plan	Date of approval of HIV/Aids plan	Target did not appear in 2013/2014 scorecard		HIV Aids Plan to be reviewed by Council by 30 April 2015.	0	HIV Aids Plan was not reviewed.	The office of the Mayor held a meeting with the relevant stakeholders and a plan has been drawn up in consultation with the various stakeholders
MM 34	IDP 5.3.1 OPMS 60	To reduce Risk to the Organisation	Review Enterprise Risk Plan	Date of Review of Enterprise Risk Plan	Enterprise Risk Plan to be approved by 31 December 2013.	Approved on 21 August 2013	Enterprise Risk Plan to be approved by 30 May 2015.	Approved by EXCO on 16 October 2014	*	*
MM 35	IDP 5.3.3 OPMS 62		Review Fraud Risk Plan	Date of Review of Fraud Risk Plan	Target did not appear in 2013/2014 scorecard		Fraud Risk Plan to be approved by 30 May 2015	Approved by Audit Committee 20 January 2015	*	*
MM 36	IDP 5.3.2 OPMS 61	To mitigate risks identified in the departmental risk registers in the 2014/2015 financial year	Ensure proper establishment of Performance Management Unit in order to ensure effective implementation of OPMS.	Date of establishment of Performance Management Unit	Target did not appear in 2013/2014 scorecard		Performance Officer position to be advertised and filled by 30 June 2015.	0 Not achieved	Performance Officer post was not filled	The post of PMS Officer was budgeted in 2015/2016
MM 37			Risk Training to be provided for all Municipal Officials and at least 200 municipal officials to be trained by 31 December 2014 in order to ensure effective risk management function.	Number of Risk training held by 31 December 2014	Target did not appear in 2013/2014 scorecard		200 Municipal officials to receive training on risk management by 31 December 2014.	127 officials trained	73	Continuous training is provided by NT. It was not practical to provide training to 200 officials in 1 session, however the remaining staff will be trained in 2015/2016
MM 39			Investigate Twinning with local municipalities within South Africa (vertical twinning)	Date approval of twinning by Council.	Target did not appear in 2013/2014 scorecard		Twinning arrangements to be approved by Council by 30 June 2015.	0	No new twinning arrangement were identified and submitted	Budget for Twinning was transferred to another Service Delivery item. The Municipality will also

			arrangements) by 30 June 2015.							to Council for approval.	investigate other Municipalities both local and international for twinning arrangements. The meetings could not take place in the FY as there were no items for discussion.
MM 40	IDP 5.4.1 OPMS 63	Ensure that public participation structures are established, capacitated and functional	Communicate IDP process plan to Stakeholders and Ward Committees	No of ward committee meetings held to discuss process plan	Target did not appear in 2013/2014 scorecard		* 26 Ward Committee meetings to be held to discuss process plan * 1 stakeholder meeting to be held	0	26	There was a capacity problem in the IDP department. The capacity problem is now addressed – the IDP Manager was appointed and budget is included in 2015/2016 to appoint an IDP Officer. The IDP Manager will ensure that the approved process plan will be submitted to Ward Committees for discussion.	
MM 41	IDP 5.4.2 OPMS 64		Facilitate functionality of all Ward Committees (include training and development)	No of functional Ward Committees	250 ward committee meetings to be held	Not achieved	26 Ward Committees to be functional in terms of functionality tests submitted to COGTA	0 Not achieved	26 ward committees were not functional in terms of COGTA assessment	The Municipal Manager forwarded a memo to the Speaker of Council advising her of the poor functioning of Ward Committees	
MM 42	IDP 5.5.1 OPMS 65	To ensure the continuation of the twinning agreement with Geel Municipality (Belgium) and Songdal Municipality (Norway)	Support twinning with Songdal Municipality (Norway)	Number of reports submitted to MCOR to ensure continuation of Twinning Arrangements with Norway Municipality	4 reports to be submitted to MCOR	1 report submitted	4 reports to be submitted to MCOR to ensure continuation of Twinning Arrangements with Norway Municipality	0	4	Budget for Twinning was transferred to another Service Delivery item. The Municipality will also investigate other Municipalities both local and international for twinning arrangements. The	

										meetings could not take place in the FY as there were no items for discussion.
KPA 6: CROSS CUTTING ISSUES										
MM 43	IDP 6.1.3 OPMS 68	To promote integrated development planning	Review uMlalazi IDP for 2014/2015	Date of approval by Council of IDP Review	IDP to be reviewed by 30 June 2014	2014/2015 IDP Review approved by Council on 30 June 2014	* Final IDP to be approved by Council by 30 June 2015.	* Final IDP approved by Council on 30 June 2015.	*	*

SECTION 46 ANNUAL PERFORMANCE REPORT DEPARTMENT: FINANCIAL SERVICES

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
KPA 1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT										
CFO 1	IDP 1.5.1 OPMS 10	To ensure effective and efficient Municipal Administration and communication	Hold staff meetings	Number of staff meetings held	* 12 Middle Management Meetings to be held * 4 Staff meetings	* 12 Middle Management Mtg were held * 5 Finance Staff meeting were held	* 12 Middle Management Meetings to be held * 4 Staff meetings	* 14 Middle Management Mtg were held * 4 Finance Staff meeting were held	*	*
CFO 2			Attend meetings of council	Number of meetings of Council attended	28	62	* Attend 6 Council, 11 Exco & 11 Finance Committee meetings	* Attended 12 Council, 12 Exco & 11 Finance Committee meetings	*	*
CFO 3			Provide reports for Finance Portfolio Agenda	Number of reports provided for Finance Portfolio Agenda	11	11	11 reports to be provided for 2014/2015 FY.	11 reports provided for 2014/2015 FY.	*	*
CFO 4			Action resolutions of Portfolio Committee & EXCO meetings	Number of reports forwarded to Municipal Manager on actioning of resolutions of Portfolio Committee & EXCO meetings	100% auctioning of resolutions	100%	11 reports to be submitted to MM on actioning of resolutions	11 reports submitted to MM on actioning of resolutions	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
CFO 5	IDP 1.6.1 OPMS 12	Development of SMART Organisational Performance Management Systems	Monitor the performance of Middle Management staff and ensuring that monthly performance reports are received	Number of performance reports received from Middle Management staff	Target did not appear in 2013/2014 scorecard		36 performance reports received from Middle Management staff	48 performance reports received from Middle Management staff		
CFO 6	IDP 1.4.1 OPMS 9	Improve ICT Systems within the Municipality	Submit 2 quarterly reports to ICT Steering Committee on improvements made to the financial ICT systems	Number of reports submitted to ICT Steering Committee on improvements made to the financial ICT systems	Target did not appear in 2013/2014 scorecard		2 reports to be submitted to ICT Steering Committee on improvements made to the financial ICT systems	5 reports to be submitted to ICT Steering Committee on improvements made to the financial ICT systems	*	*
CFO 7	IDP 1.2.1 OPMS 4	Organisational skills development and capacity building	To identify training needs within the Finance department & submit to HR for inclusion in WSP	Date of submission of training needs to HR	Target did not appear in 2013/2014 scorecard		Training needs of department to be submitted to HR by 31 March 2015	memo forwarded to HR on 31/03/2015	*	*
CFO 8			Provide 2 in-house training/skills development to officials involved in procurement processes	No of trainings provided to officials involved in procurement processes	2 Training/skills development provided to officials involved in procurement processes by 30 June 2014.	2 trainings held.	2 Training/skills development provided to officials involved in procurement processes by 30 June 2015.	* Training held on 05 November 2014. * Training held on 08 June 2015 for MANCO members.	*	*
KPA 2: BASIC SERVICE DELIVERY										
CFO 9	IDP 2.1.2 OPMS 23	To provide Basic Services to all households and address Service Delivery Backlogs	Provide free basic services to all indigent households with available resources	Number of households with access to free basic electricity services	2023 households to benefit in the 2013/2014 FY from free electricity services	2667 average	2300 households provided with free basic electricity services	Average 2342	*	*
KPA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT										
CFO 10	IDP 4.1.1 OPMS 48	Advance and maintain the financial viability of the Municipality	Enhance revenue collection	% of revenue collection	90% revenue collection	96.97% revenue collection	90% revenue collection	99.3%	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
CFO 11	IDP 4.1.2 OPMS 49		Maintain acceptable norm of municipal liquidity management	Ratio of cash / cost coverage of monthly fixed operating commitments	2.58	2.60	Maintain acceptable norm 3.00	3.50		
CFO 12			Arrange quarterly meetings with Attorneys to improve debt collection	Number of meetings held with Attorneys to improve debt collection	4 meetings to be held with Attorneys to improve debt collection	4 meetings held	4 meetings to be held with Attorneys to improve debt collection	14 reports received from Attorneys to improve debt collection	*	*
CFO 13	IDP 4.2.1 OPMS 51	Improve the financial performance of the municipality	Minimise service delivery distribution losses	Percentage loss of potential revenue of services delivered	Target did not appear in 2013/2014 scorecard		Service Delivery losses for electricity to be between 5% - 12%	11.09%	*	*
CFO 14	IDP 4.2.2 OPMS 52		Review SCM, Investment & Budget Policies	Date of approval of Review of Policies by Council	Target did not appear in 2013/2014 scorecard		SCM Policy to be Reviewed by 30 June 2014	Reviewed at the Council meeting on 28/05/2015 with the 2015/2016 Budget document	*	*
CFO 15	IDP 4.3.1 OPMS 55	Increase / maximise the operating budget amount spent in the municipality and ensure at least 90% expenditure on operating budget by 30 June 2015	Ensure 90% expenditure on rates rebate and submit reports to Portfolio Committee	Percentage of budget spent on rates rebates and number of reports to Portfolio Committee	Target did not appear in 2013/2014 scorecard		* 4 reports to be submitted to Portfolio Committee on Rates rebates provided . * 90% of budget on rates rebate to be spent.	* 11 reports submitted to Portfolio Committee on rates rebates * 100.24% of budget spent	*	*
CFO 16			Ensure 90% expenditure on re-valuation of properties and ensure quarterly meetings are held	Percentage of budget spent on re-valuation of properties & number of meetings held	Target did not appear in 2013/2014 scorecard		* 3 meetings of Rates Steering Committee to be held * Progress report to be submitted to Council * New interim valuations to be provided by 31 March 2015 * 90% of budget to be spent.	Target not achieved	Rates Steering Committee meetings were not held	There was delays in setting steering committee. Committee now established and will meet regularly in 2nd quarter

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
CFO 17			Ensure 90% expenditure on FMG Grant	Percentage of budget spent - FMG Grant	Target did not appear in 2013/2014 scorecard		90% of budget to be spent	90% of budget spent		
CFO 18	IDP 4.3.2 OPMS 56	Increase / maximise the operating budget amount spent in the municipality and ensure at least 90% expenditure on capital budget by 30 June 2015	Ensure 90% expenditure on IT Equipment by 31 May 2015	Percentage of budget spent on purchase of IT Equipment for all departments and % of budget spent	100% of budget to be spent	96% of budget to be spent	* 90% of budget to be spent by 31 May 2015	* 90% of budget spent by 31 May 2015	*	*
CFO 19			Ensure 90% expenditure on purchase of furniture by 30 June 2015	% of budget spent on purchase of furniture for finance department	100% of budget to be spent	92% of budget to be spent	90% of budget to be spent	90% of budget spent	*	*
CFO 20			Ensure 90% expenditure on office renovation by 30 June 2015	Date of completion of office renovation and % of budget spent	Target did not appear in 2013/2014 scorecard		Office renovation to be completed by 30 June 2015 and 90% expenditure	0 Not achieved	Budget was not spent	This was for security access control door at the Rates Hall. We advertised 3 times on Newspaper and could not get a responsive service provider. We then engaged Fnb who referred us to their service provider. We are due to issue an order once all necessary documentation is in order from their side.
CFO 21			Ensure 90% expenditure on renewal of municipal buildings by 30 April 2015	Percentage of budget spent - renewal of current municipal buildings	Target did not appear in 2013/2014 scorecard		* Construction to be finalised by 30 April 2015. * Final building inspections to be undertaken * 90% expenditure by 30 June 2015.	0 Not achieved	Budget was not spent	SCM processes were done however the amount on the tenders exceeded the budget. The department purchased a Park home as an interim measure

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
CFO 22			Ensure 90% expenditure on purchase of equipment by 30 June 2015	Date of purchase of equipment and % of budget spent	Target did not appear in 2013/2014 scorecard		Equipment to be purchased by 30 June 2015 and 90% expenditure	0 Not achieved		The furniture was required for the SCM building and therefore it could not be purchased as the building was not constructed.
KPA 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION										
CFO 23	IDP 5.1.1 OPMS 57	To Obtain Clean Audit	Submit 3 Reports to EXCO on Verifications to be done on Suppliers on the database to ensure that they are not in the Service of the State	Number of reports submitted to EXCO on verifications done on Suppliers on the database to ensure that they are not in the Service of the State	Target did not appear in 2013/2014 scorecard		3 Reports to be submitted to EXCO on Verifications done on Suppliers on the database to ensure that they are not in the Service of the State	4 Reports submitted	*	*
CFO 24			Budget allocation to be made for Contributions to the Capital Replacement Reserves	Budgeted amount for CCR contribution	Target did not appear in 2013/2014 scorecard		R2,700,000.00 to be included in the 2015/2016 budget for CCR contribution	R9.4 million budget in the 2015/2016 budget	*	*
CFO 25			1 half yearly Interim Financial Statement to be prepared to ensure material misstatements of liabilities and revenue.	No. of Interim FS prepared	Target did not appear in 2013/2014 scorecard		1 half yearly Interim Financial statement to be prepared by 31 March 2015	1 half yearly Interim Financial statement prepared in February 2015	*	*
CFO 26			Payment to Creditors to be made within 30 days in terms of Section 65 OF MFMA	% payments to creditors to be made within 30 days	100% (excluding exceptions) payment to creditors to be made within 30 days and submit 11 reports to Portfolio Committee	100% - excluding exceptions	100% (excluding exceptions) payment to creditors to be made within 30 days and submit 11 reports to	100% - excluding exceptions	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
							Portfolio Committee			
CFO 27			Ensure compliance in terms of financial reporting and with applicable laws and regulations relating to the granting of awards and related internal controls	No. of reports submitted to Portfolio Committee on financial reporting and with applicable laws and regulations relating to the granting of awards and related internal controls	4 reports to be submitted to Portfolio Committee on compliance in terms of financial reporting and with applicable laws and regulations relating to the granting of awards and related internal controls	4 reports submitted to EXCO	4 reports to be submitted to Portfolio Committee on compliance in terms of financial reporting and with applicable laws and regulations relating to the granting of awards and related internal controls	4 reports submitted to EXCO	*	*
CFO 28	IDP 5.3.2 OPMS 61	To mitigate risks identified in the departmental risk registers to be actioned in the 2014/2015 financial year	To ensure the mitigation of risks associated with fraudulent disposal of assets	Date of approval and implementation of Asset Management Policy in terms of GRAP 17 requirements	Target did not appear in 2013/2014 scorecard		Asset Management Policy to be approved by 30 June 2015 in compliance with GRAP 17 requirements.	Reviewed at the Council meeting on 28/05/2015 with the 2015/2016 Budget document	*	*
CFO 29			To integrate the 7 Firewalls to 1 Firewall and ADSL line by 30 June 2015.	Date of completion of integration of 7 Firewalls to 1 Firewall and ADSL line by 30 June 2015.	Target did not appear in 2013/2014 scorecard		7 Firewalls to be changed or integrated to 1 Firewall and ADSL line by 30 June 2015.	firewalls have been deployed, and the number was changed based on advise obtained from the IT service provider	*	*

SECTION 46 ANNUAL PERFORMANCE REPORT DEPARTMENT: COMMUNITY SERVICES

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
KPA 1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT										
DCO M 1	IDP 1.5.1 OPMS 10	To ensure effective and efficient Municipal Administration and communication	Hold staff meetings	Number of staff meetings held	* 12 Middle Management Meetings to be held * 4 Staff meetings	17 Middle Management and 4 Staff meeting	* 12 Middle Management Meetings to be held * 4 Staff meetings	13 Middle Management and 5 Staff meeting	*	*
DCO M 2			Attend meetings of council	Number of meetings of Council attended	23	45	* Attend 6 Council, 3 Exco & 6 Community Services Committee meetings	27 meetings attended	*	*
DCO M 3			Provide reports for Community Services Portfolio Agenda	Number of reports provided for Community Services Portfolio Agenda	1	6	6 reports to be provided for 2014/2015 FY.	7 reports provided for 2014/2015 FY.	*	*
DCO M 4			Action resolutions of Portfolio Committee & EXCO meetings	Number of reports forwarded to Municipal Manager on auctioning of resolutions	Target did not appear in 2013/2014 scorecard		5 reports to be submitted to MM on actioning of resolutions	3 reports	2	DCOM will ensure that reports are submitted to MM even if there were no actioning to be done.
DCO M 5	IDP 1.2.1 OPMS 4	Organisational skills development and capacity building	To identify training needs within the Community Services & submit to HR for inclusion in WSP	Date of submission of training needs to HR	Target did not appear in 2013/2014 scorecard		Training needs of department to be submitted to HR by 31 March 2015	* meeting held with staff and HR * Skills Audit submitted to HR on 10 February 2015 * trainings completed for	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
								use of brushcutters		
DCO M 6	IDP 1.6.1 OPMS 12		Development of SMART Organisational Performance Management Systems by monitoring the performance of Middle Management staff and ensuring that monthly performance reports are received	Number of performance reports received from Middle Management staff	Target did not appear in 2013/2014 scorecard		30 performance reports received from Middle Management staff	30 performance reports received from Middle Management staff	*	*
KPA 2: BASIC SERVICE DELIVERY										
DCO M 7	IDP 2.1.2 OPMS 22	To Provide Basic Services to all households and address Service Delivery Backlogs	Provide free basic services to all indigent households with available resources	Number of households with access to free basic refuse services	10227 households to benefit in the 2013/2014 FY from free basic waste collection services	10710 households	10 710 households provided with free refuse services	11115 - rural households 5482 urban households	*	*
DCO M 8	IDP 2.4.1 OPMS 29	Ensure the effectiveness of waste management services in all areas	Conduct training and awareness programmes on waste recycling facilities at appropriate locations and report to Portfolio Committee	Number of trainings conducted on Waste Management Services and reports submitted to Portfolio Committee	Target did not appear in 2013/2014 scorecard		3 trainings to be conducted and 4 reports to Portfolio Committee	* 15 trainings held * 6 reports submitted on 22 July 2014 and 09 Sept. 2014	*	*
DCO M 9			Decrease tonnage of waste in Landfill site by 5% per quarter in order to ensure the effectiveness of recycling	% decrease in tonnage of waste in Landfill site	Target did not appear in 2013/2014 scorecard		5% decrease of tonnage of waste in landfill site	0	5%	Measures are put in place to ensure that tonnage is reported to Portfolio Committee. Training is provided to community and schools on recycling
DCO M 10	IDP 2.15.1 OPMS 30	Facilitate Early Childhood Development	Ensure an healthy environment for childhood development	No of Creches visited to ensure a healthy environment for Childhood development	Target did not appear in 2013/2014 scorecard		12 early childhood development facilities to be visited and submit 4 reports to Portfolio Committee	95 Creches visited	*	*
DCO M 11	IDP 2.6.1	Facilitate adequate provisioning and	facilitate the transfer all rural community	Number of community facilities	Target did not appear in 2013/2014 scorecard		10 rural community facilities to be	0	10 facilities not transferred	Issues were raised by Amakhosi which had

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
	OPMS 34	management of community facilities at appropriate locations	facilities to the Municipality report to the Portfolio Committee	transferred to the municipality by 30 June 2015			transferred to the municipality by 30 June 2015			to be resolved prior to transfer process. Issues are now resolved and transfers will proceed in 2015/2016 FY.
DCO M 12	IDP 2.12.1 OPMS 41	Provide for the cemetery needs in the Municipal area	Submit reports to the Portfolio Committee on initiatives implemented for the provision of cemetery needs	Number of reports submitted to Portfolio Committee on initiatives implemented to provide for cemetery needs in the municipal area	4 alignment meetings to be held with UDM – mandawe cemetery	3 meetings held	4 reports to be submitted to Portfolio Committee on initiatives implemented to provide for cemetery needs in the municipal area	5 reports submitted to Portfolio Committee	*	*
DCO M 13	IDP 3.2.1 OPMS 47	To Contribute towards the reduction of unemployment	To create jobs through various programmes / projects	Number of jobs created through Sizabonke programmes	Target did not appear in 2013/2014 scorecard		85 jobs to be created through Sizabonke programmes	137 jobs created	*	*
DCO M 14				No of jobs created through War against Poverty	Target did not appear in 2013/2014 scorecard		* 100 Jobs to be created	100 jobs created	*	*
DCO M 15				No of jobs created through Food for waste	Target did not appear in 2013/2014 scorecard		* 100 Jobs to be created	135 jobs created	*	*
DCO M 16				No of jobs created through Weed eradication	Target did not appear in 2013/2014 scorecard		* 50 Jobs to be created	66 Jobs Created	*	*
DCO M 17				No. Of jobs created through CWP	Target did not appear in 2013/2014 scorecard		1000 jobs to be created	1017 jobs created	*	*
KPA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT										
DCO M 18	IDP 4.3.2 OPMS 56	Optimise budget implementation in the municipality	90% of budget on purchase of Chainsaws to be spent by 30 June 2015	Percentage of budget spent on purchase of Chainsaws by 30 June 2015	Target did not appear in 2013/2014 scorecard		90% of budget on Purchase of slashers to be spent by 30 June 2015	88% expenditure slashers delivered by 30 Oct	2%	insignificant variance. Chainsaws purchased
DCO M 19			90% of budget on Purchase of Brushcutters to be spent by 30 June 2015	Percentage of Budget spent on Purchase of	100% of budget on Purchase of Brushcutters to be spent	97% of budget spent	90% of budget on Purchase of Brushcutters to be spent by 30 June 2015	95% of budget spent by 30 June 2015	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
				Brushcutters by 30 June 2015						
DCO M 20			90% of budget on Purchase of Playpark Equipment to be spent by 30 June 2015	Percentage of budget spent on Purchase of Playpark Equipment by 30 June 2015	Target did not appear in 2013/2014 scorecard		* Play Park Equipment to be purchased and fitted * 90% of budget to be spent by 30 June 2015	* Play Park Equipment purchased and fitted * 83% of budget to be spent by 30 June 2015	7%	insignificant variance. Equipment purchased
DCO M 21			90% of budget on purchase of Pipes to be spent by 30 June 2015	Percentage of budget spent on purchase of Pipes by 30 June 2015	Target did not appear in 2013/2014 scorecard		* pipes to be delivered * 90% of budget to be spent by 30 June 2015	* pipes delivered * 49% of budget spent by 30 June 2015	51%	Procurement Plan will be monitored
DCO M 22			90% of budget on purchase of refuse skips, mass containers & refuse bins to be spent by 30 June 2015	Percentage of budget spent on purchase of refuse skips, mass containers & refuse bins by 30 June 2015	Target did not appear in 2013/2014 scorecard		* Delivery to be done by 30 May * 90% of budget to be spent by 30 June 2015	* Delivery done by 30 May * Refuse bins - 100% spent Mass containers - 83.80% spent	*	*
DCO M 23			90% expenditure on Upgrade / renovate / additions - Community Halls and office buildings by 30 June 2015	Percentage of budget spent - renewal of current municipal buildings	Target did not appear in 2013/2014 scorecard		* Construction to be finalised by 30 April 2015. * Final building inspections to be undertaken * 90% of budget to be spent by 30 June 2015	0	90% of budget was not spent	Budget expenditure will be monitored by MANCO through SDBIP and procurement plan
DCO M 24			90% expenditure on Sports events: Equit Share by 30 June 2015	Percentage of budget spent on Sports events: Equit Share by 30 June 2015	* 100% of budget to be spent	* 91% of budget spent	* 90% of budget to be spent * 4 reports to be submitted to Portfolio Committee	* 96% of budget spent * 5 reports to be submitted to Portfolio Committee	*	*
DCO M 25	IDP 4.3.1 OPMS 55		90% expenditure on Cultural event: Equit Share by 30 June 2015	Percentage of budget spent on Cultural event: Equit Share by 30 June 2015	* 100% of budget to be spent	* 100% of budget spent	* 90% of budget to be spent * 4 reports to be submitted to Portfolio Committee	* 96% of budget spent * 5 reports to be submitted to	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
								Portfolio Committee		
DCO M 26			90% expenditure on Youth Programmes :Equit share by 30 June 2015	Percentage of budget spent on Youth Programmes :Equit share by 30 June 2015	* 100% of budget to be spent	* 38% of budget spent	* 90% of budget to be spent * 4 reports to be submitted to Portfolio Committee	* 100% of budget spent * 5 reports submitted to Portfolio Committee	*	*
DCO M 27			Implement Special Programmes for Physically challenged, Sports, Youth, Gender issues, Senior Citizens and ensure at least 90% of total municipal capital budget spent by 30 June 2015	No of programmes initiated and percentage of budget spent on the Implementation of Special programmes by 30 June 2015	Target did not appear in 2013/2014 scorecard		* 16 programmes initiated (4 programmes for each category) * 90% of budget to be spent	* 17 programmes initiated * 100% of budget spent	*	*
DCO M 28			Grass Cutting Contract - Mtunzini	Percentage of budget spent on Grass Cutting Contract - Mtunzini	* 100% of budget to be spent	* 100% of budget spent	* 1 report to be submitted to Portfolio Committee * 90% of budget to be spent * 4 reports on Performance of Contractor to be submitted	* 100% of budget spent * 5 reports submitted to Portfolio Committee	*	*
DCO M 29			Grass Cutting Contract - Eshowe	Percentage of budget spent on Grass Cutting Contract - Eshowe	* 100% of budget to be spent	* 100% of budget spent	* 1 report to be submitted to Portfolio Committee * 90% of budget to be spent * 4 reports on Performance of Contractor to be submitted	* 100% of budget spent * 5 reports submitted to Portfolio Committee	*	*
DCO M 30			Grass Cutting Contract - Ging	Percentage of budget spent on Grass Cutting Contract - Ging	* 100% of budget to be spent	* 100% of budget spent	* 1 report to be submitted to Portfolio Committee * 90% of budget to be spent * 4 reports on Performance of	* 100% of budget spent * 5 reports submitted to Portfolio Committee	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
							Contractor to be submitted			
KPA 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION										
DCO M 31		To reduce risk to the organisation	Mitigate risk identified in the Risk register by appointing a dedicated special programmes personnel by 30 June 2015 in order to ensure the effectiveness of special programmes such as Indigent burial assistance, HIV/Aids programmes etc..	Date of appointment of personnel in order to ensure the effectiveness of special programmes such as Indigent burial assistance, HIV/Aids programmes etc..	Target did not appear in 2013/2014 scorecard		Ensure the effectiveness of support committees in terms of the implementation of special programmes by 02 September 2014. Ensure budget provision is made by 31 December 2014 to conduct profiling for indigent database in rural areas. Ensure the appointment of dedicated special programmes personnel by 30 June 2015.	01 July 2015 (Ms N Mahaye - employee number 80300039), Miss N Mhlongo and Miss S Mthembu	*	*
DC OM 32	IDP 5.3.2 OPMS 61		Mitigate risk identified in the Risk register by developing an indigent youth register by 31 December 2014 in order to identify indigent youth candidates legable for skills training assistance.	Date of compilation of indigent register	Target did not appear in 2013/2014 scorecard		Indigent Youth Register to be compiled by 31 January 2015.	Indigent youth Register compiled (7 April 2015 - Item 10.1)	*	*
DCO M 33			Mitigate risk identified in the Risk register by developing a maintenance programmes for rural facilities by 31 December 2014 and employ ward based Sizabonke to maintain rural facilities	Date of development of maintenance plan and date of employment of ward based Sizabonke personnel.	Target did not appear in 2013/2014 scorecard		Maintenance programme for rural facilities to be developed by 31 December 2014. Ward based Sizabonke personnel to be employed by 30 June 2015 to maintain rural facilities	0 Not achieved	Maintenance programme for rural facilities was not done	Will be done after the finalisation of the transfers of the facilities to the Municipality
DCO M 34			Mitigate risk identified in the Risk register by ensuring the	Date of installation of security cameras	Target did not appear in 2013/2014 scorecard		Cameras to be installed and viewed at Directors office by 30 June 2015.	installed in two areas and server	Cameras are not viewed in	Will be viewed in Directors office after alterations and

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
			protection to strenthen access control in cost centres and properties by installing cameras to be viewed in Directors office	to be viewed at Directors office				will be installed in Directors office after alterations and renovations in July 2015	the Directors office	renovations are completed
DCO M 35			Mitigate risk identified in the Risk register by ensuring that SMME is supported financially in terms of recycling and to establish and Develop Greening of the town in order to prevent illegal dumping and to monitor Waste Management	Date of finalisation of plan for the greening of the town and provision of financial assistance to SMME's for recycling	Target did not appear in 2013/2014 scorecard		Ensure that financial assistance is provided to SMME's for recycling and ensure that a plan is developed for the greening of the town by 30 June 2015.	0	Plan for the greening of the town was not done	Will be done in 2015/2016

SECTION 46 ANNUAL PERFORMANCE REPORT DEPARTMENT: CORPORATE SERVICES

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
KPA 1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT										
DCS 1	IDP 1.1.2 OPMS 2	To Improve Service Delivery and the Image of the Municipality	Complete outstanding job descriptions for newly established posts in the organogram by 31 March 2015	Percentage of outstanding job descriptions completed by 30 June 2015	100% of job descriptions to be completed by 30 June 2014	58% of job descriptions completed	100% of remaining job descriptions to be completed by 30 June 2015	100%	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
DCS 2	IDP 1.2.2 OPMS 5		Develop a succession plan	Date of approval of succession plan by EXCO	Target did not appear in 2013/2014 scorecard		Succession plan to be approved by EXCO by 31 Mar 2015	Succession Plan adopted by Exco on 03 June 2015		
DCS 3	IDP 1.2.3 OPMS 6		Implement and support internship, learnership and in-service training programmes	Number of reports submitted to LLF on internship, learnership and in-service trainings/programmes implemented	Target did not appear in 2013/2014 scorecard		4 reports to be submitted to LLF on internship, learnership and in-service trainings/programmes implemented	4 reports submitted to LLF on internship, learnership and in-service trainings/programmes implemented	*	*
DCS 4	IDP 1.2.1 OPMS 4		Undertake training for staff as per skills development plan.	percentage of budget spent on training for staff and Councillors	100% of training budget to be spent by 30 June 2015.	76% of staff training budget spent 38% of Cllrs training budget spent	* Training to be provided for staff and Cllrs by 30 June 2015 * 90% of budget to be spent	89% Staff Training and 36% Cllr Training	90% of budget not spent	A budget allocation has been made to appoint a training officer in the HR department and this will address capacity issues. A training committee has been established
DCS 5			To identify training needs within the Corporate Services department & submit to HR for inclusion in WSP	Date of submission of training needs to HR	Target did not appear in 2013/2014 scorecard		Training needs of department to be submitted to HR by 31 March 2015	Training needs identified and submitted on 23 March 2015	*	*
DCS 6	IDP 1.3.1 OPMS 7	Improve Contract Management	To submit quarterly report to EXCO on all Contracts entered with expiry dates	Number of reports submitted to Council on all Contracts entered with expiry dates	Target did not appear in 2013/2014 scorecard		4 reports to be submitted to EXCO by 30 June 2014 on contracts.	4 Reports submitted on 30 September 2014, 09 December 2014, 31 March 2015 and 30 June 2015	*	*
DCS 7	IDP 1.3.2 OPMS 8		Develop policy on the management of Service Providers by 30 May 2015	Date of approval of Policy on the Management of Service Providers	Target did not appear in 2013/2014 scorecard		Policy on the management of Service Providers to be approved by EXCO 30 May 2015	Policy on the management of Service Providers approved by	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
								EXCO on 13 May 2015		
DCS 8	IDP 1.4.1 OPMS 9	To improve ICT Systems within the organisation	Establish an integrated document Management System for uMlalazi Municipality within Corporate Services department	Date of installation of document management system	File plan to be approved by 31 December 2013	Approved on 04 September 2013	Document Management System to be installed by 30 April 2015	* Document Management System installed on 30 April 2015 - see completion certificate * Training on system done on 21 May 2015	*	*
DCS 9			Report on uploads done on Website	Number of reports submitted on uploads done on Website	Target did not appear in 2013/2014 scorecard		4 reports to be submitted to Portfolio Committee by 30 June 2015 on contracts.	6 Reports submitted	*	*
DCS 10	IDP 1.5.1 OPMS 10	To ensure effective and efficient Municipal Administration and communication	Administer Council, Exco, Portfolio and staff meetings	Number of staff meetings held	16	23	* 12 Middle Management Meetings to be held * 4 Staff meetings	15 Middle Management Meetings, 8 Staff Meetings	*	*
DCS 11				Number of meetings of Council held	Ensure that 6 Council, 11 Exco, 38 Portfolio Committee	14 x Council meetings; 11 x Exco	* Provide Admin services for 6 Council, 11 Exco & 25 Portfolio Committee meetings * Compile 11 reports to the Chair of SRO on non attendance * Submit 4 report to EXCO on implementation of SRO in terms of non attendance at meetings	* Provided Admin services for 14 Council, 14 Exco & 43 Portfolio Committee meetings * Compile 11 reports to the Chair of SRO on non attendance * Submit 4 report to EXCO on implementation of SRO in terms of non attendance at meetings	*	*
DCs 12			Action resolutions of Portfolio Committee & EXCO meetings	Number of reports forwarded to Municipal Manager	Target did not appear in 2013/2014 scorecard		11 reports to be submitted to MM on	11 reports submitted to MM	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
				on Actioning of resolutions of Portfolio Committee & EXCO meetings			actioning of resolutions			
DCS 13	IDP 1.5.2 OPMS 11		Develop communication strategy / plan	Date of Review communication framework/strategy by EXCO	Target did not appear in 2013/2014 scorecard		Communication strategy to be approved by EXCO by 30 June 2015	Communication Plan and Policy adopted by Exco on 01 April 2015	*	*
DCS 14	IDP 1.7.1 OPMS 20	Strengthen and improve employment equity in the municipality	Ensure 100% of people employed in the three highest levels of management in the 2014/2015 FY is in compliance with approved equity plan	% of people employed in the three highest levels of management in the 2014/2015 FY	100% of people employed in the three highest levels of management in the 2014/2015 FY is in compliance with approved equity plan	100%	100% of people employed in the three highest levels of management is in compliance with approved equity plan	Not achieved	Not 100% achieved	It is not practical to ensure that 100% of people employed in the 3 highest levels of management are in compliance with EEP. This is due to the fact that only vacant posts can be targeted and in this regard we can only target these posts. We will therefore be specific and stipulate the positions that will be targeted.
Dcs 15	IDP 1.6.1 OPMS 12		Development of SMART Organisational Performance Management Systems by monitoring the performance of Middle Management staff and ensuring that monthly performance reports are received	Number of performance reports received from Middle Management staff	Target did not appear in 2013/2014 scorecard		8 performance reports received from Middle Management staff	23 reports received	*	*
KPA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT										
DCS 16	IDP 4.3.2 OPMS 56	Optimise budget implementation in the municipality	Ensure 90% of budget on document management system is spent by 30 June 2015	% of budget spent on implementation of a new document management system - Registry	Target did not appear in 2013/2014 scorecard		* 90% of budget to be spent by 30 June 2015 on Document Management System	* 90% of budget spent by 30 June 2015 on Document	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
								Management System		
DCS 17			Ensure 90% of budget on switchboard system is spent by 30 June 2015	% of budget spent on upgrade of Switchboard system	Target did not appear in 2013/2014 scorecard		* 90% of budget to be spent by 30 June 2015 on Switchboard System	88% budget spent on 30 April 2015 (90% not spent due to savings)	*	*
DCS 18			Upgrade / renovate / additions - Community Halls and office buildings	Percentage of budget spent - renewal of current municipal buildings	Target did not appear in 2013/2014 scorecard		* Construction to be finalised by 30 April 2015. * Final building inspections to be undertaken by 30 April 2015.	100%	*	*
DCS 19			Ensure 90% of budget on purchase of propnet properties by 31 May 2014	% of expenditure on purchase of propnet properties	100% of budget to be spent by 31 May 2014.	0	At least 90% of budget to be spent by 31 September 2014.	100% budget spent on 29 September 2014.	*	*
DCS 20			Ensure 90% of budget spent on temporary housing structures by 30 June 2015	Date of completion of temporary housing structures	Target did not appear in 2013/2014 scorecard		Temporary housing structures to be built by 30 June 2015 and at least 90% expenditure	Temporary housing structures provided by 30 June 2015 and 100% expenditure	*	*
DCS 21	IDP 4.3.1 OPMS 55		Ensure 90% of budget spent on Advertising and submit reports to Portfolio Committee	Number of reports submitted to Portfolio Committee on Advertising expenditure	Target did not appear in 2013/2014 scorecard		4 reports to be submitted on advertising expenses	* 5 Reports submitted * 97% expenditure	*	*
DCS 22			Submit reports to EXCO on the progress of Legal Cases entered into by the Municipal Manager in terms of his delegated authority on behalf of Council	Number of bi-annual reports submitted to EXCO on the progress of Legal Cases entered into by the Municipal Manager in terms of his delegated authority on behalf of Council	Target did not appear in 2013/2014 scorecard		4 reports submitted to EXCO on the progress of Legal Cases entered into by the Municipal Manager in terms of his delegated authority on behalf of Council	9 reports submitted to EXCO on the progress of Legal Cases entered into by the Municipal Manager in terms of his delegated authority on	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
								behalf of Council		
DCS 23			Submit reports to MM on Telephone call costs per departments	Number of reports submitted to MM on Telephone call costs per departments	Target did not appear in 2013/2014 scorecard		4 reports to be submitted to MM on Telephone costs incurred per department	12 reports submitted to MM on Telephone costs incurred per department	*	*
DCS 24			Ensure payments of Grants-in Aids made by 31 December 2014	Percentage of Grant-in-Aids paid	Target did not appear in 2013/2014 scorecard		* Grant-in-Aids to be paid to the organisations by 31 December 2014	Payment of Grant-in Aid Completed on 21 Oct 2014 & 30 Nov 2014 Target Achieved	*	*
KPA 5:GOOD GOVERNANCE & PUBLIC PARTICIPATION										
DCS 25	IDP 5.3.2 OPMS 61	To mitigate risks identified in the departmental risk registers to be actioned in the 2014/2015 financial year	To effectively implement the Employment Assistance Programme Strategy by making provision in the budget to appoint a EAP Officer, secure funding for implementation, and conduct scientific evaluation of EAP through quarterly reports	Date of implementation of the Employment Assistance Programme Strategy by making provision in the budget to appoint a EAP Officer, secure funding for implementation, and conduct scientific evaluation of EAP through quarterly reports	Target did not appear in 2013/2014 scorecard		Provision to be made in the budget for the appointment of EAP Officer by 30 May 2015. Funding is included in the budget to implement the EAP Strategy by 30 May 2015.	* Provision made in the budget for the appointment of EAP Officer by 30 May 2015. * EAP Strategy included in HR Strategy adopted by LLF on 25 March 2015. Adopted by Exco on 03 June 2015	*	*
DCS 26			To ensure the annual review of the recruitment and selection policy to avoid the misrepresentation of experien and fabrication of qualifications	Date of approval of annual review of policy on recruitment and selection to avoid the misrepresentation of experien and fabrication of qualifications	Target did not appear in 2013/2014 scorecard		Annual Review of recruitment and selection policy to be approved by 31 March 2015.	Policy adopted by Exco on 03 June 2015	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
DCS 27			To create awareness to all staff of the Whistle Blowing Policy and to report to MM any suspicion of bribery and corruption of presiding officers for their removal from the panel to ensure that the outcome of disciplinary hearings are not influenced by presiding officers accepting bribes	Date action completed on o create awareness to all staff of the Whistle Blowing Policy and to report to MM any suspicion of bribery and corruption of presiding officers for their removal from the panel to ensure that the outcome of disciplinary hearings are not influenced by presiding officers accepting bribes	Target did not appear in 2013/2014 scorecard		Ensure that HR creates awareness to all staff of the Whistleblowing Policy and any suspicion of bribery and corruption of presiding officers is reported to MM for their removal from the panel by 31 March 2015.	Presentation to Corporate Staff on Whistle Blowing Policy presented on 23 Jan 2015; Meeting held with Engineers on 08 April 2015		

SECTION 46 ANNUAL PERFORMANCE REPORT DEPARTMENT: ENGINEERING SERVICES

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
KPA 1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT										
DES 1	IDP 1.5.1 OPM S 10	To ensure effective and efficient Municipal Administration and communication	Hold staff meetings	Number of staff meetings held	* 12 Middle Management Meetings to be held * 4 Staff meeting	9	* 12 Middle Management Meetings to be held * 4 Staff meeting	12 Middle Management meetings 4 staff meetings	*	*
DES 2			Attend meetings of council	Number of meetings of Council attended	23	38	* Attend 6 Council, 11 Exco & 6 Engineering Committee meetings	24 meetings attended	*	*
DES 3			Provide reports for Engineering Portfolio Agenda	Number of reports provided for Engineering Portfolio Agenda	6	4	6 reports to be provided for Engineering Portfolio Agenda 2014/2015 FY.	6 reports provided for 2014/2015 FY.	*	*
DES 4			Action resolutions of Portfolio Committee & EXCO meetings	Number of reports forwarded to Municipal Manager on actioning of resolutions of Portfolio Committee & EXCO meetings	Target did not appear in 2013/2014 scorecard		5 reports to be submitted to MM on actioning of resolutions	0	No reports submitted to MM	Actioning was done but reports were not submitted to MM. In future the Director will ensure that monthly reports are submitted to MM.
DES 5	IDP 1.3.1 OPM S 7	To improve Contract Management	Conduct needs assessment for use of Service Providers	Date of approval OF needs assessment for use of Service Providers by EXCO	Target did not appear in 2013/2014 scorecard		Needs assessment to be approved by 31 March 2015	0	Needs assessment not done	Target set for all department in 2015/2016 to conduct needs assessments prior to the appointment of Service Providers.

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
DES 6	IDP 1.2.1 OPM S 4	Organisational skills development and capacity building	To identify training needs within the Engineering department & submit to HR for inclusion in WSP	Date of submission of training needs to HR	Target did not appear in 2013/2014 scorecard		Training needs of department to be submitted to HR by 31 March 2015	Training needs submitted to HR through skills audits completed by 31 March 2015		
DES 7	IDP 1.6.1 OPM S 12	To ensure effective oversight by the Municipality	Monitor the performance of Middle Management staff and ensuring that monthly performance reports are received	Number of performance reports received from Middle Management staff	Target did not appear in 2013/2014 scorecard		24 performance reports received from Middle Management staff	26 performance reports received from Middle Management staff	*	*
DES 8	IDP 1.8.1 OPM S 21	Ensure the provision of adequate office space within one civic centre	Investigate the possibility of expansion of the existing civic centre at Hutchinson Street by 30 June 2015.	Date of approval of the investigation of the expansion of the civic centre by EXCO	Target did not appear in 2013/2014 scorecard		Investigation of the expansion of the civic centre to be approved by EXCO by 30 June 2015	0	Investigation of expansion of civic centre not done.	Investigation process commenced however all tenderers were not suitable due to functionality. Department will commence with process in the start of 2015/2016 FY.
KPA 2: BASIC SERVICE DELIVERY										
DES 9	IDP 2.1.3 OPM S 24	To provide Basic Services to all households and address Service Delivery Backlogs	Replacement of existing conventional meters	Percentage of meters replaced	90% of meters replaced as per requests received	100% of meters replaced as per requests received	90% of meters replaced as per requests received and submit 4 reports to Portfolio Committee	100% of meters replaced as per requests received and report submitted to Portfolio Committee	*	*
DES 10	IDP 2.2.1 OPM S 25	Facilitate with uThungulu to ensure alignment of water provisioning to relevant Municipal Capital Projects	Attend alignment meetings with Uthungulu District Municipality to ensure alignment	Number of alignment meetings attended with UDM and reported to EXCO	4 meetings to be attended and 4 reports to be submitted to EXCO	4 meetings attended	4 meetings to be attended and 4 reports to be submitted to EXCO	4 meetings attended	*	*
DES 11	IDP 2.3.1 OPM S 26	To facilitate Electricity provision in all areas	Facilitate the upgrading of Eskom Power Supply to improve capacity to	Date of payment made to Eskom for upgrade of electricity	Payment for upgrade of Eskom Power Supply to be made by 30 September 2013.	Payment made on 13 December 2013	Payment for upgrading to be paid by 31 December 2014	Payment made by 31 December 2014 100% expenditure	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
			eshowe in terms of 3 year agreement							
DES 12	IDP 2.3.3 OPM S 28		Investigate and implement green energy programmes in relation to energy saving projects such as solar water geysers	Number of reports submitted to the portfolio committee on the investigation and implementation of green energy programmes in relation to energy saving projects such as solar water geysers	Facilitate the implementation of solar water geysers project	Facilitated the implementation of solar water geysers project with the consultant	4 reports to be submitted to Portfolio Committee on investigation of green energy programmes	4 reports submitted to Portfolio Committee on investigation of green energy programmes	*	*
DES 13	IDP 2.3.2 OPM S 27		Attend meetings with Eskom to ensure alignment of energy provisioning to Municipal Capital Projects	No of meetings alignment meetings attended with Eskom	4 alignment meetings to be attended with Eskom in 2013/2014 FY	7 alignment meetings attended with Eskom in 2013/2014 FY	4 meetings to be attended and 4 reports to be submitted to EXCO	5 meetings attended	*	*
DES 14	IDP 2.5.1 OPM S 31	Ensure the provision and maintenance of municipal roads, access roads and causeways	Construction of 2.7km of Esifubeni Road (MIG) by 30 June 2015	Date of Completion and % of budget spent on Construction of 2.7km of Esifubeni Road (MIG)	100% of budget to be spent	92% budget spent	* Project to be completed by 30 April 2015 * 90% of budget to be spent * 2.7 kms of Road to be constructed.	* Project completed on 17 December 2014 * 100% budget spent * 2.73 km road constructed	*	*
DES 15			Upgrade 1.2km of of Kangela Road Eshowe (MIG)	Date of Completion and % of budget spent on Upgrade 1.2km of of Kangela Road Eshowe (MIG)	100% of budget to be spent	28% budget spent	* Project to be completed by 30 June 2015 * 90% of budget to be spent * 1,2 km of Road to be constructed.	* Project completed by 30 June 2015 * 100% budget spent * 1.2 km road constructed	*	*
DES 16			Construction of 810m of KDS / Sunnysdale Link Road (MIG)	Date of Completion and % of budget spent on Construction of 810m of KDS / Sunnysdale Link Road (MIG)	100% of budget to be spent	100% budget spent	* Project to be completed by 31 March 2015 * 90% of budget to be spent * 800m of Road & 10m of bridge to be constructed.	* 86% budget spent * 800m road constructed & 10m bridge	4%	Project is 100% complete however the variance is as a result of retention which is not included in the % expenditure. The remaining amount

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
										unspent is contingencies
DES 17			Rehabilitation of 1.5 km of Osborne Road (MIG)	Date of Completion and % of budget spent on Rehabilitation of 1.5 km of Osborne Road (MIG)	100% of budget to be spent	22% budget spent	* Project to be completed by 30 June 2015 * 90% of budget to be spent * 1,5km of Road to be constructed.	* 100% budget spent * road still under construction	*	*
DES 18			Construction of 12m of Makhehle Causeway (MIG)	Date of Completion and % of budget spent on Construction of 12m of Makhehle Causeway (MIG)	100% of budget to be spent	21% budget spent	* Project to be completed by 30 June 2015 * 90% of budget to be spent * 12m of Causeway to be constructed.	* 82% budget spent by 30 June 2015 * 12m Causeway constructed	8%	Project is 100% complete however the variance is as a result of retention which is not included in the % expenditure. The remaining amount unspent is contingencies
DES 19			Construction of Nogobhoza Road (MIG)	Date of Completion and % of budget spent on Construction of Nogobhoza Road (MIG)	100% of budget to be spent	68% budget spent	* 90% budget to be spent * 1 site inspection to be undertaken	* Project completed on 10 July 2014 * 100% budget spent by 30 June 2015 * 4.5km road constructed	*	*
DES 20			Construction of 3km of Gciza Causeway (MIG)	Date of Completion and % of budget spent on Construction of 3km of Gciza Causeway (MIG)	100% of budget to be spent	37% budget spent	* Project to be completed by 30 June 2015 * 90% of budget to be spent * 3kms of Road to be constructed.	* Project completed on 29 November 2014 * 73% budget spent by 30 June 2015 * 3km road constructed	27%	Project is 100% complete however the variance is as a result of retention which is not included in the % expenditure. The remaining amount unspent is contingencies
DES 21			Construction of 1.4km of Mfofolozi Causeway / Road (MIG)	Date of Completion and % of budget spent on Construction of 1.4km of Mfofolozi Causeway / Road (MIG)	100% of budget to be spent	61% budget spent	* Project to be completed by 30 June 2015 * 90% of budget to be spent * 1.4kms of Road to be constructed.	* 100% budget spent by 30 June 2015 * 1.4km road constructed	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
DES 22			Construction of 4km of Ndlongolwane Road (MIG)	Date of Completion and % of budget spent on Construction of 4km of Ndlongolwane Road (MIG)	100% of budget to be spent	71% Budget spent	* 1 Site inspection to be undertaken * Project to be completed by 30 June 2015 * 90% of budget to be spent * 4kms of Road to be constructed.	* 75% budget spent by 30 June 2015 * 4km road constructed	25%	Project is 100% complete however the variance is as a result of retention which is not included in the % expenditure. The remaining amount unspent is contingencies
DES 23			Upgrade of 500m of Naickerville Intersection	Date of Completion and % of budget spent on Upgrade of 500m of Naickerville Intersection	100% of budget to be spent	100% budget spent	* PMU to undertake 1 site inspections * Project to be completed by 30 June 2015 * 90% of budget to be spent * 500m of interseccion to be constructed.	* 93% budget spent by 30 June 2015 * 500m road constructed	*	*
DES 24	IDP 2.5.2 OPM S 32		Rehabilitation of 2km of Urban Roads	Percentage of budget spent and date of expenditure of Rehabilitation of 2km of Urban Roads	Target did not appear in 2013/2014 scorecard		* Project to be completed by 30 June 2015 * 90% of budget to be spent	* Project completed on 20 April 2015 * 89% budget spent by 30 June 2015 * 2.6km road managed	1%	Project is 100% complete however the variance is contingencies
DES 25	IDP 2.5.3 OPM S 33		Implement rural roads programme with hired graders - Ensure 2000km of road graded	Km of roads graded	1920 kms of road to be graded by 30 June 2014.	4529.6 km of road graded by 30 June 2014	* 2000km of road to be graded	* 3400.4km of road graded	*	*
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
DES 26	IDP 3.2.1 OPM S 47	Contribute towards the reduction of unemployment	Create jobs through EPWP - (Capital Projects)	Number of jobs created through Municipal Capital Projects	526 Jobs to be created through various Municipal projects / EPWP programmes	855 Jobs created	315 jobs to be created through EPWP	256 jobs created through EPWP		
KPA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT										
DES 27	IDP 4.3.2		Speedhumps - Eshowe, Gingindlovu &	Number of Speedhumps	100% of budget to be spent	95% budget spent	Speedhumps to be constructed by 31		*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES	
					TARGET	ACTUAL	TARGET	ACTUAL			
	OPM S 56	Optimise budget implementation in the municipality	Mthunzini - Ensure at least 90% expenditure	constructed - Eshowe			December 2014 in Eshowe & 90% expenditure.	* Speedhumps constructed by 31 December 2014			
DES 28				Number of Speedhumps constructed - Ging	100% of budget to be spent	95% budget spent	Speedumps to be constructed by 31 December 2014 in Ging.	* 98% budget spent	*	*	
DES 29				Number of Speedhumps constructed - Mtz	100% of budget to be spent	95% budget spent	Speedumps to be constructed by 31 December 2014 in Mtunzini.		*	*	
DES 30				Public transport facilities - Ensure at least 90% expenditure	Percentage of expenditure on Public transport facilities	100% of budget to be spent	98% budget spent	* Project to be completed by 30 June 2015 * 90% of budget to be spent *	* Project completed by 30 June 2015 * 100% budget spent	*	*
DES 31				Stormwater management - Ensure at least 90% expenditure	Percentage of budget spent on Stormwater management	100% of budget to be spent	98% budget spent	* Project to be completed by 30 June 2015 * 90% of budget to be spent *	* Project completed by 30 June 2015 * 99% budget spent	*	*
DES 32				Pavement Management - Ensure at least 90% expenditure	Percentage of budget spent on Pavement Management	Target did not appear in 2013/2014 scorecard		90% of budget to be spent by 31 March 2015	* Project completed by 31 March 2015 * 100% budget spent	*	*
DES 33				Sidewalks - Ensure at least 90% expenditure	Percentage of budget spent on sidewalks	100% of budget to be spent	95% budget spent	90% of budget to be spent by 31 March 2015	* Project completed by 30 June 2015 * 95% budget spent	*	*
DES 34			Upgrade Intersection - Sunnydale Low cost housing - Ensure at least 90% expenditure	% of budget spent on Upgrade Intersection - Sunnydale Low cost housing	Target did not appear in 2013/2014 scorecard		* Project to be completed by 30 June 2015 * 90% of budget to be spent * Handover to be done	0 Not achieved	90% of budget was not spent	The intersection is a DOT road as it is located on the R66. The DOT did not permit the Municipality to reduce the speed limit from 80km per hour to 60 km per hour and therefore the	

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
										Department could not proceed with the upgrade. The department will ensure that budget is included only after approval is obtained from the relevant department
DES 35			Purchase Equipment / upgrade electricity supply - Ensure at least 90% expenditure	% of budget spent on purchase of 1 complete 3 way ring main unit, 1 Auto recloser, upgrade of Robot Control System, upgrade of Street lights, indoor transformers, pole mounted transformers, single phase prepaid meters, chainsaws	Target did not appear in 2013/2014 scorecard		Equipment to be delivered by 31 December 2014.	* 33% of budget spent	Auto recloser was not purchased	The SCM process was finalised however the delivery of the equipment takes time and it overlapped into the 2015/2016 FY. Department will ensure better planning in future
DES 36			Eshowe landfill Site capping - Ensure at least 90% expenditure	Percentage of budget spent on Eshowe landfill Site capping	Target did not appear in 2013/2014 scorecard		90% of budget to be spent by 30 September 2014	0		
DES 37			Construction of Kwayabu Sportsfield - Ensure at least 90% expenditure	Date of Completion and % of budget spent on Construction of Kwayabu Sports facilities -	Target did not appear in 2013/2014 scorecard		* Project to be completed by 30 March 2015 * 90% of budget to be spent * Handover to be done	Only 16% budget spent - Service Provider Contract terminated	84%	Contractor absconded from project. New contractor was appointed. Applied for Rollover
DES 38			Construction of Nkume Sports facilities - Ensure at least 90% expenditure	Date of Completion and % of budget spent on Construction of Nkume Sports facilities	Target did not appear in 2013/2014 scorecard		* Project to be completed by 30 June 2015 * 90% of budget to be spent * Handover to be done	Only 57% budget spent - Service Provider Contract terminated	43%	Contractor absconded from project. New contractor was appointed. Applied for Rollover
DES 39			Purchase of Vehicles for - Roads & Streets(x5) - Ensure at least 90% expenditure	Date of expenditure and % of budget spent on Purchase of Vehicles for - Roads & Streets(x5)	Target did not appear in 2013/2014 scorecard		* Vehicles to be delivered & 90% expenditure by 31 December 2014	Vehicles delivered in Quarter 3 - 100% budget spent	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
KPA 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION										
DES 40	IDP 5.3.2 OPM S 61	To mitigate risks identified in the departmental risk registers to be actioned in the 2014/2015 financial year	To ensure PMU is capacitated and that a procurement plan is developed to compliance with SDBIP by 30 June 2015	Date of capacitation of PMU & development of procurement plan	Target did not appear in 2013/2014 scorecard		PMU to be capacitated Procurement Plan to be approved by 30 June 2015.	* PMU UNIT included in draft budget * Procurement plan submitted to Senior Manager Compliance by 30 June 2015	*	*
DES 41			To investigate the possibility of including a Fleet Manager position in the organogram and the installation of a Vehicle Tracking Management System in order to avoid the abuse and misuse of municipal vehicles	Date of completion of investigations on the possibility of including a Fleet Manager position in the organogram and the installation of a Vehicle Tracking Management System in order to avoid the abuse and misuse of municipal vehicles	Target did not appear in 2013/2014 scorecard		Investigation of including a Fleet Manager position in the organogram to be finalised by 31 March 2015 and installing Vehicle Tracking Management System to be finalised by 30 June 2015.	* Fleet Officer position included in budget * Vehicle tracking system in progress	Vehicle tracking system not installed	Department is addressing staff capacity to monitor the tracking system

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
KPA 1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT										
DPS 1	IDP 1.5.1 OPMS 10	To ensure effective and efficient Municipal Administration and communication	Hold staff meetings	Number of staff meetings held	* 12 Middle Management Meetings to be held * 4 Staff meetings	6 staff meetings held	* 12 Middle Management Meetings to be held * 4 Staff meetings	7 staff meetings held		
DPS 2			Attend meetings of council	Number of meetings attended	* Attend 6 Council, 11 Exco & 11 Finance Committee meetings	17 Council meetings attended.	* Attend 6 Council, 11 Exco & 11 Finance Committee meetings	24 Council meetings attended.	*	*
DPS 3			Provide reports for Protection Services Portfolio Agenda	Number of reports provided	6 reports to be provided for 2014/2015 FY.	6 reports submitted	6 reports to be provided for 2014/2015 FY.	5 reports submitted for meetings held on 13 August, 14 October, 11 December, 10 March & 12 April		
DPS 4			Action resolutions of Portfolio Committee & EXCO meetings	Number of reports forwarded to Municipal Manager on actioning of resolutions of Portfolio Committee & EXCO meetings	Target did not appear in 2013/2014 scorecard		11 reports to be submitted to MM on actioning of resolutions	0	Reports on actioning of resolutions were not submitted to MM	Will ensure that reports are submitted to MM even if there are no resolutions to action
DPS 5	IDP 1.2.1 OPMS 4	Organisational skills development and capacity building	To identify training needs within the Engineering department & submit to HR for inclusion in WSP	Date of submission of training needs to HR	Target did not appear in 2013/2014 scorecard		Training needs of department to be submitted to HR by 31 March 2015	Skills audit forms were handed over by HR department to Protection Services staff members and were filled and sent back to HR section. 3 officials were sent to Boekenhoutkloof for Traffic Diploma training	*	*
DPS 6	IDP 1.6.1 OPMS 12	To ensure effective oversight by the Municipality	Monitor the performance of Middle Management staff and ensuring that monthly performance reports are received	Number of performance reports received from Middle Management staff	Target did not appear in 2013/2014 scorecard		24 performance reports received from Middle Management staff	0		
KPA 2: BASIC SERVICE DELIVERY										

DPS 7	IDP 2.10.1 OPMS 38	To mitigate the effect of disasters and ensure improved response to Disasters	Facilitate functioning of rural satellite fire stations (Mbongolwane and KwaBulawayo)	Number of reports on rural satellite fire stations (Mbongolwane and KwaBulawayo)	Target did not appear in 2013/2014 scorecard	4 reports to be submitted to Portfolio Committee	18 fire awarenesses conducted and a report is submitted to portfolio committee meeting.	*	*
DPS 8			Establish a Municipality Disaster Management Forum	Number of Disaster Mangement Forum meetings	Target did not appear in 2013/2014 scorecard	12 meetings to be held	0	12	Disaster Forum established with District
DPS 9			Report to Portfolio Committee Quarterly on effectiveness of Disaster Forum	No. of reports submitted on effectiveness of Disaster Forum	Target did not appear in 2013/2014 scorecard	4 reports to be submitted to Portfolio Committee	0	4	Disaster Forum established with District
DPS 10	IDP 2.14.1 OPMS 43		Prepare a combined crime prevention plan in partnership with all relevant stakeholders by 30 March 2015	Date of approval of Crime Prevention plan by Portfolio Committee	Target did not appear in 2013/2014 scorecard	Crime Prevention Plan to be approved by Portfolio Committee by 30 March 2015	0	Crime prevention plan was not done	This is not done by the Municipality. Will consult SAPS
DPS 11			Attend community policing forums	No of CPF Meetings attended	Target did not appear in 2013/2014 scorecard	6 CPF meetings to be attended	6 CPF meetings attended	*	*

KPA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

DPS 12	IDP 4.3.1 OPMS 55	Ensure at least 90% of total municipal operating budget spent	Ensure 90% expenditure on Animal pound facility by 30 June 2015	Percentage of budget spent - Animal pound facility	Target did not appear in 2013/2014 scorecard	* 4 progress reports to be submitted to Portfolio Committee on Municipal Pound * 12 meetings to be held with Pound Masters * 90% of budget to be spent by 30 June 2015	5 reports submitted for meetings held on 13 August, 14 October, 11 December, 10 March & 12 April		
DPS 13				Percentage of budget spent - Rural fire prevention	Target did not appear in 2013/2014 scorecard	* 4 progress reports to be submitted to Portfolio Committee on Rural Fire Prevention * 4 trainings to be conducted * 90% of budget to be spent by 30 June 2015	5 reports submitted for meetings held on 13 August, 14 October, 11 December, 10 March & 12 April	*	*
DPS 14			Ensure 90% expenditure on Disaster assistance by 30 June 2015	Percentage of budget spent - Disaster assistance	Target did not appear in 2013/2014 scorecard	4 reports to be submitted to Portfolio Committee on Disaster assistance provided	* 5 reports submitted for meetings held on 13 August,	*	*

							* 90% of budget to be spent by 30 June 2015	14 October, 11 December, 10 March & 12 April * 99% expenditure * 5 reports submitted to Portfolio Committee		
DPS 15	IDP 4.3.2 OPMS 56	Ensure at least 90% of total municipal capital budget spent	Ensure 90% expenditure on Purchase of firefighting equipment by 30 June 2015	Purchase firefighting equipment	* 100% of budget to be spent	100% of budget spent	* Fire fighting Equipment to be delivered * 90% of budget to be spent by 30 June 2015	* Fire fighting equipment delivered * 91% of budget spent	*	*
DPS 16			Ensure 90% expenditure on Renewal of Fire Tenders by 30 June 2015	Renewal of Fire Tenders	Target did not appear in 2013/2014 scorecard		90% of budget to be spent by 30 June 2015	* Fire tender delivered * 99% of budget spent	*	*
DPS 17			Ensure 90% expenditure on renewal of current municipal buildings by 30 June 2015	Percentage of budget spent - renewal of current municipal buildings	Target did not appear in 2013/2014 scorecard		* Construction to be finalised * Final building inspections to be undertaken * 90% of budget to be spent by 30 June 2015	0	budget not spent	Procurement plan will be monitored
DPS 18			Ensure 90% expenditure on Purchase of Equipment by 30 June 2015	Purchase of Equipment	Target did not appear in 2013/2014 scorecard		* Equipment to be delivered * 90% of budget to be spent	0	budget not spent	Procurement plan will be monitored

SECTION 46 ANNUAL PERFORMANCE REPORT DEPARTMENT: PLANNING AND DEVELOPMENT

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
KPA 1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT										
DPD 2	IDP 2.7.1 OPM S 35	Plan and support the acceleration of sustainable human settlement	Submit quarterly reports on implementation of housing projects to Portfolio Committee	Number of reports submitted on implementation of housing projects to Portfolio Committee	Target did not appear in 2013/2014 scorecard		4 reports to be submitted to Portfolio Committee on alignment of housing with bulk services provision, Housing forum meetings held and transfer of houses to beneficiaries	5 reports submitted to Portfolio Committee on alignment of housing with bulk services provision, Housing forum meetings held and transfer of houses to beneficiaries	*	*
DPD 3			Review of Housing Sector Plan	Date of approval of Housing Sector Plan Review	Housing Sector Plan to be reviewed by 30 June 2014	* Housing sector plan approved on 12 June 2014	Housing Sector Plan to be reviewed by 30 June 2015.	Housing Sector Plan approved with IDP on 30 June 2015	*	*
DPD 4			Facilitate bi-monthly housing forum meetings to ensure monitoring of progress on housing projects	No of housing forum meetings held	Target did not appear in 2013/2014 scorecard		4 meetings to be held	2 Housing Forum meetings held	2	Officials from department of Human Settlement postpone the meetings due to other commitments. Department will ensure that meetings are re-arranged.
DPD 5			Finalise outstanding transfers to approved beneficiaries	% of outstanding transfers of houses finalised	Target did not appear in 2013/2014 scorecard		100% of transfers finalised	0	100%	Process will be finalised in 2015/2016 FY. Attorney is appointed and

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
										commenced with the process to transfer.
DPD 7	IDP 2.8.1 OPM S 36		Formalise trading areas by providing commuter and trading shelters in Osborne Road Eshowe by 30 June 2015	Date of completion of Trading Shelters in Osborne Road Eshowe	Trading area plans to be approved by 30 June 2014 in Osborne Road Eshowe	Plans approved on 09 July 2014	Trading shelters to be completed by 30 June 2015 in Osborne Road Eshowe	0	Trading shelters not completed by 30 June 2015	Delays caused by the SCM processes. Tender was advertised but appointment could only be made in 2015/2016 FY.
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
DPD 8	IDP 3.1.1 OPM S 44	Local Economic Development	Ensure that businesses within uMlalazi Municipality are licensed through the LED department and develop a database of all businesses in uMlalazi Municipality area	Date of approval of database of licenced businesses in uMlalazi Municipality area	Target did not appear in 2013/2014 scorecard		Database of businesses in uMlalazi Municipality to be approved by Council by 30 June 2015.	0	Database of businesses not approved due to capacity. There is currently no dedicated staff member appointed to perform the functions of business licences as it was transferred from another department.	The LED department will be providing job opportunities for the youth and they would be conducting the survey and complete the database
DPD 9	IDP 3.1.3 OPM S 46		Promote Local Economic Development by implementing LED & Tourism initiatives across Municipal area with available resources and submit reports to the Portfolio Committee	No of reports submitted to Portfolio Committee on LED & Tourism initiatives implemented across Municipal area	Target did not appear in 2013/2014 scorecard		4 reports to be submitted to Portfolio Committee on LED & Tourism initiatives implemented across Municipal area	4 reports submitted to Portfolio Committee on LED & Tourism initiatives implemented across Municipal area	*	*
DPD 10	IDP 3.1.2 OPM S 45		Ensure a fully functional Youth Business Advisory Centre by providing assistance to youth to register co-opts and	No of reports submitted to Portfolio Committee on assistance provided to Youth through the YBAC	Target did not appear in 2013/2014 scorecard		4 reports to be submitted to Portfolio Committee on assistance provided to Youth through the YBAC	4 reports submitted to Portfolio Committee on assistance provided to	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
			businesses and submit reports to the Portfolio Committee					Youth through the YBAC		
KPA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT										
DPD 11	IDP 4.3.2 OPM S 56	Optimise budget implementation in the municipality	Upgrade / renovate / additions - Community Halls and office buildings	Percentage of budget spent - renewal of current municipal buildings	Target did not appear in 2013/2014 scorecard		* Construction to be finalised * Final building inspections to be undertaken * 90% of budget to be spent by 30 June 2015	0 Not achieved	90% of budget was not spent	Procurement plan will be monitored
KPA 6 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
DPD 12	IDP 5.4.1 OPM S 63	Ensure that public participation structures are established, capacitated and functional	Roll out IDP and Budget public participation through road shows	Number of IDP Roadshows held	Target did not appear in 2013/2014 scorecard		26 IDP Roadshows to be held by 30 June 2015	8 IDP Roadshows to be held in May 2015	IDP Roadshows were not undertaken in all wards	Capacity addressed budget has been included in 2015/2016 to appoint Communication department staff and IDP Officer
KPA 6 : CROSS CUTTING ISSUES										
DPD 13	IDP 6.1.1 OPM S 66	To ensure sustainable Planning & development of the Municipal area	Prepare Land Use Management Scheme for Rural Areas and submit progress report to EXCO by 30 June 2015	Number of reports submitted to EXCO by 30 June 2015 on Land Use Management Scheme for Rural Areas	Target did not appear in 2013/2014 scorecard		1 report submitted to EXCO by 30 June 2015 on the progress of the preparation of LUMS	2 reports submitted to EXCO on 01 April & 06 May 2015 on the progress of the preparation of LUMS	*	*
DPD 14	IDP 6.1.2 OPM S 67		Participate in the management of the coast via the Coastal Management Working Group	No of reports submitted to portfolio committee on management of the coast via the Coastal Management Working Group	4 meetings to be attended on the management of the coast via the Coastal Management Working Group	2 meeting attended	4 reports to be submitted to Portfolio Committee	0	4 reports were not submitted	No designated staff to attend the meeting due to capacity. Will be addressed in 2015/2016 after the appointment of the Environmental Officer which has been included in the budget
DPD 15	IDP 6.1.3		Review uMlalazi IDP	Date of adoption of IDP Review	IDP to be reviewed by 30 June 2014	2014/2015 IDP Review approved by	IDP to be reviewed by 30 June 2015	2015/2016 IDP Review	*	*

IPMS REF	IDP REF	OBJECTIVE	STRATEGY	INDICATORS	2013/2014		2014/2015		VARIANCE	PLANNED MEASURES
					TARGET	ACTUAL	TARGET	ACTUAL		
	OPM S 68					Council on 30 June 2014		approved by Council on 30 June 2015		
DPD 16	IDP 6.1.4 OPM S 69		Database of Municipal land to be approved by EXCO by 30 June 2015.	Date of approval of Municipal land database by EXCO.	Target did not appear in 2013/2014 scorecard		Database of Municipal land to be approved by EXCO by 30 June 2015.	Database of Municipal land approved by EXCO on 06 May 2015.	*	*

COMPONENT C: MANAGING THE MUNICIPAL WORKFORCE

Introduction to Municipal Workforce Management

It is hardly possible to maintain a high level of service delivery and adhering to the duties imposed by the Constitution and Batho Pele Principles on public servants, if sound discipline in the workplace is not maintained. The uMlalazi Municipality takes pride in its commitment to ensure sound discipline in order to deliver the best quality of service to the community.

The staffing policy and process embodies various actions as part of a holistic process. Advertisements, recruitment, selection, promotions and transfers all form part of staffing. Management, Line Managers, Human Resources, Council and Trade Unions are involved in the entire process and the policy endeavors to enable such role-players to perform their allotted responsibilities as effective and efficient as possible

Managers are also regularly informed and advised of trends and equipped with knowledge to manage poor discipline.

Continuous action is taken to reduce the high level of sick leave. Regular incapacity investigations are held to detect possible sick leave abuse and/or to identify cases which qualify for medical boarding.

The procedure as prescribed in the Labour Relations Act and Employment Equity Act is followed to ensure compliance with said legislation.

4.3 POLICIES

During the period under review the municipality has managed to review and develop some policies as captured in the report hereunder.

Name of Policy	Completed	Reviewed	Date adopted by Council or comment on failure to adopt
Code of Conduct for Employees	YES		As per Schedule 2 of the Municipal Systems Act 32 of 2000 and the Disciplinary Procedure and Code Collective Agreement (SALGBC)
Disciplinary Code and Procedures	Yes		As per agreement at the South African Local Government Bargaining Council
Employee Assistance / Wellness	Yes		
Grievance Procedures	Yes		As per agreement at the South African Bargaining Council
Human Resource and development	Yes		06/07/2010 (Training and Development Policy)
Leave		Yes	03/04/2013
Official Working Hours	Yes		Specified in the employment contract entered into with employee

Workforce Policy Development

The uMlalazi Municipality adheres to the South African labour laws that regulate administration of its workforce and is therefore committed to improvement and progress on the municipal workforce policies.

The Municipality continued to pursue good workforce management in the year under review and reviewed its policies based on its strategic objectives to annually improve its performance.

The Municipality is committed to maintaining and implementing effective workforce policies that promote and illustrate both clear procedural and substantial fairness.

4.4 INJURIES, SICKNESS AND SUSPENSIONS

There are incidents of injury on duty and when such incidents do occur, the employee is referred to the Doctor for attention at council's cost. The employees are entitled to eighty days sick leave in a three year leave cycle in terms of the SALGBC Main Collective Agreement.

Number and costs of Injuries on Duty		
Type of Injury	Injury Leave taken (days)	Total Estimated Cost
Required basic medical attention only	03 days	820
Temporary total disablement		
Permanent disablement		
Fatal		
Total	03 days	R820

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
Manager Environmental Health Services	Unbecoming conduct and disobeying lawful instruction Failed to refrain from any rude, abusive, insolent provocative, intimidatory or aggressive behaviour to fellow employee/	10 January 2013	The matter have been finalised internal and appropriate sanction given to employee was dismissal from Councils service. Employee referred matter further to South African Local Government Bargaining Council and at this stage matter is at arbitration level.	Pending
Disciplinary Action taken on cases of Financial Misconduct				

Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary Action taken	Date Finalized
Senior Manager Engineering Services (Civil)	Failure to perform tasks and responsibilities, carefully diligently and to the best of his ability	Employee was charged and pleaded guilty. The employee reimburse Council all monies due in line with section 32(2) of the Municipal Finance Management Act.	26 March 2014

COMPONENT D: CAPACITATING THE MUNICIPAL WORKFORCE

Introduction to Workforce Capacity Development

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The municipality develops its human resources by ensuring that there is sustainable capacity building. This is done in the first place by conducting by identifying skills gaps through a skills audit. In doing so, skills audit forms are handed out to employees for them to complete. In completing the forms, the employees indicate their training needs. These are the skills which, if acquired by the employees, the employees will be able to effectively and efficiently perform their functions.

After the employees shall have returned their completed skills audit forms, then collate the information with the purpose of coming out a clear training and skills development plan.

The plan is referred to as the Workplace Skills Plan. It is this plan which if approved by the relevant council committees it is then submitted to the LGSETA as a guiding document in terms of which training will be done for the particular financial year.

The challenge is that in undergoing the above outlined process and thus negatively impacting on the capacity development, is the non or late-returning of the skills audit forms, the, employees requiring training outside their areas of work and competency.

The 2014/2015 WSP and the Annual training reports which were submitted to the LGSETA can reflect more details on the above description. The total training costs for staff and Councillors in the year under review was R300 994.00.

COMPONENT E: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

During the year 2014/2015, the salary bill of the Municipality was R80 936 041.35. The workforce expenditure per category is as follows:-

Category	Total Salaries paid for 2014/2015
Employees	303
Councillors	52
Contracts	55

The Municipality uses the VIP Payroll Systems. Employees, including Councillors, receive their printed payslips on a monthly basis. The pay day for the Municipality is the 20th of each month.

CHAPTER 5

FINANCIAL PERFORMANCE



FINANCIAL PERFORMANCE

CHAPTER 6

AUDITOR GENERAL'S FINDINGS



A U D I T O R - G E N E R A L
S O U T H A F R I C A

Auditing to build public confidence

FINAL MANAGEMENT REPORT

UMLALAZI MUNICIPALITY

30 June 2015

MANAGEMENT REPORT

UMLALAZI MUNICIPALITY

30 JUNE 2015

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UMLALAZI MUNICIPALITY

FINAL MANAGEMENT REPORT TO THE ACCOUNTING OFFICER ON THE AUDIT OF THE UMLALAZI MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2015

Introduction

1. Our responsibility is to:
 - express an opinion on the financial statements
 - express a conclusion in the management report on the usefulness and reliability of the reported performance information for selected development priority and report the material findings in the auditor's report
 - report on material findings relating to compliance with specific requirements in key applicable legislation, as set out in the general notice issued in terms of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA).

Our engagement letter sets out our responsibilities and those of the accounting officer in detail.

2. This management report includes audit findings arising from the audit of the financial statements, reporting on predetermined objectives and compliance with legislation for the year ended 30 June 2015. These findings were communicated to management, and the report also details management's response to these findings. The report furthermore includes information on the internal control deficiencies that we identified as the root causes of the matters reported. Addressing these deficiencies will help to improve the audit outcome.
3. The management report consists of an executive summary and annexures containing the detailed audit findings.

EXECUTIVE SUMMARY

SECTION 1: Interactions with stakeholders responsible for oversight and governance and key risk areas

4. During the audit cycle, we met with the following key stakeholders who are responsible for oversight and governance to communicate matters relating to the audit outcome of the municipality. The table below depicts the effectiveness of those planned interactions with key stakeholders:

Table 1: Effectiveness of planned interactions for the 2014-15 financial year

Key matter discussed	Mayor	Accounting officer	Audit committee	Internal audit	MPAC	Council
Key controls and commitments	1	3	2	3	1	1
Audit planning and risk	1	1	1	1	0	0
Execution and risk	0	1	1	1	0	0
Concluding and reporting	0	1	1	1	0	0
Presentations as requested	0	1	0	2	0	0
Overall assessment						



- At these interactions, we discussed and shared the dashboard reporting, audit approach, audit engagement and planning and fraud discussions. Some of the stakeholders made commitments to implement initiatives that can improve the audit outcome. The commitments given and the progress of previous commitments are included in part F of section 2, which deals with the assessment of assurance providers.
- During our audit we identify the key risk areas that need to be addressed in order to improve audit outcomes as well as financial and performance management, and we specifically audit these so that we can report on the status thereof: ■ quality of submitted financial statements and performance reports ■ supply chain management ■ financial health ■ information technology controls ■ human resource management. Our assessments of the key risk areas along with the movements are depicted below.

Table 2 – Key risk areas

Key risk area	2015	2014	Movement
Quality of submitted financial statements			➔
Quality of submitted performance reports			➔
Supply chain management			➔



Financial health			
Human resource management			
Information technology			

Improved	Unchanged	Regressed
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No findings	Management report findings only	Material findings in audit and management reports except IT findings	Material IT findings reported in the management report
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Quality of submitted financial statements

7. Material adjustments were effected to the annual financial statements as a result of our audit.

Quality of submitted performance reports

8. Material adjustments were effected to the annual performance report as a result of our audit.

Supply chain management

9. Issues relating to non-compliance with supply chain management prescripts were raised during the audit.

Financial health

10. Concerns relating to the financial health of the municipality were raised during the audit as reflected in the financial health table.

Information Technology

11. Findings relating to IT governance framework, security management, user account management, IT service continuity and program change management were raised during the year.

SECTION 2: Matters relating to the auditor's report**PART A – MISSTATEMENTS IN THE FINANCIAL STATEMENTS**

1. We identified material misstatements in the financial statements during the audit. These misstatements were not prevented or detected by the municipality's system of internal control. These material misstatements also constitute non-compliance with section 122 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

Table 3 – Material misstatements in the financial statements

Financial statement item	Material misstatement finding	Occurred in prior year	Nature of misstatement (Limitation/Disagreement)	Impact	
				R Current year	R Prior year
Material misstatements corrected					
Investment property	Difference between investment property and the register	No	Limitation	3 203 198	0
Investment property	Additions not reflected in the notes to the annual financial statements	No	Limitation	3 203 198	0
Employee benefits	Sensitivity analysis not disclosed	Yes	Limitation	20 368 492	18 408 071
Material misstatements not corrected					
None					



PART B – MATTERS TO BE BROUGHT TO THE ATTENTION OF THE USERS

EMPHASIS OF MATTER PARAGRAPH

2. The following emphasis of matter paragraphs will be **included in our auditor's report** to draw the users' attention to matters presented or disclosed in the financial statements:

Unauthorised expenditure

3. As disclosed in note 46.1 to the financial statements, unauthorised expenditure amounting to R14, 20 million was incurred as a result of expenditure exceeding approved budget for operating expenditure.

Irregular expenditure

4. As disclosed in note 46.2 to the financial statements, irregular expenditure amounting to R4, 43 million was incurred as a result of procurement processes not being followed.

Material losses

5. As disclosed in note 49 to the financial statements, material losses of 5,69 kilowatts amounting to R8,54 million (2014: 5,21 kilowatts amounting to R6,09 million) were incurred as a result of electricity distribution losses.

ADDITIONAL MATTER PARAGRAPHS

6. The following additional matter paragraphs will be included in our auditor's report to draw the users' attention to matters regarding the audit, the auditor's responsibilities, and the auditor's report:

Unaudited supplementary schedules

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

Unaudited disclosure notes

8. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form

part of the audit of the financial statements and accordingly I do not express an opinion thereon.

PART C – CONCLUSIONS ON REPORTED INFORMATION RELATING TO THE PERFORMANCE OF THE MUNICIPALITY AGAINST PREDETERMINED OBJECTIVES

9. Included below are our conclusions on the reported performance information for selected development priority presented in the annual performance report.

REPORT ON PREDETERMINED OBJECTIVES

Introduction

10. We have audited the reported performance information for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2015:

- a. Development priority two: Basic service delivery and infrastructure development on pages x to x

The accounting officer's responsibilities

11. The accounting officer is responsible for the preparation of the annual performance report in accordance with the identified performance management and reporting framework, as defined in paragraph 5 of the general notice issued in terms of the PAA. This framework deals with the planning, management, monitoring and reporting of performance against predetermined objectives. The accounting officer is also responsible for internal controls determined by management as necessary to enable the preparation of an annual performance report that is useful and reliable.
12. As required by sections 4 and 20 of the PAA, read with the general notice issued in terms thereof, our responsibility is to express a reasonable assurance conclusion on the reported performance information for selected development priority presented in the annual performance report.
13. We conducted our audit in accordance with the International Standards on Assurance Engagements (ISAE) 3000: *Assurance engagements other than audits or reviews of historical financial information*.
14. We will report on whether we have received all the information and explanations required to conduct the engagement or if we became aware of additional information, the omission of which may result in the reported performance information being materially misstated or misleading.
15. We evaluated the reported performance information against the overall criteria of usefulness and reliability.
16. We 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. We 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).

17. We assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. During the audit, we performed procedures to obtain audit evidence about the usefulness and reliability of the reported performance information. The procedures selected depend on the auditor’s judgement, including our assessment of the risks of material misstatement of the annual performance report. Because of the test nature and other inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that we may not detect some misstatements, even material ones, even though we properly planned and performed the audit in accordance with ISAE 3000. The procedures performed include the following:
 - Understanding and testing the internal policies, procedures and controls relating to the management of, and reporting on, performance information.
 - Evaluating and testing the processes, systems and controls and reviewing the documentation maintained at the municipality that support the generation, collation, aggregation, monitoring and reporting of the performance indicators and targets.
 - Evaluating, testing and confirming the usefulness of planned and reported performance information in accordance with the identified performance management and reporting framework.
 - Conducting detailed audit testing and obtaining sufficient appropriate audit evidence to verify the reliability of the reported performance information in terms of its validity, accuracy and completeness.
19. We believe that the evidence obtained from the work performed provides an appropriate basis for the reasonable assurance conclusion on the usefulness and reliability of the reported performance information expressed below.

Table 4 - Summary of audit conclusion

20. The following is a summary of our conclusion on the usefulness and reliability of the reported performance information:

Selected [objectives/ development priorities]	Usefulness		Movement	Reliability		Movement
	Current year	Prior year		Current year	Prior year	
Basic service delivery and infrastructure development	Unqualified	Adverse		Unqualified	Adverse	

 Improved	 Unchanged	 Regressed
--	---	---

Conclusion

Unqualified conclusion on usefulness and reliability



21. In our opinion, the reported performance information of basic service delivery and infrastructure development development priority is useful and reliable, in all material respects, in accordance with the identified performance management and reporting framework.

Additional matters

22. Although we did not identify any material findings on the usefulness and reliability of the reported performance information for the selected development priority, we draw attention to the following matters:

Achievement of planned targets

23. Refer to the annual performance report on pages x to x; x to x for information on the achievement of planned targets for the year.

Adjustment of material misstatements

24. We identified material misstatements in the annual performance report submitted for auditing on the reported performance information of basic service delivery and infrastructure development. As management subsequently corrected the misstatements we did not raise any material findings on the usefulness and reliability of the reported performance information.

Unaudited supplementary information

25. The supplementary information set out on pages x to x does not form part of the annual performance report and is presented as additional information. We have not audited these schedules and, accordingly, we do not express a conclusion thereon.

Audit findings in the auditor's report

26. We will report all the audit findings included under additional matter sections of this report in the auditor's report.

PART D – FINDINGS ON NON-COMPLIANCE WITH LEGISLATION

27. Included below are material findings on non-compliance with specific requirements in key applicable legislation.

Annual financial statements

28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance

Management Act. Material misstatements of non-current assets and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

29. Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the Municipal Finance Management Act.

Table 5 – Findings on non-compliance

Non-compliance area	2015	2014	Movement
Annual financial statements, performance and annual reports			➡
Procurement and contract management			⬆
Expenditure management			➡

 Improved	 Unchanged	 Regressed
No findings	Management report findings only	Material compliance findings identified in audit and management report

PART E – INTERNAL CONTROL

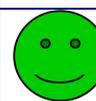
IMPLEMENTATION OF THE DRIVERS OF INTERNAL CONTROL

30. Below is our assessment of the implementation of the drivers of internal control, based on significant deficiencies identified during our audit of the financial statements, the annual performance report and compliance with legislation. Significant deficiencies occur when internal controls do not exist, are not appropriately designed to address the risk, or are not implemented, which either had or could cause the financial statements or the annual performance report to be materially misstated and material instances of non-compliance with legislation to occur.

31. When the required preventative or detective controls are in place, it is assessed with a 😊; when progress on the implementation of such controls was made but improvement is still required or where actions taken are not sustainable, it is assessed with a 😐; while 😞 indicates that internal controls are not in place and intervention is required to design and implement appropriate controls. The movement in the status of the drivers from the previous year-end to the current year-end is indicated collectively for each of the three audit dimensions (namely financial statements, performance reporting, and compliance with legislation) under the three fundamentals of internal control (namely leadership,

financial and performance management, and governance), with  (improved),  (unchanged) or  (regressed).

Table 6 – Key control assessment

	Financial statements		Performance reporting		Compliance with legislation	
	Curren t year	Prior year	Curren t year	Prior year	Curren t year	Prior year
Leadership						
Overall movement from previous assessment						
• Provide effective leadership based on a culture of honesty, ethical business practices and good governance, protecting and enhancing the best interests of the municipality						
• Exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls						
• Implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored						
• Establish and communicate policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities						
• Develop and monitor the implementation of action plans to address internal control deficiencies						
• Establish an information technology governance framework that supports and enables the business, delivers value and improves performance						
Financial and performance management						
Overall movement from previous assessment						
• Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting						
• Implement controls over daily and monthly processing and reconciling of transactions						
• Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information						
• Review and monitor compliance with applicable legislation						

	Financial statements		Performance reporting		Compliance with legislation	
	Current year	Prior year	Current year	Prior year	Current year	Prior year
<ul style="list-style-type: none"> Design and implement formal controls over information technology systems to ensure the reliability of the systems and the availability, accuracy and protection of information 						
Governance						
Overall movement from previous assessment						
<ul style="list-style-type: none"> Implement appropriate risk management activities to ensure that regular risk assessments, including the consideration of information technology risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored 						
<ul style="list-style-type: none"> Ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively 						
<ul style="list-style-type: none"> Ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and overseeing the effectiveness of the internal control environment, including financial and performance reporting and compliance with legislation 						

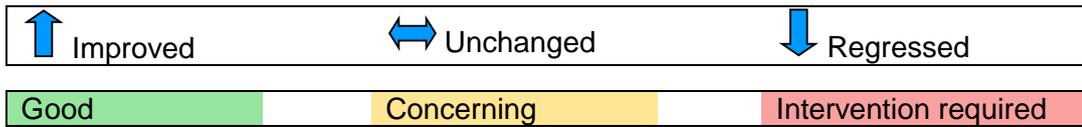
Table 7 – Overall status of drivers of key controls

32. The table below provides the overall status of the drivers of key controls.

Status of the drivers of internal controls					
Leadership		Financial and performance management		Governance	
Effective leadership culture		Proper record keeping		Risk management	
Oversight responsibility		Processing and reconciling controls		Internal audit	
HR management		Regular reporting		Audit committee	
Policies and procedures		Compliance monitoring			
Audit action plans		IT system controls			
IT governance					

Improved
 Unchanged
 Regressed





LEADERSHIP

Oversight responsibility

33. Inadequate oversight by the accounting officer on compliance with supply chain management regulations has resulted in irregular expenditure being incurred.

Policies and procedures

34. There was no formally documented IT Security Policy and Password Policy in place as management did not have the skills and staff required to develop their own IT Security Policy and Password Policy and insufficient funds did not allow management to appoint a third party to design an IT Security Policy. Further the municipality did have a policy of maintenance of road infrastructure.

Action plans to address internal control deficiencies

35. Prior year findings relating to Information Technology and non-compliance with expenditure management and annual financial statements were adequately addressed.

Information technology governance framework

36. An IT Governance Framework had been documented and approved. It was however noted that the implementation of this framework was affected by an IT Strategic Plan not being developed and job descriptions for IT staff not being in place. It was further noted that the Corporate Services Department Organogram did not accurately reflect the current IT structure in place and the VIP software licence agreement was not signed off by the company. These deficiencies were attributed to management awaiting the new IT structure that is to be implemented in the 2015/16 financial year prior to establishing required IT Governance processes.

FINANCIAL AND PERFORMANCE MANAGEMENT

Regular, accurate and complete financial and performance reports

37. Creditors' reconciliations were not performed during the year under review.

38. As indicated in section 2, part A of this report, the financial statements contained numerous misstatements. This was mainly due to inadequate review of the annual financial statements before given for audit.

Compliance monitoring

39. The accounting officer did not adequately monitor compliance with laws and regulations relating to, supply chain management, expenditure management and annual financial statements.

Information technology systems

40. The 2014/15 IT audit revealed significant deficiencies relating to IT general controls in the Security Management, User Account Management, IT Service Continuity and Program Change Management focus areas. Management is aware of and has agreed to these deficiencies and Umlalazi Municipality is currently in the process of upgrading its IT infrastructure as well as implementing a new IT structure to address the shortcomings.
41. A summary of findings identified during the 2014/15 IT audit is provided below.
42. Controls to ensure adequate security management were not consistently complied with as the network diagram did not reflect the current IT infrastructure and had not been approved, the Information Systems Security and ICT Usage Policy was not communicated to staff, a standard naming convention had not been applied to user ids, default user accounts had not been disabled and duplicate user accounts assigned were noted. The Password Policy had also not been formally documented and password settings were noted as not being configured in accordance with leading practices. Periodic reviews and monitoring of logon violations was not performed, there was no Patch Management Policy in place and some user's computers were identified as having outdated anti-virus software definition files and being offline. These deficiencies were attributed to a lack of staff capacity, system functionality limitations and some required IT resources not being available.
43. User access management controls were found to be inadequately designed as the user account management processes to be followed had not been documented, a terminated employee's access to the network had not been timeously revoked, system administrator activities were not reviewed, an inconsistent process was followed for user access rights reviews performed and an inventory of software licences was not maintained. A lack of capacity and insufficient internal knowledge was noted with regard to the development and implementation of required user access management controls.
44. IT Service Continuity controls were inadequately implemented as the Business Continuity and Disaster Recovery Plans had not been tested, backups were inadequately performed and critical servers were not stored a sufficient distance away from the floor. These deficiencies were due to budget constraints and delays in assessing the impact of new backup software procured.
45. The Supply Chain Management Policy did not account for IT acquisitions and a Change Management Policy had not been developed to govern IT changes implemented. A lack

of capacity and insufficient internal knowledge was noted with regard to the development and implementation of IT policies and standards.

46. With regard to a firewall and electronic fund transfer (EFT) payments controls it was noted that the municipality did not have a firewall to protect it from malicious security threats, hacking attempts and security breaches as delays were experienced in assessing the impact of implementing the firewall on the network. Enhancements that could be implemented with regard to the current EFT payments process followed included stipulating the online banking system utilised in the Investment and Cash Management Policy and performing periodic reviews of online banking user activity logs. Management was not aware of the IT specifics to include in the Investment and Cash Management Policy and the banking institution used by the municipality had failed to train them on how to generate a user activity log for the online banking system.

GOVERNANCE

47. No matters to report.

SUMMARY

48. The matters above, as they relate to findings on non-compliance with legislation, will be summarised in the auditor's report as follows:

Leadership

49. The accounting officer and management did not adequately exercise oversight responsibility regarding financial reporting and compliance with laws and regulations relating to expenditure management and annual financial statements.

Financial and performance management

50. Systems and controls were not adequately designed in a manner to prevent, detect and address risks that impact on financial, performance and compliance reporting. In this regard, the accounting officer did not ensure that regular, accurate and complete financial reports were prepared, which were supported and evidenced by reliable information. This resulted to the material corrections in financial statements.

51. In assisting administrative leadership with addressing the control weaknesses identified during the audit, the key root causes of the findings and comments on their status are detailed in the table below:

Table summarising identified root causes

Table 8 – Root causes



Root causes				
No.	Root causes	Yes/No	Movements	Comments on the status of the root causes
1.	The accounting officer is not moving quickly in addressing root causes and action plans (slow response)	Yes		The municipality has for the past 3 audit cycles received an unqualified audit opinion with findings on laws and regulations in particular relating to expenditure management and annual financial statements. This trend has recurred in the current year.
2.	The political leadership is not holding management accountable, hence the recurring of audit findings.	Yes		The municipality has for the past 3 audit cycles received an unqualified audit opinion with findings on laws and regulations in particular relating to expenditure management and annual financial statements. This trend has recurred in the current year.
3.	The MPAC and Council is not monitoring the effectiveness of the implementation of action plan, hence the recurring of audit findings.	Yes		The municipality has for the past 3 audit cycles received an unqualified audit opinion with findings on laws and regulations in particular relating to expenditure management and annual financial statements. This trend has recurred in the current year.

 Improved
  Unchanged
  Regressed

PART F – ASSESSMENT OF ASSURANCE PROVIDERS

52. The annual report is used to report on the financial position of municipalities, their performance against predetermined objectives and overall governance, and one of the important oversight functions of legislatures is to consider auditees’ annual reports. To perform their oversight function, they need assurance that the information in the annual report is credible. To this end, the annual report also includes our auditor’s report, which provides assurance on the credibility of the financial statements and the annual performance report as well as on the municipality’s compliance with legislation.
53. Our reporting and the oversight processes reflect on past events, as it takes place after the end of the financial year. However, management, the leadership and those charged with governance contribute throughout the year to the credibility of financial and performance information and compliance with legislation by ensuring that adequate internal controls are implemented.
54. We assess the level of assurance provided by these assurance providers based on the status of internal controls (as reported in part E of section 2) and the impact of the different role players on these controls. We provide our assessment for this audit cycle below.

Assurance levels	
Senior management	<i>Provides some assurance</i>
Accounting officer	<i>Provides some assurance</i>
Mayor of municipality	<i>Provides some assurance</i>
Internal audit	<i>Provides assurance</i>
Audit committee	<i>Provides assurance</i>
Municipal council	<i>Provides some assurance</i>
MPAC	<i>Provides limited/ no assurance</i>

Senior Management

55. Findings relating to Information Technology, non-compliance with expenditure management and annual financial statements were raised. Further amendments were made to the annual financial statements and annual performance report.

Municipal manager

56. Findings relating to Information Technology, non-compliance with expenditure management and annual financial statements were raised. Further amendments were made to the annual financial statements and annual performance report. Hence oversight by the accounting officer was not effective.

Mayor of municipality

57. Findings relating to Information Technology, non-compliance with expenditure management and annual financial statements re-occurred in the current year. Hence oversight by the Mayor was not effective.

Municipal council

58. Findings relating to Information Technology, non-compliance with expenditure management and annual financial statements re-occurred in the current year. Hence oversight by the Municipal council was not effective.

MPAC

59. Findings relating to Information Technology, non-compliance with expenditure management and annual financial statements re-occurred in the current year. Prior year issues relating to Information Technology and non-compliance were not addressed, meaning that the monitoring of the action plan to address prior year issues was not effective.

STATUS OF IMPLEMENTATION OF COMMITMENTS AND RECOMMENDATIONS

60. Below is our assessment of the progress in implementing the commitments made by senior management, the accounting officer and the audit committee to address prior and current year audit findings.

Table 9 – Progress on key commitments made

Key role players	Initiatives and commitments made in the previous years	New commitments made at year end	Focus area targeted by commitment	Progress made with implementing commitments given	Impact of initiatives and commitments on audit outcomes
Mayor	Umlalazi Municipality will review Supply Chain Management System for possible conflict of interests during the SCM processes.		Compliance with supply chain management regulations	Not complete	The irregular expenditure incurred reduced during the year; however there is still a room for improvement.
Mayor	Umlalazi Municipality will assess the IT environment and implement the necessary IT controls in the systems and IT processes.		Information technology	Not complete	The municipality has appointed a service provider to deal with IT issues.
Mayor	All Departments will ensure that SCM regulations and processes are followed when goods and services are procured.		Compliance with supply chain management regulations	In progress	The irregular expenditure incurred reduced during the year; however there is still a room for improvement.
Mayor	To ensure that the action plan is by Council in the third quarter of 2014/2015 Financial year.		Prior year audit findings	Complete	The action plan was approved by Council; however the approval happened late, hence the recurring of prior findings.
Mayor	Creditors' reconciliations to be performed in the third		Completeness of creditors	Not complete	The municipality is facing some challenges with



Key role players	Initiatives and commitments made in the previous years	New commitments made at year end	Focus area targeted by commitment	Progress made with implementing commitments given	Impact of initiatives and commitments on audit outcomes
	quarter of 2014/2015 financial year.				regards to performing individual creditors' reconciliations and creditors are not sending the statements to the municipality.
Mayor	Compliance checklist to be implemented in the first quarter of 2015/2016 financial year		Compliance with legislation	In progress	The municipality appointed a senior manager to drive the implementation of the checklist.
Mayor	New server to be fully operational in the fourth quarter and IT controls to be designed and implemented in the fourth quarter of 2014/2015 financial year.		Information technology	In progress	The municipality has appointed a service provider to deal with IT issues.



61. One audit recommendations accepted by management in the prior year regarding matters included in the auditor's report and other important matters were implemented, or alternative actions were taken to resolve the finding.
62. Three recommendations are still being implemented and three have not been addressed or very limited progress has been made.
63. Further details on the status of these recommendations are provided in section 8, which summarises the detailed audit findings.

PART G – OTHER REPORTS

64. The following audits that relate to the municipality are in progress or have been completed.

PERFORMANCE AUDITS

65. No matters to report

INVESTIGATIONS

66. An internal investigation was conducted during the year based on an allegation of the possible misappropriation of the municipality's funds. The investigation was concluded during the year and resulted in the dismissal of one employee.

AUDIT-RELATED SERVICES AND SPECIAL AUDITS

67. No matters to report

SECTION 3: Specific focus areas

PART A - PROCUREMENT AND CONTRACT MANAGEMENT

SIGNIFICANT FINDINGS FROM THE AUDIT OF PROCUREMENT AND CONTRACT MANAGEMENT

68. The audit included an assessment of procurement processes, contract management and the related controls in place. To ensure a fair, equitable, transparent, competitive and cost-effective SCM system, the processes and controls need to comply with legislation and minimise the likelihood of fraud, corruption, favouritism as well as unfair and irregular practices. Below is the number and value of contracts and /or quotations tested:

Extent – awards tested				Rands
Contracts (number):	27	Contracts (value):		78 937 073
Quotations (number):	28	Quotations (value):		1 732 495
Extent - limitations on testing awards				Rands
Contracts (number):	0	Contracts (value):		0
Quotations (number):	0	Quotations (value):		0

Awards to persons in the service of the state

69. SCM Regulation 44 prohibits awards to persons or to entities owned/ managed by them if they are in service of the auditee (i.e. employees and councillors) or if they are in service of any other state institution. The audit included the identification of such prohibited awards. Further testing was also performed to determine whether the legislated requirements with regard to declarations of interest were adhered to.

Table 10 – Awards to persons in the service of the municipality and other state institutions

The findings were as follows

Finding	Number and value of awards made	Number and positions of officials/ councillors	Number of providers	Further non-compliance or irregularities regarding the awards			
				Provider did not submit declarations of interest	Provider did not declare interest (false declarations)	Officials/ councillors did not declare interest	Official/ councillor was involved of in the procurement of the award
Awards to officials of other state institutions	25 (R3 214 582)	27	27	0	27		0

Internal control deficiencies

70. The municipality does not have controls in place to ensure that suppliers who are in the service of the state are identified.

PART B – ROAD INFRASTRUCTURE

71. The audit included an assessment of the roads infrastructure service delivery objective relevant to the municipality. For the financial year under review, we focused on the following:

- The existence of a policy, plan and strategy for the upgrade of roads infrastructure
- Availability of budgeted funds to maintain and upgrade ageing road networks
- The existence of road maintenance plan

72. The following findings are relevant:

No.	Finding	Yes / No	Page No.
The existence of a policy, plan and strategy for the upgrade of roads infrastructure			
1	The municipality does not have an approved policy in place for the planning, management and reporting of roads infrastructure.	No	N/A
2	The council approved a policy on road infrastructure; however, the policy has not been implemented.	No	N/A
3	The municipality does not have an approved Roads Maintenance Plan (RMP)/priority list in place for the renewal and routine maintenance of roads infrastructure.	No	N/A
4	The municipality did not perform condition assessments for all roads infrastructure under their control to inform the RMP/priority list.	No	N/A
5	The approved RMP/priority list does not provide for renewal and routine maintenance of all roads infrastructure allocated to the municipality.	No	N/A
6	The municipality does not have an approved priority list of roads infrastructure renewal and routine maintenance projects.	No	N/A
7	The 2014-15 priority list did not include X% of the projects as per the RMP. For XX% of the projects not included on the priority list the municipality did not determine remedial steps to catch up on these planned renewal projects.	No	N/A



No.	Finding	Yes / No	Page No.
Availability of budgeted funds to maintain and upgrade ageing road networks			
8	The municipality's roads infrastructure routine maintenance budget was inadequate as it did not provide for XX% of the planned routine maintenance projects included in the priority list for 2014-15.	No	N/A
9	XX% of the municipality's 2014-15 roads infrastructure repair and maintenance budget was allocated to reactive maintenance while XX% was allocated towards routine/ schedule maintenance.	No	N/A
10	The municipality's roads infrastructure renewal budget was inadequate as it did not provide for XX% of the planned renewal projects included in the priority list for 2014-15.	No	N/A
The existence of road maintenance plan			
11	XX of the XX routine maintenance projects planned for 2014-15 did not take place during 2014-15. The municipality also did not determine the remedial steps required to catch up on these planned routine maintenance projects.	No	N/A
12	The municipality underspent/overspent their 2014-15 roads infrastructure repair and maintenance budget by xx% due to	No	N/A
13	The actual expenditure for selected roads infrastructure maintenance projects are xx% over budget.	No	N/A
14	The selected roads infrastructure routine maintenance projects have exceeded the planned completion date on average by XX days/months.	No	N/A
15	XX of the XX renewal projects planned for 2014-15 did not take place during 2014-15. The municipality also did not determine the remedial steps required to catch-up on these planned renewal projects.	No	N/A
16	The municipality underspent/overspent their 2014-15 PPE renewal budget by xx% due to.....	No	N/A
17	The actual expenditure for selected roads infrastructure renewal projects are xx% over budget.	No	N/A
18	The selected roads infrastructure renewal projects have exceeded the planned completion date on average by XX days/months.	No	N/A

PART C – FINANCIAL VIABILITY INDICATORS

73. Management is responsible for the sound and sustainable management of the affairs of the municipality and for implementing an efficient, effective and transparent financial management system for this purpose, as regulated by the MFMA.



74. Our audit included a high-level assessment of selected financial indicators as at year-end. The purpose of the assessment is to provide management with an overview of financial indicators to enable timely corrective action where financial health and service delivery may be at risk. The information should be used to complement, rather than substitute, management's own financial assessment.

75. We assessed the municipality's financial indicators according to the following areas:

- Expenditure management
- Revenue management
- Asset and liability management
- Cash management

76. We show our assessment of the financial indicators in the table below and give high-level comments on the risks posed by the assessment of the financial indicators.

FINANCIAL VIABILITY ASSESSMENT TABLE

Table 11: Financial viability assessment

		FINANCIAL INDICATORS		
(Limitation = unable to obtain sufficient appropriate information to assess the indicator)		AS AT 30 JUNE 2015	Movement	AS AT 30 JUNE 2014
EXPENDITURE MANAGEMENT				
1.1	Creditor-payment period	30.9 Days		43 Days
REVENUE MANAGEMENT				
2.1	Debtor-collection period (after impairment)	87.7 Days		120 Days
2.2	Debtors impairment provision as a percentage of accounts receivable	41.3%		35 %
	<ul style="list-style-type: none"> • Amount of debtors impairment provision • Amount of accounts receivable 	R5 707 309 R8 122 023		R4 040 227 R18 506 662
ASSET AND LIABILITY MANAGEMENT				
3.1	A deficit for the year was realised (total expenditure exceeded total revenue)	No		No
	<ul style="list-style-type: none"> • Amount of the surplus / (deficit) for the year 	R30 474 497		R18 401 786
3.2	A net current liability position was realised (total current liabilities exceeded total current assets)	No		No
	<ul style="list-style-type: none"> • Amount of the net current assets / (liability) position 	R56 163 532		R63 216 776

		FINANCIAL INDICATORS		
(Limitation = unable to obtain sufficient appropriate information to assess the indicator)		AS AT 30 JUNE 2015	Movement	AS AT 30 JUNE 2014
3.3	A net liability position was realised (total liabilities exceeded total assets)	No		No
	• Amount of the net asset / (liability) position	R644 032 359		R606 374 679
3.4	Percentage of PPE and/or intangible assets impaired	0%		0%
	• Amount of PPE and intangible assets impairment provisions	R0		R0
3.5	Percentage of loan receivables (loans awarded) and/or investments impaired	0%		0%
	• Amount of loan receivables (loans awarded) and investments impairment provisions	R0		R0
CASH MANAGEMENT				
4.1	The year-end bank balance was in overdraft	No		No
	Amount of year-end bank balance (cash and cash equivalents) / (bank overdraft)	R79 034 476		R71 508 272
4.2	Net cash flows for the year from operating activities were negative	No		No
	Amount of net cash inflow / (out)flows for the year from operating activities	R66 530 072		R48 116 491
4.3	Current liabilities as a percentage of net cash inflows for the year from operating activities	75.1%		97.1%
	• Amount of current liabilities • Amount of net cash inflows for the year from operating activities	R11 512 084 R66 530 072		R1 266 076 R48 116 491
4.4	Creditors as a percentage of cash and cash equivalents	14.6%		19.5%
	• Amount of creditors (accounts payable) • Amount of cash and cash equivalents / (bank overdraft) at year-end	R11 512 084 R79 034 476		R1 266 076 R71 508 272
OVERALL ASSESSMENT				

FINANCIAL INDICATORS			
(Limitation = unable to obtain sufficient appropriate information to assess the indicator)	AS AT 30 JUNE 2015	Movement	AS AT 30 JUNE 2014
Overall the results of the above financial indicator evaluation is assessed as:	Yellow (Unfavourable indicators)		Yellow (Unfavourable indicators)
* This (these) amount(s) has (have) been adjusted for uncorrected misstatements that resulted in the modification of the audit opinion and will therefore not agree to the financial statement amounts. ¹			

 Improved
  Unchanged
  Regressed

PART D – USE OF CONSULTANTS

77. The audit included an assessment of the use of consultants. In the public sector environment, the partnership between the private and public sector has become important in driving strategic goals.

The table below shows the extent and nature of the municipality's use of consultants:

Table 12: Consultant services

Type of consultancy services	Number of consultants	Expenditure (R)
Financial reporting services	1	1 746 137
Preparation of performance information	0	0.00
IT related services	1	472 580
Other consultancy services	0	0.00

The table below shows the consultancy contracts tested and related audit findings.

Table 13: Consultant contracts tested

Name of consultant	Description of service	Value of contract (R)	Reason for appointing consultant	Material misstatements or findings identified in areas of consultant's responsibilities?	Reasons for findings/ misstatements not prevented by use of consultant	Areas of finding
Combined System (Pty) Ltd	Assistance with asset management	1 826 337	Lack of skills	No	N/A	N/A
Sigma IT	Assistance with IT services	787 968	Lack of skills	No	N/A	N/A

PART E – FRAUD

78. The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance. We are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Due to the inherent limitations of an audit, there is a risk that some material misstatements, including fraud, may not be detected. Below is a summary of matters that indicate a risk of fraud, which should be investigated:

79. Awards were made to a supplier whose directors or members are in the service of the state; these suppliers completed and submitted declarations of interest but they did not declare the fact that they are in the service of the state.

PART F – CONSEQUENCES MANAGEMENT

80. Section 62 (1) (d) requires that the accounting officer implements measures to prevent unauthorised, irregular as well as fruitless and wasteful expenditure. The table below reflects the status of UIFW not prevented.

Table 14 – Unauthorised, irregular and fruitless and wasteful expenditure

Description	Unauthorised expenditure	Irregular expenditure	Fruitless and wasteful expenditure
	(R)	(R)	(R)
Total incurred for the year	14 138 241	4 419 063	53 124
Total identified during the audit	0	0	0

Description	Unauthorised expenditure	Irregular expenditure	Fruitless and wasteful expenditure
	(R)	(R)	(R)
Total identified by the auditee	14 138 241	4 419 063	53 124
Total number of instances identified	4	56	8
Value of goods and services tested for irregular expenditure incurred	14 138 241	4 419 063	53 124
Value of limitations	0	0	0
Total investigated	0	0	0
Total written off	0	0	0
Total condoned	0	0	0

SIGNIFICANT FINDINGS FROM THE AUDIT OF CONSEQUENCES MANAGEMENT

81. No matters to report.

PART G – MANAGEMENT OF CONDITIONAL GRANTS

SIGNIFICANT FINDINGS FROM THE AUDIT OF MANAGEMENT OF CONDITIONAL GRANTS

Utilisation of conditional grants received

82. For the financial year under review, the audit included an assessment of the effectiveness of the municipality's utilisation of the following conditional grants received:

- Municipal infrastructure grant (MIG)
- Municipal systems improvement grant (MSIG)
- Local Government Financial Management Grant (LGFMG)

The table below provides a summary of audit findings identified for each grant:

Table 15: Conditional grant management

Detail	MIG	MSIG	LGFMG
Total available to spend	43 257 074	934 000	1 600 000
Total amount utilised/ spent in current financial year	39 492 180	443 389	1 538 759
Unspent allocation	3 764 894	490 611	61 241
Percentage of under/(over)spending	8.7%	52.5%	3.8%
Reasons for significant under-spending (more than 10%) or any overspending – as provided by management	N/A		N/A

83. For each of the capital grants tested as per the table above, we selected a key project and audited the utilisation of the grant on the project. The table below depicts the audit finding identified for each project.

Table 15: Conditional grant project detail

Detail	INEPG	MIG	MIG
Key projects tested	Electrification of Makhilimba Village	Osborne road rehab	Kangela street
Outputs linked to selected key project	Basic service delivery and infrastructure development	Basic service delivery and infrastructure development	Basic service delivery and infrastructure development
Planned completion date	31 October 2015	30 June 2015	28 February 2015
Expected/actual completion date	30 April 2015	30 September 2015	31 May 2015
Reasons for exceeding planned completion date	N/A	Delays in appointment of service provider	Delays in appointment of service provider
Approved (original) budgeted project cost	5 741 970	9 888 650	16 723 120
Revised (latest) estimate of project cost (approved)	5 741 970	9 888 650	16 723 120
Actual amount spent on the project - current year	5 947 276	8 186 449	11 004 024
Total amount spent from initiation to date	5 947 276	8 186 449	12 158 882
Project status as at year end	100%	95%	98%
The municipality evaluates its performance in respect of the project	Yes	Yes	Yes

Detail	INEPG	MIG	MIG
Key planned target/ project milestone for the current year.	Not set	Not set	Not set
Planned targets (key milestone) for the selected project were achieved	N/A	N/A	N/A
Reported performance/ achievement of targets is correct (Yes/ No)	N/A	N/A	N/A
Project tested under SCM?	Yes	Not tested	Not tested
SCM findings raised	No	N/A	N/A
Project tested under assets?	Yes - no misstatements identified	Yes - no misstatements identified	Yes - no misstatements identified
Receipt of goods/ services tested?	Yes - no misstatements identified	Yes - no misstatements identified	Yes - no misstatements identified
Other findings identified	N/A	N/A	N/A

PART H - EQUITABLE SHARE GRANT AND FREE BASIC SERVICES

84. No matters to report

PART I - PUBLIC PARTICIPATION

85. No matters to report

SECTION 4: Emerging risks

Accounting, performance management / reporting and compliance matters

Standards of GRAP

86. In July 2014 the Minister of Finance prescribed the application of the following Standards of GRAP for financial years beginning on or after 1 January 2015 for the types of auditees indicated:

- GRAP 105 *Transfers of functions between entities under common control*
- GRAP 106 *Transfers of functions between entities not under common control*
- GRAP 107 *Mergers*

87. The ASB has issued the following additional standards of GRAP for which effective dates have not yet been gazetted by the Minister of Finance:

- GRAP 20 *Related party disclosures*
- GRAP 32 *Service concession arrangements: Grantor*
- GRAP 108 *Statutory receivables*

The Municipal Regulations on a Standard Chart of Accounts (mSCOA) for local government

88. The mSCOA regulations were gazetted on 22 April 2014, which established the application of the mSCOA in local government as a legislated requirement. mSCOA will take effect on 1 July 2017 and will thus impact the 2017-18 financial statements and audits of all local government auditees. The piloting of mSCOA has already commenced in 19 local, two district and eight metropolitan municipalities, phased over the 2015-16 and 2016-17 financial years. Piloting is done in close cooperation with the National Treasury's mSCOA project team and the provincial treasuries.

89. mSCOA is a significant project which, by its very nature and purpose, poses various risks to local government, the more important being:

- Inability of some of the current system vendors to accommodate the technical specifications set in mSCOA, which could result in significant changes having to be effected to current systems and/or the implementation of new systems
- Municipalities being constrained by a scarcity of capacity and skills from managing the changes required by the mSCOA classification framework
- Funding constraints related to the implementation of the mSCOA

90. The National Treasury is closely involved in ensuring that municipalities and their entities will comply with the mSCOA requirements as contained in the government gazette of 22 April 2014. For most of the municipalities this will, however, mean having to adopt another financial system, or to re-implement a current IT system, or to subject it to major upgrades. These changes expose the municipalities to a variety of risks, which should be closely managed to ensure the completeness, accuracy and validity of the information captured, processed and transmitted through the IT systems.

91. Each municipality is ultimately accountable for ensuring that it has and maintains effective, efficient and transparent systems of financial and risk management and internal control (section 62 of the MFMA).

92. An assessment was undertaken to establish municipalities' readiness to implement mSCOA by 1 July 2017.

93. The municipality is aware of the mSCOA requirements and has made good progress in ensuring that the municipality would be in a better position to implement mSCOA by the due date of 1 July 2017.

Subsequent events

94. No matters to report

SECTION 5: Ratings of detailed audit findings

95. For the purposes of this report, the detailed audit findings included in annexures A to C have been classified as follows:

96. Matters to be included in the auditor's report: These matters should be addressed as a matter of urgency.

97. Other important matters: These matters should be addressed to prevent them from leading to material misstatements of the financial statements or material findings on the performance report and non-compliance with legislation in future.

98. Administrative matters: These matters are unlikely to result in material misstatements of the financial statements or material findings on the performance report and non-compliance with legislation.

SECTION 6: Conclusion

99. The matters communicated throughout this report relate to the three fundamentals of internal control that should be addressed to achieve sustained clean administration. Our staff remains committed to assisting in identifying and communicating good practices to improve governance and accountability and to build public confidence in government's ability to account for public resources in a transparent manner.

Yours faithfully

Jabulani Nkosi

Senior Manager: KwaZulu-Natal

27 November 2015

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Distribution:

Municipal Manager

CFO

Audit committee

Head of internal audit unit

SECTION 7: Summary of detailed audit findings

Page no.	Finding	Classification							Number of times reported in previous three years	Status of implementation of previous year(s) recommendation	
		Misstatements in financial statements	Misstatements in annual performance report	Non-compliance with legislation	Internal control	Service delivery	Matters affecting the auditor's report	Other important matters			Administrative matters
SUPPLY CHAIN MANAGEMENT											
51	Suppliers in the service of the state			X	X			X		0	Not applicable
PROPERTY, PLANT AND EQUIPMENT											
39	Deficiencies in fixed asset register				X			X		0	Not applicable
40	Assets not verified during verification municipality's process				X			X		0	Not applicable
EXPENDITURE MANAGEMENT											
37	Unauthorised, irregular and wasteful expenditure not prevented			X	X		X			3	In progress
ACCOUNTS PAYABLES											
38	Creditors reconciliations not performed				X			X		1	Not addressed
50	Suspense account not cleared at year end				X			X		0	Not applicable
OTHER											
49	No policy for road infrastructure				X			X		1	Not addressed
INFORMATION COMMUNICATION AND TECHNOLOGY											
55	Job descriptions for IT staff not in place				X			X		0	Not applicable
57	No IT strategic plan in place				X			X		0	Not applicable



58	Approved organogram does not reflect the current IT structure				X			X		0	Not applicable
59	VIP software license agreement not signed by the company				X			X		0	Not applicable
60	Network diagram does not reflect current IT infrastructure				X			X		0	Not applicable
61	Information Systems and ICT usage policy not communicated to staff				X			X		0	Not applicable
62	Standard name conversion not applied, default account not disabled and duplicate accounts assigned				X			X		0	Not applicable
64	Password policy not formally documented				X			X		0	Not applicable
65	Password settings not configured according to leading practice				X			X		1	Not addressed
66	No review and monitoring of loon violations				X			X		0	Not applicable
67	No patch management policy in place				X			X		1	Not addressed
68	Some use's computers have outdated anti-virus software				X			X		0	Not applicable
69	User account management process not documented				X			X		1	Not addressed
70	Terminated employees not removed				X			X		1	Not addressed
71	System administrator activities not reviewed				X			X		1	Not addressed
72	Inconsistent process followed for user access rights reviews performed				X			X		0	Not applicable
73	An inventory of software license is not maintained				X			X		0	Not applicable
74	Business continuity plan and disaster recovery plan not tested				X			X		0	Not applicable
75	Backups not adequately performed				X			X		1	Not addressed



76	Servers are not stored a sufficient distance away from the floor				X			X		1	Not addressed
77	Supply chain management policy did not account for IT acquisitions				X			X		1	Not addressed
78	Change management policy not developed				X			X		1	Not addressed
79	Municipality does not have a firewall installed				X			X		0	Not applicable
80	Investments and cash management policy does not provide for online banking system				X			X		0	Not applicable
81	Periodic reviews of EFT online banking system user activity logs not performed				X			X		0	Not applicable



Detailed audit findings**ANNEXURE A: MATTERS AFFECTING THE AUDITOR'S REPORT****1. Unauthorised, irregular or fruitless and wasteful expenditure not prevented****Audit Finding**

Section 62 (1)(d) , states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented;

During the review of annual financial statements, it was noted that the municipality incurred irregular expenditure amounting to R4 419 063, fruitless and wasteful expenditure amounting to R53 124 and unauthorised expenditure amounting to R14 138 241.

Internal control deficiency

The accounting officer did not exercise adequate oversight responsibility regarding compliance with laws and regulations relating to expenditure management.

Recommendation

It is recommended that management should put controls in place (e.g. compliance checklist, SCM check list) to prevent unauthorised, irregular or fruitless and wasteful expenditure.

Management response

Agree. Management will put controls in place to decrease the occurrence of unauthorized, irregular or fruitless and wasteful expenditure.

Name: B Koster

Position: Deputy CFO

Date: 16 November 2015

Auditor's conclusion

Management's response is noted; this will be reported in the audit report as this type of non-compliance is considered material.



ANNEXURE B: OTHER IMPORTANT MATTERS**2. Creditors reconciliations not performed****Audit Finding**

Section 65 of the Municipal Finance Management Act 56 of 2003 (MFMA) states the following:

1. *'The accounting officer of a municipality is responsible for the management of the expenditure of the municipality'*

2. - *'The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure –*
(b) 'That the municipality has and maintains a management, accounting and information System which recognises expenditure when it is incurred, accounts for creditors of the municipality and accounts for payments made by the municipality

(c) "that the municipality has and maintains a system of internal control in respect of creditors"

During the audit of creditors, it was noted that creditors' reconciliations were not performed and no age analysis was maintained for the whole duration of the financial year.

The control practice of performing creditors reconciliations on a monthly basis assists with ensuring that creditors accounts are updated on a regular basis and any discrepancies between the creditors statements and management's records can be followed up promptly so as to ensure that creditors are paid within the required time (ensuring compliance), and also assists with ensuring that all creditors are accounted for, thus minimizing misstatements in the account balance.

Internal control deficiency

Controls over daily and monthly processing and reconciling of accounts payables were not implemented.



Recommendation

It is recommended that;

- Creditors reconciliations should prepared on a monthly basis and reviewed by the appropriate level of management so as to ensure that creditors are accounted for correctly and completely.
- Creditors' analysis be maintained and reconciled to TB/GL on a regular basis and differences followed promptly.

Management response

Agree. It is impractical to reconcile each creditor as most of the creditors utilize manual invoices and to do furnish the municipality with statements. Management is of the view that the risk associated with non-reconciliation of creditor accounts is minimized as the financial system does not allow processing of the same invoice, and all invoices must be accompanied but supporting documents

Name: Themba Mnguni

Position: Senior Manager Finance: Expenditure

Date: 16 November 2015

Auditor's conclusion

Management management's response is noted and this matter will be followed up in the next audit cycle.

3. Deficiencies in the Fixed Asset Register

Audit Finding

In terms of guidance to GRAP 17, The Fixed Asset Register must contain the following amongst other things:

- Description of the assets

During the audit of property, plant and equipment, it was noted that the following did not have a description in the fixed asset register. Furthermore there was no depreciation charged on these assets.

ASNUM1	ASNUM	SUBASDES	ASSER	PERSON	PRICE	DATE	BOOKVALUE	DEPRDATE	Closing balance at 30 June 2014	Closing balance at 30 June 2015	
LS000731	LS000731		UNKNOWN; UNKNOWN	N0FU01110000030200000	ISANDLWANA HIGH SCHOOL	61,300.00	30/06/2008	61,300.00	30/06/2014	61,300.00	61,300.00
LS001024	LS001024		UNKNOWN; UNKNOWN	N0GU05130000087100000	KING DINUZULU TAXI RANK	999,136.70	30/06/2004	999,136.70	30/06/2014	999,136.70	999,136.70
LS000711	LS000711		UNKNOWN; UNKNOWN	N0GU00980000022700000	UTUNGULU DISTRICT MUNICIPAL	622,904.17	30/06/2008	622,904.17	30/06/2014	622,904.17	622,904.17
LS000712	LS000712		UNKNOWN; UNKNOWN	N0GU00980000023000001	UTUNGULU DISTRICT MUNICIPAL	369,395.83	30/06/2008	369,395.83	30/06/2014	369,395.83	369,395.83
LS000751	LS000751		UNKNOWN; UNKNOWN	N0GU02220000007000001	UTUNGULU WATER WORKS	1,219,811.43	30/06/2008	1,219,811.43	30/06/2014	1,219,811.43	1,219,811.43
LS000752	LS000752		UNKNOWN; UNKNOWN	N0GU02220000007000002	UTUNGULU WATER WORKS	1,278,954.57	30/06/2008	1,278,954.57	30/06/2014	1,278,954.57	1,278,954.57

Total

Internal control deficiency

The municipality did not have adequate



internal processes and procedures in place to ensure full adherence to GRAP standard.

The underlying records that were critical in the preparation of the financial statements were not fully assembled in a manner that was vital to ensure the construction of complete and accurate financial statements

Recommendation

It is recommended that management should ensure that all assets included in the fixed asset register have a description.

Management response

The finding is noted, and partially agreed with.

The assets in question are Land parcels and can be identified with the LPI code included in the "ASSER" field on the register and can be identified, supporting schedule from the Valuation Roll and updated FAR is available.

The assets description has already been changed to include the Suburb, Stand number and portion number.

The assets in question are Land parcels indicated by the group/class code "11001", and land does not depreciate. The correction of the description of these assets has no financial impact on the FAR.

Name: Buks Koster

Position: Deputy CFO

Date: 29 October 2015

Auditor's conclusion

Management management's response is noted and this matter will be followed up in the next audit cycle.

4. Assets not verified during municipality's verification process

Audit Finding

Best management practice dictates that the discrepancies between the physical count and asset register must be investigate and determine the reason for the discrepancy and document the results.



During the audit of property, plant and equipment, the following deficiencies in the municipality's asset verification process were noted;

1. The following private assets belonging to staff members were included in the asset register, 5 assets with total book value of R5 853.69

assetno	reason asset couldn't be found	Serial no	Description	make	Purchase date	price	Book value
08416	Private asset	YD112751Q	COMPUTER LAPTOP	TOSHIBA	30/06/2012	2,131.58	1,277.78
08431	Private asset	1329173	TESTER VOLTAGE CONTINUITY	TOPTRONIC	30/06/2001	26,298.71	3,508.53
03294	Private asset	NONE	TOOLBOX	GEDORE	10/03/2009	3,270.78	895.60
03300	Private asset	NONE	TROLLEY STEEL		16/03/1995	500.00	47.00
06530	Private asset	910TCYQ192746	PLAYER DVD	LG	30/06/2012	174.79	124.78
							5,853.69

2. The following stolen assets were included in the asset register. 15 assets with the total book value of R32 250.54

assetno	reason asset couldn't be found	serialno	Descry	make	purchdate	price	bkvalue
00667	Stolen	CT110Z200843	COMPUTER HARD DRIVE EXTERNAL	VERBATIM	31/07/2007	1,250.00	280.50
02156	Stolen	NA51ST9P	COMPUTER HARD DRIVE EXTERNAL	SEAGATE	23/09/2009	889.20	262.87
08103	Stolen	44C7K1	COMPUTER LAPTOP DELL	DELL	22/12/2009	6,280.15	1,926.72
02601	Stolen	6001889016728.00	URN	SUNBEAM	30/06/2006	899.99	180.09

06364	Stolen	NONE	CUTTER BRUSH	STIHL	13/10/2011	4,122.81	1,749.37
06365	Stolen	NONE	CUTTER BRUSH	STIHL	17/09/2012	35,052.77	19,409.80
06366	Stolen	NONE	CUTTER BRUSH	STIHL	09/10/2009	4,382.00	1,303.87
06367	Stolen	NONE	CUTTER BRUSH	STIHL	09/10/2009	4,382.00	1,303.87
06368	Stolen	NONE	CUTTER BRUSH	STIHL	09/10/2009	4,382.00	1,303.87
06369	Stolen	NONE	CUTTER BRUSH	STIHL	09/10/2009	4,382.00	1,303.87
06370	Stolen	NONE	CUTTER BRUSH	STIHL	09/10/2009	4,382.00	1,303.87
06371	Stolen	NONE	CUTTER BRUSH	STIHL	30/06/2012	115.13	57.49
06372	Stolen	NONE	CUTTER BRUSH	STIHL	30/06/2012	115.13	57.49
06378	Stolen	NONE	CUTTER BRUSH	STIHL	13/10/2011	4,122.81	1,749.37
06387	Stolen	NONE	CUTTER BRUSH	STIHL	30/06/2012	115.13	57.49

32,250.54

Further it was noted that the municipality's asset management policy does not cover stolen or missing assets.

3. The following assets that are not in working order were included in the asset register and not impaired. 4 assets with the total book value of R4 991.49

assetno	reason asset couldn't be found	Serialno	descr	purchase date	price	bkvalue
01022	Removed	NONE	AIR CONDITIONER WALL MOUNTED	27/06/2007	8,504.40	1,691.57
03031	Replaced with new 1	5000Y42157	AIR CONDITIONER WALL MOUNTED	30/06/2012	1,830.79	1,097.47
03122	Replaced with new 1	920RF202000932N0180	AIR CONDITIONER WALL MOUNTED	30/06/2012	1,830.79	1,097.47
02896	Struck by lightning	NONE	CAMERA VIDEO	30/06/2012	1,547.82	1,104.98

4,991.49

4. The following assets that could not be found and were included in the asset register. 185 assets with the total book value of R88 831.30

Assetno	reason asset couldn't be found	descr	purchase date	price	bkvalue
00786	Couldn't locate	DESK SINGLE PEDESTAL	30/06/2012	976.97	697.45
00759	Couldn't locate	COMPUTER KEYBOARD	19/04/2011	370.00	142.39
00763	Couldn't locate	COMPUTER KEYBOARD	19/04/2011	370.00	142.39
00530	Couldn't locate	COMPUTER SWITCH 24 PORT	30/06/2012	557.45	445.80
00407	Couldn't locate	MACHINE PRINTER RECEIPT	30/06/2012	684.47	488.64
00237	Couldn't locate	COMPUTER PRINTER HP DESKJET	30/06/2006	490.92	98.22
00239	Couldn't locate	UNINTERRUPTIBLE POWER SUPPLY (UPS)	- -	-	-

00168	Couldn't locate	COMPUTER FILE SERVER	30/06/2012	3,714.16	2,226.46
00197	Couldn't locate	COMPUTER FILE SERVER	30/06/2012	3,714.16	2,226.46
00185	Couldn't locate	COMPUTER HARD DRIVE EXTERNAL	20/04/2012	940.00	527.18
00190	Couldn't locate	COMPUTER KEYBOARD	30/06/2012	42.80	25.66
00534	Couldn't locate	COMPUTER LAPTOP DELL	10/04/2014	6,117.40	5,842.73
00509	Couldn't locate	COMPUTER MODEM FAX	30/06/2003	2,257.20	347.42
00510	Couldn't locate	COMPUTER MODEM INTELLIGENT STATISTICAL MULTIPLEXER	30/06/2012	235.66	141.27
00506	Couldn't locate	COMPUTER ROUTER	30/06/2012	254.61	203.62
00519	Couldn't locate	COMPUTER ROUTER	30/06/2012	254.61	203.62
00042	Couldn't locate	COMPUTER MODEM	30/06/2012	235.66	141.27
00065	Couldn't locate	COMPUTER FILE SERVER	23/11/2009	6,430.00	2,828.11
00066	Couldn't locate	COMPUTER HARD DRIVE EXTERNAL	25/10/2012	2,540.00	1,686.02
00067	Couldn't locate	COMPUTER HARD DRIVE EXTERNAL	13/12/2006	1,290.00	270.37
00068	Couldn't locate	COMPUTER HARD DRIVE EXTERNAL	30/06/2006	550.25	110.09
00613	Couldn't locate	FAN STANDING	30/06/2012	94.74	67.64
00645	Couldn't locate	CHAIR HIGH BACK LEATHER SWIVEL & TILT	- -	-	-

00646	Couldn't locate	CHAIR HIGH BACK LEATHER SWIVEL & TILT	- -	-	-
00641	Couldn't locate	CHAIR VISITOR	30/06/1992	316.58	26.41
00638	Couldn't locate	COMPUTER KEYBOARD	30/06/2012	42.80	25.66
01010	Couldn't locate	BOARD NOTICE	30/06/2012	291.32	207.97
02447	Couldn't locate	COMPUTER KEYBOARD	30/06/2012	42.80	25.66
01018	Couldn't locate	COMPUTER PRINTER HP DESKJET	30/06/2002	2,169.42	310.09
01019	Couldn't locate	COMPUTER PRINTER HP DESKJET	14/09/2006	400.00	81.74
00672	Couldn't locate	CHAIR TYPIST	31/01/2008	827.01	196.69
01969	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
01970	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
01971	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
01972	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
01973	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
01976	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
01983	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02205	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02207	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13

02214	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02217	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02228	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02230	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02232	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02249	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02251	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02259	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02262	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02267	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02297	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02300	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02303	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02312	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02313	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02318	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02321+A100	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13

02325	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02332	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02334	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02337	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02338	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02346	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02348	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02354	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02361	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02363	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02364	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02366	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02370	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02386	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02390	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02391	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02395	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13

02399	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02409	Couldn't locate	TABLE FOLDING STEEL	30/06/2002	256.50	36.67
01259	Couldn't locate	PROJECTOR DATA	30/06/2004	18,200.10	3,035.11
03150	Couldn't locate	COMPUTER CPU HP	05/04/2011	5,120.00	1,955.70
01564	Couldn't locate	SYSTEM ALARM	30/06/2012	2,822.40	1,691.89
01793	Couldn't locate	SYSTEM ALARM	30/06/2012	2,822.40	1,691.89
02521	Couldn't locate	COMPUTER MODEM	30/06/2012	235.66	141.27
02571	Couldn't locate	CHAIR HIGH BACK SWIVEL & TILT	- -	-	-
08415	Couldn't locate	COMPUTER KEYBOARD	30/06/2012	42.80	25.66
08436	Couldn't locate	RECORDER VOLTAGE LOAD	30/06/1987	425.88	29.38
08435	Couldn't locate	TESTER MEGGER WATT	30/06/1987	2,666.66	184.04
02587	Couldn't locate	COMPUTER KEYBOARD	30/06/2012	42.80	25.66
02992	Couldn't locate	COMPUTER ROUTER BOARD	30/06/2012	254.61	152.63
02991	Couldn't locate	WIRESLESS ACCESS POINT	30/06/2012	435.66	261.16
02829	Couldn't locate	CHAIR VISITOR	30/06/2012	118.42	84.54
03306	Couldn't locate	CUTTER BRUSH	09/10/2009	4,382.00	1,303.87
03112	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13

03113+A193	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
03116	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
03117	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
03118	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
03110	Couldn't locate	DESK SINGLE PEDESTAL	30/06/2012	976.97	697.45
03364	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
03367	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
03362	Couldn't locate	CUTTER BRUSH	11/10/2013	4,908.68	4,025.08
03368	Couldn't locate	DESK DOUBLE PEDESTAL	30/06/2004	2,653.79	442.56
03369	Couldn't locate	TABLE WOOD	30/06/2012	868.03	619.69
03370	Couldn't locate	TABLE WOOD WITH STEEL LEGS	30/06/2012	390.79	278.98
03538	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
03539	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
03540	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
03541	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
03542	Couldn't locate	RACK FILES	30/06/2012	1,094.21	781.15
03537	Couldn't locate	TABLE FOLDING STEEL	13/05/2011	515.00	284.41

03082	Couldn't locate	CHAIR HIGH BACK SWIVEL & TILT	30/06/2012	1,496.05	1,068.02
03544	Couldn't locate	MACHINE LINE ROAD MARKER	30/06/2003	28,500.00	4,386.55
02794	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02795	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
02799	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
03715	Couldn't locate	COMPUTER SWITCH 24 PORT	30/06/2012	557.45	445.80
03746	Couldn't locate	COMPUTER ROUTER	30/06/2012	254.61	203.62
03745	Couldn't locate	WIRELESS ACCESS POINT	30/06/2012	435.66	261.16
03880	Couldn't locate	AIR CONDITIONER WALL MOUNTED	30/06/2012	1,830.79	1,097.47
04149	Couldn't locate	SURGE PROTECTION UNIT	25/04/2012	26,200.00	16,536.69
03846	Couldn't locate	BOARD WRITING WHITE	30/06/2012	219.76	156.89
04127	Couldn't locate	CALCULATOR DESK	30/06/2012	69.42	49.56
04128	Couldn't locate	CALCULATOR DESK	30/06/2012	69.42	49.56
04130	Couldn't locate	CALCULATOR DESK	30/06/2012	69.42	49.56
04132	Couldn't locate	COMPUTER CPU MECER	08/11/2011	5,332.29	2,511.81
04134	Couldn't locate	COMPUTER CPU MECER	08/11/2011	5,332.29	2,511.81
04136	Couldn't locate	COMPUTER CPU MECER	08/11/2011	5,332.29	2,511.81

03695	Couldn't locate	COMPUTER KEYBOARD	30/06/2012	57.07	34.21
03892	Couldn't locate	COMPUTER KEYBOARD	30/06/2012	57.07	34.21
04107	Couldn't locate	COMPUTER KEYBOARD	30/06/2012	57.07	34.21
04109	Couldn't locate	COMPUTER KEYBOARD	30/06/2012	57.07	34.21
04121	Couldn't locate	COMPUTER KEYBOARD	30/06/2012	42.80	25.66
04122	Couldn't locate	COMPUTER KEYBOARD	12/12/2008	2,400.00	636.18
04129	Couldn't locate	COMPUTER KEYBOARD	30/06/2012	42.80	25.66
04135	Couldn't locate	COMPUTER KEYBOARD	30/06/2012	9.51	5.70
04123	Couldn't locate	COMPUTER PRINTER HP DESKJET	30/06/2012	611.45	366.54
04124	Couldn't locate	COMPUTER PRINTER HP DESKJET	30/06/2006	860.78	172.24
04133	Couldn't locate	COMPUTER PRINTER HP DESKJET	30/06/2012	135.88	81.45
04131	Couldn't locate	COMPUTER PRINTER HP PHOTOSMART	13/03/2009	980.00	268.64
04139	Couldn't locate	COMPUTER PRINTER HP PHOTOSMART	18/05/2009	949.30	266.83
03840	Couldn't locate	DESK SINGLE PEDESTAL	30/06/2012	976.97	697.45
04137	Couldn't locate	MACHINE FACSIMILE, PRINTER, SCANNER, COPIER	30/06/2012	552.81	394.65
04138	Couldn't locate	MACHINE FACSIMILE, PRINTER, SCANNER, COPIER	30/06/2012	552.81	394.65

04125	Couldn't locate	MACHINE LAMINATOR	30/06/2005	2,224.39	404.63
04112	Couldn't locate	TABLE PLASTIC FOLDING	25/06/2014	614.00	612.56
04113	Couldn't locate	TABLE PLASTIC FOLDING	25/06/2014	614.00	612.56
04114	Couldn't locate	TABLE PLASTIC FOLDING	25/06/2014	614.00	612.56
04115	Couldn't locate	TABLE PLASTIC FOLDING	25/06/2014	614.00	612.56
04117	Couldn't locate	TABLE PLASTIC FOLDING	25/06/2014	614.00	612.56
03843	Couldn't locate	TROLLEY CARGO	30/06/2012	236.05	168.52
03649	Couldn't locate	CHAIR VISITOR	30/06/2012	118.42	84.54
03652	Couldn't locate	DESK WOOD	30/06/2012	74.56	53.23
03661	Couldn't locate	GENERATOR PETROL	30/06/1995	4,833.60	460.61
03663	Couldn't locate	MACHINE DRILL ELECTRIC	30/06/1995	632.43	60.29
03665	Couldn't locate	MACHINE DRILL ELECTRIC	30/06/2001	2,275.44	303.55
06374	Couldn't locate	CUTTER BRUSH	13/10/2011	4,122.81	1,749.37
04028	Couldn't locate	CHAIR STEEL STACKABLE UPHOLSTERED	30/06/2012	23.02	16.43
03238	Couldn't locate	APPARATUS BREATHING BACK PACK	30/06/2012	103.85	62.25
03234	Couldn't locate	CYLINDER OXYGEN	30/06/2012	103.85	62.25
03980	Couldn't locate	TABLE FOLDING STEEL	20/06/2007	320.00	70.91

03981	Couldn't locate	TABLE FOLDING STEEL	20/06/2007	320.00	70.91
04004	Couldn't locate	TABLE FOLDING STEEL	20/06/2007	320.00	70.91
04005	Couldn't locate	TABLE FOLDING STEEL	20/06/2007	320.00	70.91
04804	Couldn't locate	TABLE TRAPEZOID	30/06/2012	394.34	281.52
05549	Couldn't locate	COMPUTER PRINTER HP DESKJET	20/08/2010	750.00	255.97
05574	Couldn't locate	METAL COVER LOCATOR	30/06/2012	601.54	360.59
07591	Couldn't locate	FAN STANDING	30/06/2015	-	-
05303	Couldn't locate	BOOKCASE LIBRARY SINGLE SIDED	25/03/1998	395.06	43.29
05390	Couldn't locate	COMPUTER KEYBOARD	30/06/2012	9.51	5.70
05645	Couldn't locate	WIRESLESS ACCESS POINT	30/06/2012	435.66	261.16
05410	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
05415	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
05666	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
04884	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
04886	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
04887	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
04888	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13

04889	Couldn't locate	CHAIR PLASTIC STACKABLE	20/09/2011	64.91	39.13
05128	Couldn't locate	TABLE WOOD WITH STEEL LEGS	09/04/1998	662.52	72.75
05129	Couldn't locate	TABLE WOOD WITH STEEL LEGS	09/04/1998	220.84	24.24
05140	Couldn't locate	TABLE WOOD WITH STEEL LEGS	30/06/2012	390.79	278.98
06549	Couldn't locate	BRANCH STRAIGHT	30/06/2012	86.84	52.05
05991	Couldn't locate	WIRESLESS ACCESS POINT	30/06/2012	435.66	261.16
06399	Couldn't locate	COMPUTER PRINTER HP OFFICEJET	25/11/2010	999.95	357.49
08500	Couldn't locate	COMPUTER ROUTER BOARD	30/06/2012	254.61	152.63
03411	Couldn't locate	LAWNMOWER ATTACHED TO TRACTOR	30/06/2012	7,697.37	3,843.42
04883	Couldn't locate	LAWNMOWER ATTACHED TO TRACTOR	30/06/2012	855.26	427.04
				88,831.30	

Further it was noted that the municipality's asset management policy does not cover stolen or missing assets.

Internal control deficiency

The underlying records that were critical in the preparation of the financial statements were not fully assembled in a manner that was vital to ensure the construction of complete and accurate financial statements.

Recommendation

It is recommended that management should;

- Assets belonging to staff :
 - these assets should be taken of the fixed asset register as they do not belong to the municipality.
- Stolen assets :

- the asset management policy should be amended to include the processes on stolen or missing assets.
- The assets should be reported to the police and insurance, investigated, and reported submitted to council for approval of write-off if not found.
- Assets not in working order / damaged:
 - These assets should be tested for impairment and impaired accordingly.
- Missing assets:
 - the asset management policy should be amended to include the processes on stolen or missing assets.
 - The assets should be reported to the police and insurance, investigated, and reported submitted to council for approval of write-off if not found.

Management response

The finding is noted, and agreed with.

During the physical verification of assets the Municipal officials provided the reasons as to why assets cannot be verified. The Municipality is in the process of investigation the assets as listed above, and will send out the information per Department to the HOD's for investigation and feedback.

The Municipality requires the following per reason:

- 1.) Private assets – The Municipality is investigating the matter and claim.
- 2.) Stolen assets – HOD's to provide case number after reporting the theft to SAPS, and insurance claim registered for payment. Once claim has been settled the assets will be disposed of.
- 3.) Replaced assets – The replaced assets will be submitted to council in the new financial year for write off.
- 4.) Assets not found – The Municipality is investigating the matter.

It must be further noted that these discrepancies were already identified by management through own internal control procedures and were already on file which was given to the auditors. The intention of management was to thoroughly investigate the matter before removing them from the register. Suggested amendments to the policy by auditors are welcomed and will be effected accordingly.

Name: B Koster

Position: Deputy CFO

Date: 28 October 2015

Auditor's conclusion

Management management's response is noted and this matter will be followed up in the next audit cycle.



5. No approved policy for road infrastructure

Audit Finding

During the audit of predetermined objectives the following was noted;

1. That the municipality does not have an approved policy in place for road infrastructure

Internal control deficiency

Sufficient monitoring controls were not in place to ensure that all legislative requirements are complied with when compiling the Integrated Development Plan (IDP), Service Delivery and

Budget Implementation (SDBIP)

Recommendation

Management should ensure that there is an approved policy in place for road infrastructure.

Management response

1) Agree: Council will endeavour to put in place a policy as advised. Programs and systems are in place, though. These are Road Asset Management System (RAMS) and Pavement Management System (PMS).

Name: Priscilla Chetty

Position: Manager: PMS

Date: 13 November 2015

Auditor's conclusion

Management management's response is noted and this matter will be followed up in the next audit cycle

6. Suspense account not cleared at year

Audit Finding

Section 65 of the Municipal Finance Management Act 56 of 2003 (MFMA) states the following:



1. 'The accounting officer of a municipality is responsible for the management of the expenditure of the municipality'

2. - 'The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure –

(b) 'That the municipality has and maintains a management, accounting and information

System which recognises expenditure when it is incurred, accounts for creditors of the municipality and accounts for payments made by the municipality

(c) 'that the municipality has and maintains a system of internal control in respect of creditors'

During the audit of creditors, it was noted a suspense account amounting to R429 579 was not cleared at year end.

Internal control deficiency

Controls over daily and monthly processing and reconciling of accounts payables were not implemented.

Recommendation

It is recommended that management should ensure that suspense accounts are cleared and transactions allocated to appropriate accounts.

Management response

Agree. The balance at year end on this account represent creditors that were not paid at the reporting date, and can only be cleared once those creditors are paid. Management will change the name of account from "Creditor Suspense" to "Creditor Control"

Name: Themba Mnguni

Position: Senior Manager Finance: Expenditure

Date: 16 November 2015

Auditor's conclusion

Management management's response is noted and this matter will be followed up in the next audit cycle.

7. Suppliers in service of the state

Audit Finding



In terms of Regulation 44 of the MFMA SCM Regulations: The supply chain management policy of a municipality or municipal entity must, irrespective of the procurement process followed, state that the municipality or municipal entity may not make any award to a person -

(a) Who is in the service of the state

(b) if the person is not a natural person, of which any manager, principal shareholder or stakeholder is a person in the service of the state,

(c) who is an advisor or consultant contracted with the municipality or municipal entity.

During the audit of SCM, the following suppliers submitted their declarations and they did not declare that they are in service of the state:



#	SUPPLIER NO	SUPPL_NAME	Employee No.	Employee Name:	EMPLOYEE DEPARTMENT	Supplier submitted declaration of interest?	The connection was declared?	Value of award
1	MBA005	MBALIZESIZWE TRADING ENTERPRISE	BFR0076	Siphindile Biyela	Ezemvelo Wild Life	Yes	No	3900
2	EAG001	EAGGLETON CONSULTING	Piet Van Der Me	P Van Der Merwe	South African National Space Agency	Yes	No	10258.86
3	COA001	COASTAL FARMERS CO-OPERATIVE LTD	2040	GALLAGHER MARK	Umuziwabantu Local Municipality	Yes	No	10685.23
4	HLO004	HLOKOMA AGRICULTURAL & GENERAL TRADING	BFR0076	Siphindile Biyela	Ezemvelo Wild Life	Yes	No	7275
5	SIZ012	SIZASANDE 12 PTY LTD	62451073	DNS MPANZA	KZN: EDUCATION	Yes	No	67784.4
6	2AF001	2AFRICA SERVICES PTY LTD	46694	Moosa Tawakali	Transnet TPT	Yes	No	114900
7	BET003	BETHU'S PLANT HIRE PTY LTD	16494	Bethu Mnguni	Transnet TPT	Yes	No	131900
8	KAM002	KAMPIKWANA PTY LTD	98149776	No Information Received	Department of Defence	Yes	No	5280
9	DMN001	DMN VISION PTY LTD	ITT0004	Thandeka Mbambo	Ezemvelo Wild Life	Yes	No	95922.75
10	ELAG01	ELANGENI CONSULTING	22210857	ZTM MKHIZE	NAT: HIGHER EDUCATION & TRAINING	Yes	No	5950



11	MBA010	MBALIKANDOM CONSTRUCTION & TRADING PTY LTD	12772-2	Fortunate Mathenjwa	National Health Laboratory Service	Yes	No	2450
12	GOO001	GOODERSON LEISURE CORPORATION		Sizakele Moloko Moloko	W&R SETA	Yes	No	8634.2
13	PER001	PEERMONT GLOBAL	49926	Sabelo Mzimela	Transnet TPT	Yes	No	7080
14	PER001	PEERMONT GLOBAL	FIHILIWE	Fihliwe Nkomo	Culture Arts Tourism Hospitality and sports Seta	Yes	No	7080
14	UWP001	UWP CONSULTING PTY LTD	CM6	Prince N Khuzwayo	Freedom Park	Yes	No	1403388.16
16	SAB003	SABINET ONLINE	No Information Received	JULIAN SMITH	Cassidra	Yes	No	15625.98
17	SAB003	SABINET ONLINE	T060	ELLEN	National Heritage Council	Yes	No	15625.98
18	PER001	PEERMONT GLOBAL	FIHILIWE	Fihliwe Nkomo	Culture Arts Tourism Hospitality and sports Seta	Yes	No	7080
19	IGO001	IGODA PROJECTS PTY LTD	65065	MADIKANE	Mhlathuze Water Board	Yes	No	444672.81
20	ARB001	ARB ELECTRICAL WHOLESALEERS (PTY) LTD	21	Kealeboga Elizabeth Moloto- Stofile	Road Accident Fund	Yes	No	137749.8
21	PER001	PEERMONT GLOBAL	FIHILIWE	Fihliwe Nkomo	Culture Arts Tourism Hospitality and sports Seta	Yes	No	7080



22	PER001	PEERMONT GLOBAL	FIHILIWE	Fihliwe Nkomo	Culture Arts Tourism Hospitality and sports Seta	Yes	No	7080
23	PER001	PEERMONT GLOBAL	FIHILIWE	Fihliwe Nkomo	Culture Arts Tourism Hospitality and sports Seta	Yes	No	7080
24	PER001	PEERMONT GLOBAL	FIHILIWE	Fihliwe Nkomo	Culture Arts Tourism Hospitality and sports Seta	Yes	No	7080
25	ACT001	ACTOM	78	SOWAZI	Housing Development Agency	Yes	No	683019.56

Total R3 214 582.73

Internal control deficiency

The municipality does not have controls in place to ensure that suppliers who are in service of the state are identified

Recommendation

It is recommended that

- Management should implement a process of checking / vetting the suppliers before an award is made.
- False declarations or misrepresentations received from suppliers should be investigated by management and appropriate action taken against the relevant parties as this may constitute fraudulent activity.

Management response



Agree. Management has made it part of the evaluation procedure to check if bidders are not in the service of the state before any tender is awarded, however the system that is being used might not always supply most updated information. Management also put reliance on declaration that is made by bidders before they are taken-on onto the database. The finding detailed above is noted and management will certainly investigate accordingly and take corrective actions were necessary.

Name: Zakhele Mhlongo

Position: Chief Financial Officer

Date: 25 November 2015



Auditor's conclusion

Management management's response is noted and this matter will be followed up in the next audit cycle.

8. INFORMATION TECHNOLOGY GOVERNANCE

8.1 Job descriptions for IT staff not in place

Audit finding

Roles and responsibilities of staff members within the IT function had not been formally defined, documented and communicated to the relevant employees.

No forming defining, documenting and communicating the roles and responsibilities of staff members performing IT related functions could lead to lack of accountability for actions taken. Furthermore, this could result in a breakdown in internal control and segregation of duties conflicts within the IT function.

Internal control deficiency

Leadership: IT Governance

The current structure of the IT function at the municipality is not in line with the approved Corporate Services Orgonogram and therefore job descriptions have not been drafted for the positions staff currently occupy within the IT function.

Recommendation

Job descriptions should be formally documented for each employee within the IT function. These descriptions should stipulate the roles and responsibilities required to be performed by the employee. Employees should be required to sign off on their job descriptions as an indication that they are aware of and

accept the roles and responsibilities assigned to them and thereafter these job descriptions should be used as the basis for performance management activities.

Management response

As from the 01 August 2015, IT has been outsourced to an external service provider. Currently, the only internal staff member in the IT function is the IT Support Officer. However, the new IT structure as per the approved Corporate Services Orgonogram is going to be implemented during the 2015/2016 financial year and this will include the process of defining the roles and responsibilities of IT staff and documenting job descriptions.

Name and surname: KC Zulu

Position: Director Corporate Services

Action Date: 31 March 2016

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

8.2 No IT Strategic Plan in place

Audit finding

An IT Strategic Plan has not been developed by Umlalazi Local Municipality

The non-establishment of an IT Strategic Plan could result in IT goals not contributing to the municipality's strategic objectives.

Internal control deficiency

Leadership: IT Governance

Management was not aware of the risks associated with not having a formally documented IT Strategic Plan in place.

Recommendation

An IT Strategic Plan should be formally established. The plan should address IT goals and future plans and be formally documented and adopted by management to ensure that IT objectives are in line with the municipality's overall business objectives. The approved IT Strategic Plan should be communicated to all key stakeholders within the municipality and progress against the plan must be monitored by management.

Management response

Management will commence with a project of linking IT to the overall municipal business objectives and within that process an IT strategy will be developed for implementation from 1 July 2016.

Name and surname: KC Zulu

Position: Director Corporate Services

Action Date: 31 May 2016 (Development of IT Strategy)

01 July 2016 (Implementation of IT Strategy)

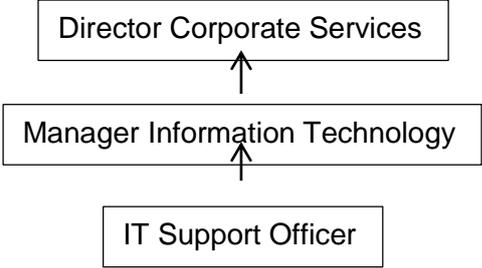
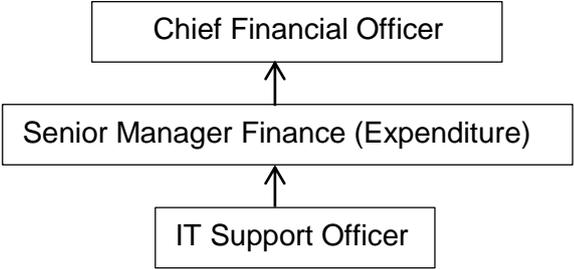
Auditor’s conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

8.3 Corporate Services Department Organogram does not accurately reflect the current IT structure in place

Audit finding

The Corporate Services Department Organogram did not accurately reflect the structure of the IT function currently in place at the municipality.

Approved Corporate Services Department Organogram	Current IT Function Structure
 <pre> graph BT A[IT Support Officer] --> B[Manager Information Technology] B --> C[Director Corporate Services] </pre>	 <pre> graph BT A[IT Support Officer] --> B[Senior Manager Finance (Expenditure)] B --> C[Chief Financial Officer] </pre>

If the IT function is not aligned to an approved organogram key IT positions which are required to service the municipality may not be established and filled. This could result in IT not being able to adequately support the municipality and may also cause conflict with regard to staff reporting lines.

Internal control deficiency

Leadership: IT Governance



Recruitment for a Manager Information Technology is currently in progress. Only once this post has been filled can the approved structure as required by the Corporate Services Department Organogram be implemented.

Recommendation

Management should ensure that the approved Corporate Services Department Organogram is implemented within the municipality. The posts as required by the organogram should be created, advertised and individuals shortlisted and interviewed and thereafter a suitable candidate hired.

Management response

The process of linking business objectives to IT and development of an IT strategy will highlight all the ICT needs of the municipality and will also suggest IT positions to be created with specific roles and responsibilities assigned. Moreover management will expedite the process of defining the roles and responsibilities and recruitment of individuals for positions that are already on the organogram.

Name: KC Zulu

Position: Director Corporate Services

Action date: 31 March 2016

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

8.4 VIP Software licence agreement not signed off by the company

Audit finding



The software licence agreement in place with Softline VIP had not been signed by a representative of Softline VIP.

The licence agreement may not be valid and the municipality may have no legal recourse against the service provider should the software not perform as expected.

Internal control deficiency

Leadership: IT Governance

Management was unaware that the Softline VIP company had not signed off on the software license agreement.

Recommendation

Management should ensure that the VIP Software license is signed off by Softline VIP. A copy of the license should be filed by the municipality for reference purposes.

Management response

Softline VIP will be made to sign off on the software license agreement.

Name and surname: T. Mnguni

Position: Senior Manager Finance (Expenditure)

Action Date: 31 December 2015

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

9. SECURITY MANAGEMENT

9.1 Network diagram does not reflect current IT infrastructure and has not been approved

Previous audit finding

The network diagram displaying the components and structure of the municipality's network had not been approved by management. It was further noted that the diagram did not detail the version number and last updated details.

Follow up audit finding

It was noted that the network diagram is outdated and does not reflect the current IT infrastructure of the municipality. It was further noted that the diagram has still not been approved by management and does not detail the version number and last updated details.

In the absence of a complete, accurate and approved network diagram the municipality may not be able to effectively manage and assess the overall security of its network infrastructure. If documents are not version controlled, individuals at the municipality may utilise differing and outdated documents and may not be aware of the person who was responsible for updating the previous version of the document.

Internal control deficiency

The municipality is busy upgrading and making changes to its network and only once this process is finalised can the network diagram be updated and submitted for approval.

Recommendation

Management should ensure that the network diagram is approved by management and reviewed and updated by the IT Department whenever

changes to the network are implemented. A sign off and last updated section should be added to the network diagram and completed accordingly.

Management response

The network is currently undergoing a major upgrade. Once completed a new network diagram will be documented and sent to management for review prior to submission to EXCO for approval. It must be noted that EXCO dedicate a single meeting which is held in approximately May for the approval of all operational policies and documents.

Name and surname: T. Mnguni

Position: Senior Manager Finance (Expenditure)

Action date: 31 May 2016

Auditor's conclusion

Management comments are noted and an assessment of the corrective actions agreed upon by management will be performed quarterly.

9.2 Information Systems Security and ICT Usage Policy not communicated to staff

Previous audit finding

No security awareness training, program or process had been established to promote IT security at the municipality

Follow up audit finding

The Information Systems Security & ICT Usage Policy was developed and approved by EXCO on the 4 February 2015. It was however noted that this

policy had not been communicated to the municipality's IT users by means of security awareness programmes.

The municipality may not be able to hold any employee liable for non-compliance to the Information Systems Security & ICT Usage Policy if it has not been adequately and formally communicated to staff.

Internal control deficiency

Financial and performance management: IT Systems

A lack of capacity has resulted in management still being in the process of identifying the user groups to whom the Information Systems Security & ICT Usage Policy needs to be communicated to.

Recommendation

IT security awareness programmes should be established to adequately train and inform staff members of the required IT security practices to be adhered to. In addition, all employees should sign a form acknowledging that they have read, understood and will adhere to the Information Systems Security & ICT Usage Policy of the municipality prior to being granted access to IT systems.

Management response

The relevant user groups within the municipality will be identified for the purpose of creating awareness and trainings regarding the approved IT policies. In the meantime, time slots will be obtained in middle management meetings to communicate the contents of the Information Systems Security & ICT Usage Policy.

Name and surname: T. Mnguni and S. van der Westhuizen

Position: Senior Manager Finance (Expenditure) and Senior Manager Corporate Services

Action Date: 30 November 2015

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle

9.3 Standard naming convention not applied, default accounts not disabled and duplicate user accounts assigned (Windows Active Directory, Abakus and VIP)

Audit finding

The following deficiencies were noted with regard to the management of user ids:

- A standard naming convention had not been applied to user ids created on the Windows Active Directory, Abakus or VIP systems.
- The following default user accounts on the Windows Active Directory had not been disabled:
 - Guest
 - Root
- Duplicate user accounts as detailed in the table below were identified on the Abakus system:

User No	User Name
100	LUCY GING
101	LUCY GING
102	NONKA
104	NONKA
110	NONHLANHLA
111	NONHLAMHLA
124	SANDY
125	SANDY
130	NANCY
131	NANCY 2
162	SARAH
163	SARAH
170	NONTHLANTHLA
171	NONTHLANTHLA
203	XOLANI
204	XOLANI
324	ELNA

325	ELNA HOME
326	ELNADR
510	THEMBA
511	Themba
720	SEBENZANI
721	SEBENZANI

Duplicate user accounts assigned to the same individual may be difficult to identify if a defined standard naming convention is not adequately complied with. It may also be difficult to establish the individual who is responsible for utilising a user account and administrators could make changes to an incorrect user profile if user accounts have not been named in a standard manner. Default system accounts are configured to have significant accesses assigned to them. If these accounts are compromised by this may result in unauthorised activities being performed and may compromise the confidentiality, integrity and availability of data stored on the system. Duplicate user accounts assigned enhances the environment for fraud and error.

Internal control deficiency

Financial and performance management: IT Systems

A standard naming convention has not been defined by the municipality. The default and duplicate accounts assigned were an oversight.

Recommendation

Management should consider implementing the following controls:

- A standard naming convention should be defined, formally documented and consistently applied to all user ids across the systems utilised by the municipality
- Default user accounts should be disabled or assigned to individuals within the municipality
- Activities performed on the duplicate user accounts identified should be reviewed and thereafter the user accounts not required should be disabled

Management response

A standard naming convention will be defined and documented in the Information Systems Security and ICT Usage Policy. This will then be applied to all systems. The default and duplicate accounts identified will be disabled.

Name and surname: T. Mnguni

Position: Senior Manager Finance (Expenditure)

Action Date: 31 May 2016

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

9.4 Password Policy not formally documented

Previous audit finding

It was noted that there was no formally documented IT Security Policy in place at the municipality. It was further noted that a Password Policy had also not been documented to provide guidance on the IT best practices of password management to be implemented at the municipality.

Follow up audit finding

Cognisance was taken of the fact that an Information Systems Security & ICT Usage Policy had been developed and approved by EXCO on the 04 February 2015. It was however noted that a Password Policy had still not been documented to provide guidance on the password configurations settings required to be implemented on IT systems utilised by the municipality.

Inconsistent and weak password configuration settings may be enabled on IT systems. This could result in users being able to set easily guessable passwords and increases the risk of unauthorised individuals gaining access to the IT systems utilised by the municipality.

Internal control deficiency

Financial and performance management: IT Systems

A lack of capacity and insufficient internal knowledge was noted with regard to the development and implementation of IT policies and standards.

Recommendation

A Password Policy that stipulates the password configuration settings to be implemented on IT systems utilised by the municipality should be formally documented, approved and implemented. The following best practice password settings are recommended for all IT systems in use:

- Minimum password age = 0

- Maximum password age = 30
- Minimum password length = 6
- Password complexity = enabled
- Password history = 12
- Password lockout = 3 unsuccessful attempts

Management response

The Information Systems Security & ICT Usage Policy will be reviewed and amended to include password configuration settings required to be implemented on all systems utilised by the municipality. It must be noted that the updated policy will need to be approved by EXCO who dedicate a single meeting which is held in approximately May for the approval of all policies.

Name and surname: T. Mnguni and S. van der Westhuizen

Position: Senior Manager Finance (Expenditure) and Senior Manager Corporate Services

Action Date: 31 May 2016

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

9.5 Password settings not configured in accordance with leading practices (VIP)

Audit finding

The following password security setting configured on VIP was not in line with leading practice guidelines:

Password Configuration	System Setting	Leading Practice
Days password effective	40	30

1.

Furthermore, the following password security controls were not catered for on the VIP system:

- Password history
- Minimum password age

Weak password security settings increase the risk of unauthorised users gaining access to the system. This may further result in unauthorised transactions being performed thus affecting the availability, integrity and confidentiality of data.

Internal control deficiency

Financial and performance management: IT Systems

System limitations and a lack of in house skills resulted in password controls not being adequately configured on the VIP system.

Recommendation

Management should consider implementing the following controls:

- A Password Policy that stipulates the leading practice password configuration requirements to be implemented on IT systems utilised by the municipality should be formally documented. Thereafter the password settings configured on VIP should be aligned to those stipulated in the Password Policy.
- Staff should be trained on leading practice password requirements as well as system functionality available

Management response

The Information Systems Security & ICT Usage Policy will be reviewed and amended to include password configuration settings required to be implemented on all systems utilised by the municipality. Password settings on VIP will be amended to be in line with leading practice.

Name and surname: T. Mnguni

Position: Senior Manager Finance (Expenditure)

Action Date: 31 May 2016

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

9.6 No review and monitoring of logon violations (Windows Active Directory, Abakus and VIP)

Audit finding

It was noted that logon violations on the network and application systems used by the municipality were not reviewed and monitored.

If logon violations are not actively reviewed and monitored the municipality may not be able to timeously identify and follow up on unauthorised attempts to access the network and IT systems.

Internal control deficiency

Financial and performance management: IT Systems

The lack of a firewall and the required reporting tools not being available meant that management could not obtain the reports required to review and monitor logon violations.

Recommendation

A firewall should be implemented and the tools required to generate security violation reports should also be installed. Thereafter, logon violation reports should be drawn and reviewed on a periodic basis. Evidence of reviews and the subsequent actions taken must be maintained for record purposes.

Management response

A firewall has been purchased and is in the process of being installed. The reviewing of security violations will be undertaken once the project of deploying the firewall is completed and implemented.

Name and surname: T. Mnguni and S. van der Westhuizen

Position: Senior Manager Finance (Expenditure) and Senior Manager Corporate Services

Action Date: 30 November 2015

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

9.7 No Patch Management Policy in place

Previous audit finding

It was noted that no formal process had been established to ensure the implementation the latest security patches. Patches were applied manually on an adhoc basis.

Follow up audit finding

A formalised Patch Management Policy was not in place to govern the process around the implementation of patches.

The lack of a Patch Management Policy may result in patches not be installed in a timely and consistent manner. This could lead to poor system performance and known security vulnerabilities being exploited.

Internal control deficiency

Financial and performance management: IT Systems

A lack of capacity and insufficient internal knowledge was noted with regard to the development and implementation of IT policies and standards.

Recommendation

A Patch Management Policy should be formally documented and approved. Management should thereafter ensure that all critical patches are installed timeously and adhere to the requirements stipulated in the Patch Management Policy.

Management response

A draft Patch Management Policy has been developed. The policy must still be reviewed by management prior to submission to EXCO for approval. It must be noted that EXCO dedicate a single meeting which is held in approximately May for the approval of all policies.

Name and surname: T. Mnguni and S. van der Westhuizen

Position: Senior Manager Finance (Expenditure) and Senior Manager Corporate Services

Action Date: 31 May 2016

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

9.8 Some user's computers have outdated anti-virus software definition files and are offline**Audit finding**

We noted that 6 user workstations connected to the network had "out-of-date" anti-virus software definitions due to not receiving the latest updates from the server. In addition 45 computers were noted as being offline.

The lack of updated anti-virus definitions and offline computers increases the risk of security breaches, data corruption and the loss of financially significant data within the municipality's systems due to computer viruses and worms.

Internal control deficiency**Financial and performance management: IT Systems**

Management have experienced technical issues with the deployment of anti-virus updates to workstations.

Recommendation

Management should ensure that where anti-virus definitions are out of date, the latest definitions are downloaded and all affected workstations updated. Any offline computer should be manually checked to ensure that virus definitions are being deployed and installed on these machines.

Management response

We will look to resolve this issue with the deployment of the new network server and network forest which started at the end of the July 2015.

Name and surname: T. Mnguni

Position: Senior Manager Finance (Expenditure) and Senior Manager Corporate Services

Action Date: 31 May 2016

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

10. USER ACCOUNT MANAGEMENT

10.1 User account management processes not documented

Audit finding

The approved Information Systems Security & ICT Usage Policy in which user account management procedures were defined did not outline guidance for the following key user account management processes:

- Granting of new user access
- Modification of user access rights
- Termination of user access rights
- Process for password resets
- Granting of system administrator rights
- Process to perform user access reviews
- Process to monitor access to the development and production environments

In the absence of adequately documented user account management procedures user account management activities may not be performed in a consistent manner. In addition, employees may not be aware of the correct procedures to follow and this could result in user account management activities being performed without the proper authorisations being obtained.

Internal control deficiency

Financial and performance management: IT Systems

A lack of capacity and insufficient internal knowledge was noted with regard to the development and implementation of IT policies and standards.

Recommendation

The user account management procedures contained in the approved Information Systems Security & ICT Usage Policy should be enhanced to



provide detailed guidance on the steps to be followed for the following user account management activities:

- Granting of new user access
- Modification of user access rights
- Termination of user access rights
- Process for password resets
- Granting of system administrator rights
- Process to perform user access reviews
- Process to monitor access to the development and production environments

Management response

The Information Systems Security & ICT Usage Policy will be reviewed and amended to include all required user account management procedures. It must be noted that the updated policy will need to be approved by EXCO who dedicate a single meeting which is held in approximately May for the approval of all policies.

Name and surname: T. Mnguni and S. van der Westhuizen

Position: Senior Manager Finance (Expenditure) and Senior Manager Corporate Services

Action Date: 31 May 2016

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

10.2 Terminated employees access not removed (Windows Active Directory)

Previous audit finding



A process to ensure that employee's user accounts on the network were disabled in a timely manner when their employment with the municipality was terminated was not in place.

Follow up audit finding

One terminated employee's access was found to still be active on the network. The details of the user are provided below:

Name	Position	Termination Date
RG Kunene	Executive Secretary	31 December 2014

This may result in employees having access to the municipality's network even though their services had been terminated. Individuals may compromise this user account to gain unauthorised access to network which could lead to the confidentiality, availability and integrity of data stored on the network being affected.

Internal control deficiency

Financial and performance management: IT Systems

Inadequate communication between Human Resources and IT in relation to employees whose services had been terminated.

Recommendation

The identified user account should be disabled immediately. Furthermore, management should ensure that processes are established to remove terminated employee's network and system accesses in a timely manner.

Management response

A review of all employees' IT accesses was done on 15 September 2015. All employees that had been terminated but still had active accounts on IT systems were disabled. Going forward this review will be done on a monthly basis.

Name: M. Langa

Position: IT Support Officer

Action date: 15 September 2015

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

10.3 System administrator activities not reviewed (Windows Active Directory, Pastel and VIP)

Previous audit finding

Independent reviews of the activities of the Windows Active Directory System Administrator were not performed.

Follow up audit finding

No formal reviews of the activities performed by system administrators were done in the period under review.

Users with administrator access have full control over the network and IT systems. Not reviewing activities performed by administrators may result in unauthorised activities not being detected in a timely manner. Furthermore, this could result in user id maintenance activities being performed without valid and approved requests.

Internal control deficiency

Financial and performance management: IT Systems

Management did not have the staff or required skills in order to conduct administrator activity reviews.

Recommendation

A periodic review of the network administrator's activities should be performed by a senior independent person. Evidence of these reviews, exceptions identified and actions taken should be retained.

Management response

Management is in the process of reviewing the IT functions structure and staff responsibilities. It is envisaged that once the position of Manager Information Technology is filled this person will assume responsibility for administrator activity reviews. A dedicated IT Security Officer position to manage IT security risks and activities will also in the future be considered should the municipality decide on expanding the IT function and performing all IT related activities in-house.

Name and surname: T. Mnguni

Position: Senior Manager Finance (Expenditure)

Action date: 31 March 2016

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

10.4 Inconsistent process followed for user access rights reviews performed (Abakus and VIP)**Audit finding**

User access rights assigned on the Abakus and VIP systems were being reviewed on a monthly basis. It was however noted that the user access review process followed was inconsistent as differing reports were used in the various months.

If user access rights are not consistently reviewed on a periodic basis management may not be able to identify users who have been granted excessive access rights or access rights no longer required to perform the roles and responsibilities associated with their job functions. This could compromise the confidentiality, integrity and availability of data stored on the system.

Internal control deficiency

Financial and performance management: IT Systems

Lack of a formally documented user access review procedure.

Recommendation

A user access review procedure which details the steps to be performed and the reports to be utilised when doing a user access review should be documented and implemented. Management should thereafter monitor user access reviews performed to ensure a consistent approach is followed and the procedure established has been adequately adhered to.

Management response

User access right are performed, however this is inadequately documented as there is no standard procedure to perform this task. A procedure will be developed and all reviews will be documented.

Name and surname: T. Mnguni

Position: Senior Manager Finance (Expenditure)

Action Date: 30 November 2015

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

10.5 An inventory of software licences is not maintained

Audit finding

A periodic review of software licences does not take place and therefore an up-to-date inventory of software licences is not being maintained to establish whether licencing is aligned with the municipality's requirements.

Without formalised procedures for recording and monitoring software licences, there is an increased risk that the municipality could be purchasing more or less licences than required. This could result in wasteful expenditure or the municipality being liable for fines due to using unlicensed software.

Internal control deficiency

Financial and performance management: IT Systems

Lack of a policy or procedures to govern the software licencing process.

Recommendation

Management should consider the development and maintenance of a software licence inventory listing. Regular reviews or audits of installed software must be conducted on the IT environment whereby management can perform a comparison against the number of software licences owned by the municipality.

Management response

We have started with an inventory of software licencing within the IT function however it is incomplete and is a work in progress that will be completed soon.

Name and surname: T. Mnguni

Position: Senior Manager Finance (Expenditure)

Action Date: 30 November 2015

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

11. INFORMATION TECHNOLOGY SERVICE CONTINUITY

11.1 Business Continuity and Disaster Recovery Plans have not been tested

Audit finding

The Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) developed for the municipality was formally approved in February 2015. It was however noted that these plans had not been tested.

In the absence of BCP and DRP testing the municipality may not be aware of shortcomings in the plans and would not be able assess their effectiveness to recover critical business operations and IT resources in an objective and quantifiable manner.

Internal control deficiency

Financial and performance management: IT Systems

The BCP and DRP were only recently approved and there was insufficient time and budget to formally test these plans in the 2014/15 financial year.

Recommendation

Management should consider implementing the following controls:

- Steps should be taken to ensure that the DRP and BCP are tested on a periodic basis
- The results of the tests should be evaluated and benchmarked against required criteria such as the recovery point objective and the recovery time objective in order assess the effectiveness of the plans

- Changes to the plans should thereafter be made with the amended plans being approved and distributed to all relevant individuals

Management response

Management is in the process of appropriating the relevant budget for BCP and DRP testing. This will be done in the 2016/17 financial year as the 2015/16 budget has already been approved. In the interim walk-through testing in the form of a management workshop of the DRP and BCP will be done.

Name and surname: S. van der Westhuizen

Position: Senior Manager Corporate Services

Action Date: 31 March 3016 (Walk-through testing)

31 July 2016 (Full test – disaster simulation)

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

11.2 Backups not adequately performed (Abakus and VIP)

Audit finding

The following deficiencies were noted in the current backup process followed by the municipality:

- Backup software is not used to perform periodic backups of the systems
- A copy of the system is taken and written to a shared drive that is on the same server as the live system
- The copy stored on the shared drive is not transferred to the offsite location
- The current offsite storage location for the municipality's replication servers is approximately 100m away from the municipality and has no raised flooring
- Restoration testing of backups is not periodically performed

If backups are not adequately performed the municipality may not be able to rely on backups taken to restore lost data. In the event of a disaster, if backups are not kept at an offsite location that has sufficient environmental and physical controls in place and is a significant distance from the municipality the backups may be damaged, destroyed or inaccessible. In the absence of periodic restoration testing of backups being performed management will not be aware of the continued readability of backups taken.

Internal control deficiency

Financial and performance management: IT Systems

Delays were experienced in assessing the impact of implementing new backup software procured onto the servers.

Recommendation

Backups should be performed on a daily basis using backup software to an independent server. Evidence of backups performed should be reviewed and recorded and unsuccessful backups must be followed up and the resolution taken formally documented. Backups should be stored in a secure offsite location that has sufficient environmental and physical controls in place and is a significant distance from the municipality. All backups successfully transferred offsite must be recorded in a register.

Management response

Management has contacted the service provider and it was agreed that they will resolve the backup issues on the Abakus system by the 30 September 2015. VIP backups will be performed once backup servers have been purchased and implemented. The municipality has signed a contract with Metrofile for the offsite storage of backups and this will commence once the backup software purchased has been successfully installed and is utilised to perform backups.

Name and surname: T. Mnguni

Position: Senior Manager Finance (Expenditure)

Action date: 31 December 2015

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

11.3 Servers are not stored a sufficient distance away from the floor

Previously audit finding

The following issues were noted with regard to the physical and environment controls in the server room:

- No visitors register had been implemented to record access to the server room
- The server room was not locked
- A single wooden door separated the server room from the rest of the municipal offices
- The IT Technician's office was in the server room
- There was no raised flooring present

Follow up audit finding

No raised flooring was present in the server room. It was also noted that although some servers were stored on a rack they were not placed an adequate distance from the floor and other servers present were not rack servers and could not be housed in the rack.

In the event of flooding in the server room critical infrastructure may be easily damaged. This could lead to business interruptions and financial and data losses.

Internal control deficiency

Financial and performance management: IT Systems

Budget constraints within the municipality prevented raised flooring from being implemented.

Recommendation

Management should consider enhancing the environmental controls within the server room by implementing raised flooring or alternatively storing server infrastructure higher on the racks currently being utilised.

Management response

Management has started the process of addressing environmental controls in the server room. A service provider has already done a thorough inspection of the server room and management is awaiting the cost and financial implications for budgeting purposes.

Name and surname: S. van der Westhuizen

Position: Senior Manager Corporate Services

Action date: 30 September 2016

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

12. PROGRAM CHANGE MANAGEMENT

12.1 Supply Chain Management Policy did not account for IT acquisitions

Previous audit finding

For the acquisition for any IT system, the municipality utilises the procedures as set out in the Supply Chain Management (SCM) Policy. It was however noted that this policy did not accommodate for the unique processes required when procuring IT systems.

Follow up audit finding

The SCM Policy did not detail the unique processes required when procuring IT systems.

This could result in unauthorised IT systems being purchased by the municipality. In addition, in the absence of an adequate policy governing the procurement of IT systems this may result in the incorrect implementation of new systems procured and the removal of previous applications not being adequately performed.

Internal control deficiency

The SCM department was not aware of the unique processes required to be included and failed to consult with IT to obtain these processes for inclusion in the policy.

Recommendation

Management should ensure that SCM Policy is updated to include specific guidelines that are unique to the procurement of IT systems. The policy should be approved and distributed to all relevant individuals.

Management response

Management will forward these recommendations onto the SCM Department and the policy will be updated accordingly. It must be noted that EXCO dedicate a single meeting which is held in approximately May for the approval of all policies.

Name and surname: T. Mnguni

Position: Senior Manager Finance (Expenditure)

Action date: 31 May 2016

Auditor's conclusion

Management comments are noted and an assessment of the corrective actions agreed upon by management will be performed quarterly.

12.2 Change Management Policy not developed

Previous audit finding

A formalised Change Management procedure has not yet been developed at the municipality.

Follow up audit finding

We noted that an IT Change Management Policy and supporting procedures had not been developed and formally documented to govern changes required and access to migrate changes to the production environment of the municipality's systems utilised. In addition, the current system change form completed was noted to be inadequate as it did not require the priority of the change, testing done and sign off from the person who had been responsible for implementing the change to be stipulated on the form.

Staff may not be aware of the correct process to be followed when IT changes are required to be implemented. This may result in inconsistencies in the implementation of changes and could further result in unauthorised changes being deployed to the production environment. This could affect system performance and compromise the confidentiality, integrity and availability of data stored on IT systems.

Internal control deficiency

Financial and performance management: IT Systems

A lack of capacity and insufficient internal knowledge was noted with regard to the development and implementation of IT policies and standards.

Recommendation

Management should ensure that a comprehensive IT Change Management Policy and supporting procedures are developed, documented, approved and implemented within the municipality. All activities, components and processes that could change the existing IT production environment's status should be managed and controlled by the guidance included in the IT Change Management Policy and supporting procedures.

Management response

A draft Change Management Policy and new supporting procedures have been developed. The policy must still be reviewed by management prior to submission to EXCO for approval. It must be noted that EXCO dedicate a single meeting which is held in approximately May for the approval of all policies.

Name and surname: T. Mnguni and S. van der Westhuizen

Position: Senior Manager Finance (Expenditure) and Senior Manager Corporate Services

Action Date: 31 May 2016

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

13. BASIC FIREWALL REVIEW

13.1 Municipality does not have a firewall installed

Audit finding

It was noted that FortiGate firewall software had been purchased, however it was yet to be implemented on the municipality's network.

The lack of a firewall exposes the municipality's network to a variety of malicious threats, hacking techniques and security breaches.

Internal control deficiency

Financial and performance management: IT Systems

Delays were experienced in assessing the impact of implementing the firewall onto the network.

Recommendation

A firewall should be implemented to control and monitor outside access to network resources. In addition, once the firewall is implemented logs from the firewall should be periodically reviewed to identify potential security breaches in a timely manner.

Management response

Management have taken a radical approach to deal with this matter. A service provider has been appointed to configure and deploy firewalls, and it is envisaged that this project will be completed on or before 1 November 2015

Name and surname: T. Mnguni

Position: Senior Manager Finance (Expenditure)

Date: 30 November 2015

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

14. ELECTRONIC FUNDS TRANSFER REVIEW

14.1 Investment and Cash Management Policy does not stipulate online banking system utilised

Audit finding

The approved Investment and Cash Management Policy did not stipulate the online banking system utilised when electronic fund transfer (EFT) salary and creditor payments are processed.

An inadequately documented EFT Payment Policy may lead to staff not being aware of the process to be followed when EFT payments are required to be made. This could result in unauthorised EFT payments being successfully processed.

Internal control deficiency

Financial and performance management: IT Systems



A lack of capacity and insufficient internal knowledge was noted with regard to the development and implementation of IT policies and standards.

Recommendation

The Investment and Cash Management Policy should be updated to include the name of the online banking system utilised by the municipality.

Management response

The Investment and Cash Management Policy will be reviewed and amended to include the name of the online banking system. It must be noted that the updated policy will need to be approved by EXCO who dedicate a single meeting which is held in approximately May for the approval of all policies.

Name and surname: T. Mnguni

Position: Senior Manager Finance (Expenditure)

Action Date: 31 May 2016

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

14.2 Periodic reviews of EFT online banking system user activity logs not performed

Audit finding

User activity logs on the EFT online banking system utilised by the municipality were not periodically reviewed.

Unauthorised access, actions and EFT payments successfully processed by users may not be identified in a timely manner.

Internal control deficiency

Financial and performance management: IT Systems

The municipality had not been trained by the bank on how to generate a user activity log for the online banking system.

Recommendation

An activity log that cannot be deleted or amended should be present on the online banking system. This log must be regularly reviewed by management to ensure that no unauthorised actions have been performed. Evidence of reviews performed should be maintained along with a record of actions taken for discrepancies identified.

Management response

After engagement with the Council's banking institution it was agreed that there is no activity log detailed enough to perform the review required. Management was advised that the profile setup on the banking system has been designed for individual users and therefore a review of the activity log is not required. Priority levels of the user profiles are granted to officials that are specific to their functionary areas and activity logs purely indicate what the profile permissions provide for. Management is satisfied with the level of security in respect of setting up the profile for online banking and annual reviews of the profile setup per official will be undertaken for the online banking system to mitigate the risks identified.

Name and surname: T. Mnguni

Position: Senior Manager Finance (Expenditure)

Action date: 30 September 2015

Auditor's conclusion

Management responses are noted and the corrective actions agreed upon by management will be assessed in the next audit cycle.

ANNEXURE C: ADMINISTRATIVE MATTERS

No matters to report

ASSET AND LIABILITY MANAGEMENT		Ref	Financial statement amounts	Adjustments for material uncorrected misstatements	Financial statement amounts after adjustments for material uncorrected misstatements
			R'000	R'000	R'000
Total revenue for the year			313 985 214		313 985 214
Less: Total expenditure for the year			283 510 744		283 510 744
Surplus / (deficit) for the year	3.1		30 474 470	0	30 474 470
Total current assets			106 145 863		106 145 863
Less: Total current liabilities			49 982 331		49 982 331
Net current assets / (liabilities)			56 163 532	0	56 163 532
Total non-current assets			664 783 962		664 783 962
Less: Total non-current liabilities			603		603
Net non-current assets / (liabilities)			664 783 359	0	664 783 359
Total assets			770 929 825	0	770 929 825
Less: Total liabilities			49 982 934	0	49 982 934
Net assets / (liabilities)			720 946 891	0	720 946 891
Inventory			2 546 349		2 546 349
Year-end carrying amount of the category(ies) of PPE that were subject to impairment					0
Plus: Year-end carrying amount of the category(ies) intangible assets that were subject to impairment					0
			0	0	0
PPE impairment provision at year-end					0
Plus: Intangible assets impairment provision at year-end					0
			0	0	0
Year-end carrying amount of PPE					0
Plus: Year-end carrying amount of investment property					0
			0	0	0
Year-end carrying amount of investments, if subject to impairment					0
Plus: Year-end carrying amount of loan receivables (loans awarded), if subject to impairment					0
			0	0	0
Investments impairment provision at year-end					0
Plus: Loan receivables (loans awarded) impairment provision at year-end					0
			0	0	0
					%
Current ratio (Total current assets ÷ Total current liabilities x 100)	3.2				212.4%
Acid test ratio ((Total current assets - Inventory) ÷ Total current liabilities x 100)	-				207.3%
Total debt to total assets ratio (Total liabilities ÷ Total assets x 100)	3.3				6.5%
PPE and intangible assets impairment provisions at year-end as a percentage of the carrying amount of the category(ies) of PPE and intangible assets subject to impairment	3.4				-
Loan receivables (loans awarded) and investments impairment provisions at year-end as a percentage of the carrying amount of investments and loans subject to impairment	3.5				-
CASH MANAGEMENT		Ref	Financial statement amounts	Adjustments for material uncorrected misstatements	Financial statement amounts after adjustments for material uncorrected misstatements
			R'000	R'000	R'000
Cash and cash equivalents / (bank overdraft) at year-end					
Note: Bank overdraft must be captured as a negative	4.1		79 034 476		79 034 476
Net cash flows for the year from operating activities					
Note: Negative cash flows must be captured as a negative	4.2		66 530 072		66 530 072
					%
Creditors as a percentage of cash and cash equivalents	4.3				14.6%
Current liabilities as a percentage of net cash inflows for the year from operating activities	4.4				75.1%

APPENDICES

Appendix A:

Councillors; Committee Allocation and Council Attendance

Council Members	Full time (FT)/ Part Time(PT)	Ward & / or Party Represented	Committees Allocated	Meetings Missed	Percentage meetings attended
N L Biyela	PT	1 (ANC)	Corporate Services	Special Council (22/1/15) Corporate Services (12/3/5) Corporate Services (14/5/15)	85%
D T Ngonyama	PT	2 (IFP)	Engineering Services	Special Council (23/7/14) Engineering Services (12/8/14) Council (30/9/14) Engineering Services (10/12/14) Special Engineering Serv (23/1/15) Special Council (24/02/15) Engineering Services (11/3/15) Council (31/3/15) Special Council (05/5/15) Special Council (28/5/15)	50%
MMM Ntuli	FT	3 (NFP)	Executive Committee Community Services	Community Services (22/7/15) Special Council (28/08/15) Executive Committee (10/9/15) Finance Committee (10/9/15) Executive Committee (5/11/15) Community Services (11/11/15) Executive Committee (03/12/15) Council (09/12/15) Executive Committee (04/2/15) Community Services (19/2/15) Special Council (24/2/15) Special BSC (20/3/15) Community Services (07/04/15) Budget Steering Comm. (21/5/15) Special Council (28/5/15)	56%
K Khumalo	PT	4 (IFP)	Local Economic Dev.	Council (9/12/14) LED (11/2/15)	90%
N S Zulu	PT	5 (ANC)	Protection Services	Special Council (16/7/14) Special Council (28/8/14)	90%
F M Mtengu	PT	6 (ANC)	Engineering Services	Special Council (23/7/14) Special Council (22/1/15)	90%
M M Cebekhulu	PT	7 (IFP)	Protection Services	Special Council (16/7/14) Special Council (23/7/14) Special Council (28/8/14) Corporate Services (09/10/14) Protection Services (14/10/14) Special Council (29/10/14) Council (31/3/15)	63%
Z A Mhlongo	PT	8 (IFP)	Protection Services	Special Council (16/7/14) Special Council (28/8/14) Protection Services (13/8/14) Protection Services (10/3/15)	69%

				Council (31/3/15) Protection Services (12/5/15)	
M Dlodla	PT	9 (IFP)	Corporate Services	Special Council (23/7/14) Special Council (28/8/14) Community Services (22/7/14) Community Services (09/9/14) Special Council (29/10/14) Corporate Services (02/12/14) Special Council (22/01/15) Corporate Services (12/3/15) Special Council (28/5/15)	55%
E M Zwane	PT	10 (ANC)	Community Services		95%
M M Khanyile	PT	11 (ANC)	Finance Management Corporate Services MPAC	Special Council (23/7/14) Financial Management (6/11/14) Corporate Services (2/12/14) Financial Management (05/02/15) Financial Management (13/5/15) Special Council (28/5/15)	83%
M E Dlamini	PT	12 (ANC)	Corporate Services Local Economic Dev. MPAC	Special Council (23/7/14)	97%
S G Ngema	PT	13 (ANC)	Finance Management Community Services	Special Council (28/8/14) Financial Management (08/8/14) Council (30/9/14) Community Services (11/11/14) Council (09/12/14) Special Council (22/01/15) Special Council (24/2/15) Financial Management (13/5/15)	74%
K B Magwaza	PT	14 (IFP)	Engineering Services	Special Council (23/7/15) Special Council (29/10/14) Special Engineering Serv (23/1/15) Special Council (24/2/15) Special Council (16/4/15) Engineering Services (12/5/15)	70%
M H Qwabe	PT	15 (ANC)	Community Services	Special Council (16/7/14)	95%
I F Ndwandwe	PT	16 (IFP)	-	Special Council (16/6/14) Special Council (28/8/14) Council (30/9/14) Special Council (22/1/15) Council (31/3/15) Special Council (28/5/15)	100%
T G Shandu	PT	17 (ANC)	Local Economic Dev.	Special Council (16/7/14)	95%
E A Talmage	PT	18 (IFP)	Finance Management MPAC	Special Council (16/7/14) Special Council (28/8/14) Financial Management (08/7/14) Financial Management (08/8/14) Special Council (16/4/15) Special Council (22/1/15) Special Council (24/2/15) Special Council (28/5/15)	73%
J K Powell	FT	19 (IFP)	Executive Committee Corporate Services	Special Council (16/7/14) Special Council (28/8/14) EXCO (02/07/14) EXCO (06/8/14) Council (30/9/14) Special Council (16/4/15) Budget Steering Com (21/5/15)	80%
M G Zondi	PT	20 (ANC)	Corporate Services	Council (09/12/14)	95%
M Mngayi	PT	21 (ANC)	M Mngayi	Special Council (16/7/14) Special Council (23/7/14) Financial Management (02/10/14)	80%

				Financial Management (03/12/14) Financial Management (13/5/15)	
M Z Nkwanyana	PT	22 (ANC)	Engineering Services	Special Council (28/8/14) Special Council (29/10/14)	95%
M M Mzimela	PT	23 (IFP)	-	Special Council (23/7/14) Special Council (29/10/14) Council (09/12/14) Special Council (22/01/15) Special Council (24/2/15) Special Council (5/5/15) Special Council (28/5/15)	50%
M B Biyela	FT	24 (NFP)	Local Economic Dev. Standing Rules & Orders MCOR	Council (31/3/15) Special Council (05/5/15)	90%
T E Ntsele	PT	25 (ANC)	Local Economic Dev.	LED (14/4/15)	95%
T A Hlathswayo	PT	26 (ANC)	-		100%
E N Mtshali	FT	ANC	Standing Rules & Orders		100%
T B Zulu	FT	ANC	Executive Committee Finance Management MCOR		100%
Z H Biyela	PT	NFP	Finance Management	Council (30/9/15) Special Council (24/2/15) Council (31/3/15) Finance Committee (02/04/15) Special Council (28/5/15)	80%
B S Cebekhulu	PT	ANC	Protection Services	Special Council (16/7/14) Protection Services (13/8/14)	90%
P G Dlolane	PT	IFP	Community Services Local Economic Dev. Local Labour Forum	Council (31/3/15)	97%
C Gamede	FT	ANC	Executive Committee Community Services		100%
E Z Jaffe	PT	ANC	Local Economic Dev.	Special Council (29/10/14) Special Council (22/1/15)	90%
S B Larkan	FT	IFP	Executive Committee Finance Management Standing Rules & Orders MPAC MCOR	Financial Management (02/10/14) EXCO (16/10/14) Special Council (29/10/14) Special EXCO (21/11/14) Budget Steering Com (19/2/15)	88%
B C Magwaza	PT	IFP	Protection Services	Protection Services (10/3/15)	95%
S G Mbambo	PT	IFP	Finance Management	Financial Management (06/11/14) Special Council (05/05/15)	92%
S K Mbatha	PT	NFP	Protection Services	Special Council (29/10/14) Special Council (16/4/15)	90%
M Mbuyazi	FT	ANC	Executive Committee Protection Services Local Economic Dev. MCOR	Economic Development (09/7/14) Protection Services (14/10/14) LED (11/2/15) Budget Steering Com (19/2/15) Protection Services (10/3/15) Budget Steering Com (21/5/15)	84%
M F Mdluli	PT	DA	-	Special Council (28/8/14) Council (31/3/15)	86%
N S Mzimela	PT	NFP	Community Services MPAC	Special Council (28/8/14) Community Services (22/7/14) Special Council (29/10/14) Special Council (24/4/15) Community Services (07/4/15) Special Council (05/5/15)	75%
S Naicker	PT	ANC	Finance Management		100%
C T Ndwalane	FT	ANC	Executive Committee Corporate Services Engineering Services	Corporate Services (12/3/15)	98%

			Community services Local Labour Forum		
B R L Ngema	FT	NFP	Executive Committee Finance Management Corporate Services Local Labour Forum	EXCO (2/7/14) Financial Management (8/8/14) Engineering Services (07/10/14) Special EXCO (21/11/14) EXCO (04/2/15) Financial Management (05/2/15) Budget Steering Com (19/2/15) Special Council (24/2/15) Special BSC (20/3/15) Council (31/3/15) Financial Management (13/5/15) EXCO (13/5/15) Corporate Services (14/5/15) Budget Steering Com (21/5/15) Engineering Services (12/5/15)	69%
N L Ngidi	PT	IFP	Community Services Local Economic Dev.	Special Council 28/8/14) Community Services(11/11/14)	92%
M G Ntuli	PT	NFP	Protection Services	Protection Services (14/10/14) Council (09/12/14) Protection Services (11/12/14) Special Council (22/1/15) Special Council (16/4/15)	74%
S Schoeman	PT	IFP	-	Special Council (29/10/14) Council (30/9/14) Special Council (22/1/15)	79%
B P Simelani	PT	ANC	-	Council (31/3/15)	93%
S S Sithole	PT	NFP	Local Economic Dev.	Special Council (24/2/15)	95%
B L Thusi	PT	NFP	Corporate Services, Engineering Services MCOR	Special Council (28/8/14) Corporate Services (14/8/14) Council (09/12/14) Special Council (05/5/15) Special Council (28/5/15)	81%
I Woollatt	FT	ANC	Executive Committee Protection Services	Special Council (23/7/14) Special Council (28/8/14) Special BSC (20/3/15) EXCO (1/4/15)	88%
Q T Xulu	FT	IFP	Executive Committee Community Services	Special Council (28/8/14) EXCO (02/7/14) Community Services (20/3/15) Special EXCO (21/11/14)	88%
V M Xulu	PT	IFP	Engineering Services	Special Council (28/8/14) Community Services (22/7/14) Community Services (09/9/14) Special Council (29/10/14) Engineering Services (10/12/14) Special Council (22/1/15) Special Engineering Serv (23/1/15) Engineering Serv (11/3/15)	60%

Appendix B:

Committee and Committee Purpose

Executive Committee		
His Worship the Mayor Councillor T B Zulu (Chairperson)	(ANC)	Full Time
The Deputy Mayor Councillor MMM Ntuli	(NFP)	Full time
Councillor C Gamede	(ANC)	Full time
Councillor C T Ndwalane	(ANC)	Full time
Alderman S B Larkan	(IFP)	Full time
Councillor B R L Ngema	(NFP)	Full time
Councillor M Mbuyazi	(ANC)	Full time
Councillor J K Powell	(IFP)	Full time
Councillor I Woollatt	(ANC)	Full time
Councillor Q T Xulu	(IFP)	Full time

Financial Management Committee	
MEMBERSHIP	PURPOSE
Councillor T B Zulu (Chairperson) Councillor N M Mnqayi Councillor S G Ngema Councillor S Naicker Councillor M M Khanyile Councillor S G Mbambo Alderman S B Larkan Councillor E A Talmage Councillor B R L Ngema Councillor Z H Biyela	<p>The Financial Services Committee is established in terms of Section 79 of the Local Government Municipal Structures Act 117 of 1998 to advise the Executive Committee and ultimately the uMlalazi Council and to promote effective and efficient financial management within the uMlalazi Municipality.</p> <p><u>FUNCTIONS</u></p> <p>The Financial Services Committee is appointed to ensure the effective and efficient management of the Council's financial resources with specific reference to assist with the compliance with the provisions of the Local Government : Municipal Finance Management Act 56 of 2003. In this respect the committee will amongst others consider and report on.</p> <ul style="list-style-type: none"> ▪ Monthly reporting on revenue and spending in respect of the Council's Budget. ▪ Quarterly reports on progress with the Capital Programme. ▪ Managers of Departments or their designee will attend meetings of the Committee at the request of the Municipal Manager. ▪ Applications for grants-in-aid (excluding sporting matters)

	In considering matters referred to the Committee, cognizance is taken that the Municipal Manager may not in terms of the provisions of the Local Government : Municipal Finance Management Act 56 of 2003, delegate to any political structure or political bearer of the municipality any of the powers or duties assigned to the accounting officer in terms of the said Act.
Corporate Services Committee	
MEMBERSHIP	PURPOSE
Councillor B R L Ngema (Chairperson) Councillor C T Ndwalane Councillor M G Zondi Councillor M M Khanyile Councillor M E Dlamini Councillor N L Biyela Councillor J K Powell Councillor S .G Mbambo Councillor M Dlodla Councillor B L Thusi	<p>The Corporate Services Committee is established in terms of Section 80 of the Local Government Municipal Structures Act 117 of 1998 to promote the delivery of Corporate Services in the uMlalazi Municipal area.</p> <p>To advise the Executive Committee of all matters pertaining to the Corporate Services Department which include housing projects (excluding the allocation of beneficiaries to housing projects which will be submitted direct to the Executive Committee), library services, museum services, publicity, trade licenses, legal services, legislation and any related matters undertaken by the Council which are in line with its Integrated Development Plan.</p>

Engineering Services Committee	
MEMBERSHIP	PURPOSE
Councillor BRL Ngema (Chairperson) Councillor C T Ndwalane Councillor B P Simelane Councillor F M Mtengu Councillor M Z Nkwanyana Councillor T A Hlatshwayo Councillor V M Xulu Councillor D T Ngonyama Councillor K B Magwaza Councillor B L Thusi	<p>The Engineering Services Committee is established in terms of Section 79 of the Local Government Municipal Structures Act 117 of 1998 to promote the delivery of Engineering Services in the uMlalazi Municipal area.</p> <p>To advise the Executive Committee and ultimately the uMlalazi Council on basic services needs as determined in the Council's Integrated Development plan; such as</p> <ul style="list-style-type: none"> • The identification of the water needs of the community in the uMlalazi Municipal area and the provision of same, always in consultation with the uThungulu District Municipality and having due regard to the Water Development Plan as set out in the Integrated Development Plan (District) • The provision of electricity to the consumers in the uMlalazi Municipal area through the assistance of the electricity provider – Eskom. • The determination of an electricity maintenance/upgrading plan where the uMlalazi Council is the electricity provider; such plan to be reviewed at the end of each financial year. • Progress reports on HV and LV upgrading will be submitted to the Committee at every scheduled meeting. • The improvement of roads within the rural area of uMlalazi through consultation with the Department of Transport KwaZulu-natal. • The annual determination of the roads resurfacing/maintenance programme.

	<ul style="list-style-type: none"> • The determination and consideration of the roads causeway programme. • The determination of the resurfacing of sidewalks, road reserves within the urban areas of uMlalazi. <p>The Committee will consider the elevation of building plans in accordance with the relevant town planning schemes of the urban nodes</p>
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Community Services Committee	
MEMBERSHIP	PURPOSE
Councillor C Gamede (Chairperson) Councillor E M Zwane Councillor M H Qwabe Councillor C T Ndwalane Councillor S G Ngema Councillor Q T Xulu Councillor N L Ngidi Councillor P G Dlolane Councillor M M M Ntuli Councillor N S Mzimela	<p>The Community Services Committee is established in terms of Section 79 of the Local Government Municipal Structures Act 117 of 1998 to promote the delivery of Engineering Services in the uMlalazi Municipal area.</p> <p>The Committee is designated to oversee matters related to health, education, youth, environment, social welfare, arts and culture, and sport. The uMlalazi Community Services Committee shall advance and uphold the principles of the Environmental Policy of the uMlalazi Council.</p> <p>The Committee will consider all applications of sport bodies for grants-in-aid, and will consider requests/reports from ward committees relating to the terms of reference of the uMlalazi Community Services Committee</p>

Protection Services Committee	
MEMBERSHIP	PURPOSE
Councillor I Woollatt (Chairperson) Councillor N S Zulu Councillor T A Hlatshwayo Councillor B S Cebekhulu Councillor M Mbuyazi Councillor M M Cebekhulu Councillor B C Magwaza Councillor Z A Mhlongo Councillor M G Ntuli Councillor S K Mbatha	<p>The Protection Services Committee is established in terms of Section 79 of the Local Government Municipal Structures Act 117 of 1998 to advise the Executive Committee and ultimately the uMlalazi Council on Public Safety and Security Disaster management, traffic and fire brigade services, motor vehicle licensing and to consider reports of the Manager : Protection Services.</p> <p>Support all the Community Police Forums in the uMlalazi Municipal Area and collate and maintain crime statistics with reference to reported cases.</p>

Planning and Development Committee	
MEMBERSHIP	PURPOSE



Councillor M Mbuyazi (Chairperson) Councillor T E Nsele Councillor M E Dlamini Councillor T G Shandu Councillor E Z Jaffe Councillor N L Ngidi Councillor K Khumalo Councillor P G Dlolane Councillor S S Sithole Councillor M B Biyela	The Planning and Development Committee (also known as LED) is established in terms of Section 79 of the Local Government Municipal Structures Act 117 of 1998 to deal with agricultural affairs, industrial investment and local economic development in the uMlalazi Municipal area and to align projects and budgets of the Department of Agriculture and uThungulu District Municipality with the uMlalazi Municipality as determined in the Council's Integrated Development Plan
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Other committees of Council and their membership include: -

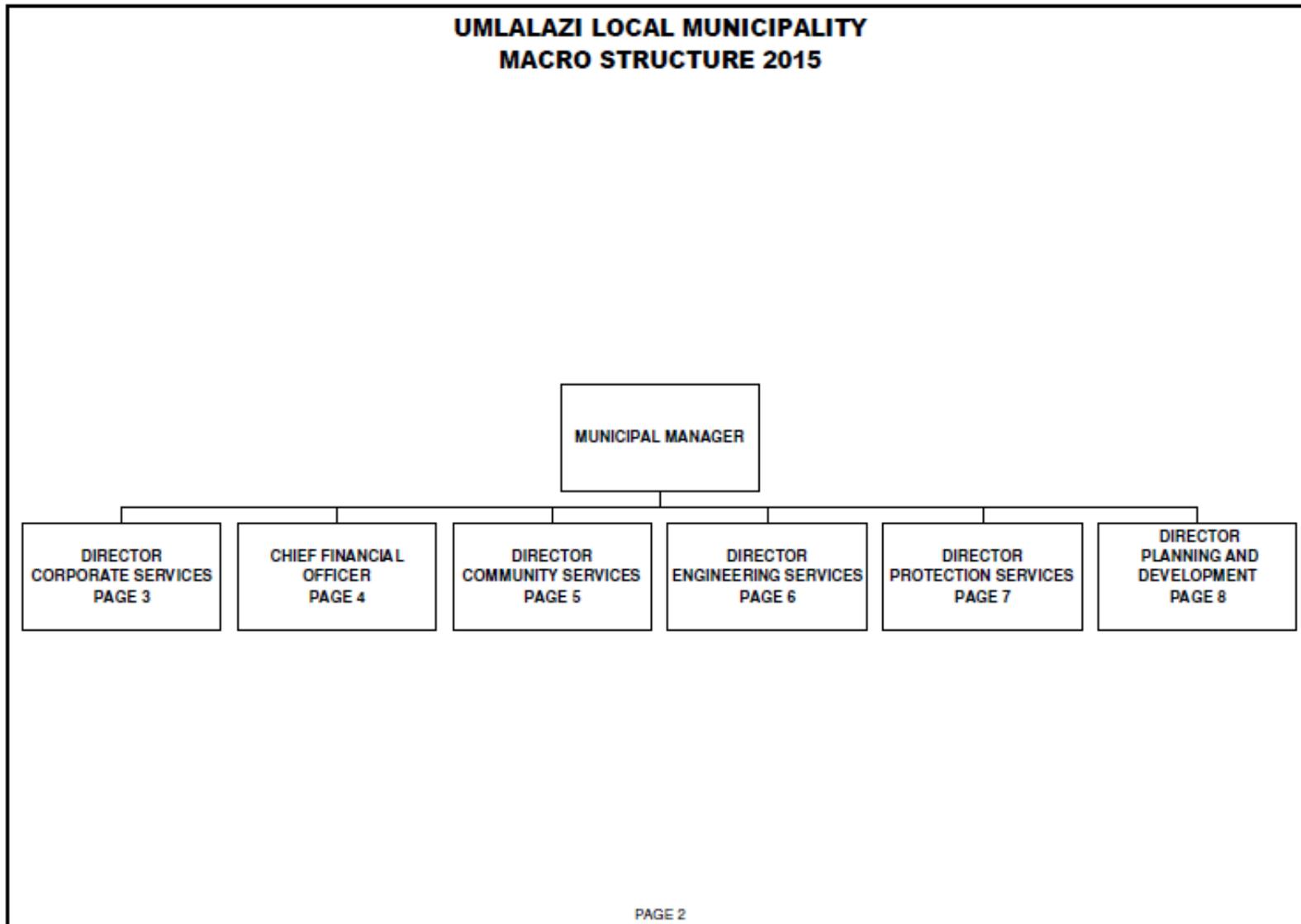
<p>Standing Rules and Orders Committee</p> <p>The Speaker Councillor E N Mtshali (Chairperson) The Chief Whip Councillor M B Biyela The Deputy Mayor Councillor MMM Ntuli Alderman S B Larkan</p>	<p>Local Labour Forum (LLF)</p> <p>Councillor CT Ndwane (Chairperson) Councillor T A Hlatshwayo Councillor B R L Ngema Councillor S K Mbatha Councillor P G Dlolane</p>
<p>Municipal Public Account Committee (MPAC)</p> <p>Councillor N S Mzimela (Chairperson) Councillor M E Dlamini Councillor M M Khanyile Councillor E A Talmage Alderman S B Larkan</p>	<p>Municipal Co-operative Relations Committee (MCOR)</p> <p>His Worship the Mayor Councillor T B Zulu (Chairperson) The Deputy Mayor Councillor MMM Ntuli The Chief Whip Councillor M B Biyela Alderman S B Larkan Councillor M Mbuyazi Councillor B L Thusi</p>

Appendix C:

Third Tier Administrative structure

The organogram of the administrative structure of the municipality / municipal entity is to be included under Appendix C.

**UMLALAZI LOCAL MUNICIPALITY
MACRO STRUCTURE 2015**



Appendix D:

Functions of Municipality/Entity

Departmental Functional Areas

The functions relevant to each Directorate and applicable in the year under review are as follows:

DIRECTORATE	FUNCTION
Municipal Manager	Legal Services Compliance Performance Management Internal Audit Risk Management Communication Youth
Community Services	Social Development Environmental Management Sports Development Waste Control Parks & Recreation Public Facilities
Engineering Services	Civil works Roads and Storm water Traffic Building Maintenance Plant Electrical Project Management Unit Mechanical and Fleet Management
Financial Services	Revenue Expenditure Supply Chain Management Assets Payroll Budget Control
Protection Services	Traffic Management Community Safety Motor Vehicle Licenses Fire Prevention
Planning and Development	Town Planning Local Economic Development

	Integrated Development Planning Housing Building Inspections Youth Advisory
Corporate Services	Human Resources Administration Council and Committees Legal Support Museum Services Library Services Registry Information technology

Appendix E:

Ward Reporting

The municipality committed itself to encouraging the involvement of communities and community organizations in its affairs. This was motivated by the fact that the KZN Province opted for a collective executive with ward participatory system. To this effect the municipality adopted the establishment of Ward Committees to give effect to the provisions of section 12 notices and to enhance the participatory democracy in the municipality. Furthermore a Ward Committee policy was developed and adopted to guide the municipality on how the operation and management of Ward Committees will be conducted.

The municipality since the establishment of Ward Committees has ensured that they are fully effective by adequately resourcing them and have provided proper monitoring of their functionality. However despite all the support the municipality has provided, this has not bear any fruits in terms of functionality criteria as set out by KZN COGTA. Several attempts have been made more especially in the financial year under review.

3. INTERVENTION EFFORTS UNDERTAKEN

Following several attempts to encourage councilors and ward committee members to ensure that they sit in accordance with the guidelines as set out by KZN COGTA the municipality has done the following:

3.1 Invited Cogta official responsible for Ward Committee functionality to address Council on 28 August 2014. The official implored the municipality councilors to cooperate with officials within the municipality when they are requested to convene meetings in their wards.

3.2 The presentation on the importance of Ward Committee functionality was made by our Senior Manager Compliance to all councilors in the council meeting dated 09 September 2015

3.3 Furthermore letters were written to councilors to ensure the sitting of Ward Committees and for those Ward Committees who were not quorate to convene meetings for by-elections to be conducted but the positive response was only received from ward 9 which did not have any ward committee structure, others did not respond at all.

4. WARD FUNCTIONALITY DETAILS BY EACH QUARTER AS AT 31 MAY 2015

The following table depicts the status quo on the functionality of each ward.



Ward	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
Ward 01	no info provided	no info provided	no info provided	None has been received yet*
Ward 02	26 Jul 14 Community Meeting 09 Aug 14 Community Meeting 10 Sep 14 Ward Committee	26 October 14Community Meeting 07 Nov 14 Ward Committee 04 Dec 14Community Meeting	13 Jan 15 Community Meeting 18 Feb 15 Community Meeting 12 March Ward Committee Meeting	08 April 15 Ward Committee Meeting 17 May 15 Community Meeting 07 June 15 Ward Committee
Ward 03	17 Jul 14 Ward Committee 11 Aug 14 Community Meeting 08 Sep 14 Ward Community Meeting	14 Oct 14 Ward Community Meeting 29 Nov 2015 Community Meeting 08 Dec 2015 Ward Committee Meeting	17 January 2015 Ward Committee Meeting 14 February 2015 Community Meeting) No submission made	08 April 15 Ward Committee Meeting 23 May 15 Community Meeting 09 June 15
Ward 04	23 Aug 14 Ward Committee Meeting 21 Sep 14 Ward Committee Meeting	25 Oct 2014 Ward Committee Meeting 08 Nov 2014 Ward Committee Meeting 16 Dec 14 Ward Committee Meeting	17 January 2015 Community meeting No submission made 14 March 2015 Ward Committee Meeting	25 April 15 Com meeting 14 May 15 Community Meeting 13 June 15 Ward Committee Meeting
Ward 05	No info provided	23 Oct 2014 Community Meeting)	No info provided	None has been received yet*
Ward 06	17 Jul 2014 Ward Committee Meeting	13 Nov 2014 Ward Committee Meeting	12 Feb 2015 Ward Committee Meeting	28 Apr 2015 Ward Committee 09 May 2015 Com meeting 11 Jun 2015 Ward Com
Ward 07	12 Jun 2014(Ward Com)	05 Oct 2015(Com meeting)	16 January 2015 (Ward Com meeting) 15 February 2015 (Com meeting) 13 March 2015 (Ward Com meeting)	10 April 15 Ward Com 10 May 15 Com meeting 12 Jun 15 Ward Com
Ward 08	no info provided	no info provided	no info provided	None has been received yet*
Ward 09	no info provided	no info provided	no info provided	None has been received yet*
Ward 10	19 April 2014(W/C) No info provided 17 June 2014(W/C)	07 Oct 14 Ward Com 15 Nov 14 Com meeting 09 Dec 14 Ward Com	13 January 2015 (Ward Com meeting) 28 Feb 2015(Com meeting) 08 March 2015 (Ward Com meeting)	15 April 15 Ward Com 16 June 15 Ward Com
Ward 11	No info provided	Nov 14 Dec 14	30 March 2015(Com meeting)	None has been received yet*
Ward 12	No info provided	No info provided 27 Nov 14 Ward Com 07 Dec 2014(Com meeting)	No info provided	07 June 15 Ward Com 10 May 15 Com meeting 30 April 15 Ward Com
Ward 13	no info provided	no info provided	no info provided	None has been received yet*
Ward 14	10 Jul 2014 Ward Com 22 Aug 2014 Com meeting	10 Oct 14(Com meting) 20 Nov 2014 09 Dec 15(Ward Com meeting)	20 Jan 2015 Ward Com	29 May 15 Ward Com 16 June 15 Com meeting
Ward 15	no info provided	no info provided	no info provided	None has been received yet*
Ward 16	No info provided	No info provided	No info provided	None has been received yet*

Ward 17	No info provided	Nov 14 Dec 14	09 January 2015 (Ward Committee) 20 February 2015 (Community Meeting) 12 March 2015 (Ward Committee)	April 15 01 May 15 Ward Com 10 Jun 15 Ward com
Ward 18	28 April 2015(W/C) 09 May 2015(W/C)	13 Oct 2014(Com meeting) 18 Oct 2104(W/C) 19 Nov 2014(Com meeting)	30 March 15 Com meeting	09 April 15 Com meeting
Ward 19	Jul 14 August 14 Sep 14	29 Oct 14 Ward Com 24 Nov 14 Com meeting 12 Dec 14 Ward Com	29 Jan 15 Ward Com 26 Feb 15 Ward Com 30 March 15 Com meeting	April 15 May 15 Jun 15
Ward 20	No info provided	No info provided	No info provided	No info provided
Ward 21	no info provided	no info provided	no info provided	None has been received yet*
Ward 22	07 Jul 2014 Com meeting 04 Aug 2014 Ward Com 12 Sep 2014 Ward Com	22 Oct 2014(Com meeting) 15 Nov 2015(Com meeting) 01 Dec 2014 (W/C)	09 January 2015(Ward Committee) 11 February 2015(Community Meeting) 09 March 2015	20 April15 Ward Com 06 May 15 Com meeting 02 Jun 15 Com meeting
Ward 23	no info provided	no info provided	no info provided	None has been received yet*
Ward 24	No info provided	18 Oct 2014 Ward Com meeting) 28 Dec 2014(Com meeting)	08 January 2015 (Com meeting) 12 February 2015 (Ward Com meeting) 12 February 2015 (Community meeting)	16 April 15 17 May 15 Com meeting 08 June 15 Ward Com
Ward 25	No info provided	Oct 2014 Nov 2014	No submission made 18 February 2015 08 March 2015	26 Apr 2015 Ward Com
Ward 26	No info provided 31 Aug 14 com meeting 02 Sep 14 Com meeting	23 Oct 2014(Ward Com meeting) 11 Dec 2014 Com meeting	No submission made 20 February 2015 (Ward Com Meeting) 12 March 2015 (Ward Com Meeting)	April 15 07 May 15 11 June 15

5. FUNCTIONALITY

5.1 All wards that ward councillors has not even made concerted effort to ensure that their Ward Committees do sit and deliberate on all challenges facing the community within the ward. Furthermore such councillors are in breach of the enabling legislation which demands that the needs of the community should be submitted to Municipal Council through Ward Committees and thereafter escalated to council by means of regular minutes submitted in terms of frequency of holding meetings guidelines as provided for in the Ward Committee policy. Though ward 9 has just been established however the time between the date of elections and the date of this report, the committee should have sat at least four times but nothing has even been suggested by the ward councilor for assistance if any.

5.2 Certain wards have sat only once or twice and again this indicates less effort by ward councilors concern. The unfortunate part of all this is lack of initiatives to indicate if assistance is needed by Ward Councilors.

5.3 Some wards have made efforts to sit their ward committees though they have not done so in the first quarter with the exception of ward 7, however this shows that the ward councilors concern do adhere to the enabling legislation but there is still room for improvement.

5.4 The percentage interpretation of wards that are not convening meetings at all is sitting at **34, 6%** which is a bad reflection of the municipality to the public and the key stakeholders.

5.5 In terms of Ward Committee functionality model, ward committees should convene its meetings at least three times a quarter which can be translated into one meeting per month and this will equate to 12 meetings per year. This can be shown as follows:

Ward No.	Expected meetings	Actual meeting
01	12	0
02	12	12
03	12	12
04	12	11
05	12	01
06	12	06
07	12	08
08	12	0
09	12	0
10	12	11
11	12	03
12	12	06
13	12	0
14	12	08
15	12	0
16	12	0
17	12	08
18	12	07
19	12	12
20	12	0
21	12	0
22	12	12
23	12	0
24	12	08
25	12	06
26	12	11
TOTAL	286	154

THE FUNCTIONALITY INDICATORS

INDICATOR	TARGET
Number of ward committee meetings held	3 per quarter
Number of meetings chaired by the ward councilor	3 per quarter
Percentage attendance	50% plus 1
Number of community meetings held	1 per quarter
Number of sectoral reports submitted	10 per month
Number of ward reports submitted to the municipality	1 per quarter

The overall sitting of all wards in the municipality is 154 and this is very poor by our standards as a municipality. The challenges faced thus far have been the cooperation of some ward councilors who did not bother to respond to our requests and clarion calls for the period under review.

Appendix F:

Ward Information

This appendix relates to projects completed in all Wards from July 2011 to June 2015.

A) CAPITAL PROJECTS**I) ROADS, STREETS AND CAUSEWAYS**

NO.	PROJECT	STATUS / CHALLENGES	BUDGET	L.M. WARDS	OUTCOME
	KDS and Sunnysdale pedestrian Link Bridge	Project completed 2010/11	R 250 000	12 & 11	Pedestrian access Bridge that serve as a linkage between KingDinuZulu and Sunnysdale suburbs
	Rural Roads Maintenance programme (Grading)	Project completed 2012/13	R3,8 00 000	rural wards	2012/13 –1,756km graded
		Project completed 2013/14	R7, 131 521	rural wards	(2013/14) -4529,6km graded
		Project completed 2014/15	R9, 008 750	rural wards	(2014/15) 3400,4 km graded
	Tarring of King DinuZulu Suburb Low cost Housing	Project completed 2011/12	R8 513 839 .95	12	2,83 km completed
	Ohhaheni access road	Project completed 2012/13	R2,416,880	22	2,5km access road to Ohhaheni completed
	Mhlathuzana causeway	Project completed 2012/13	R1,378 000	22	40m completed.
	Sunnysdale Suburb Internal Roads	Project completed 2013/14	R 5,071,898	11	2,5 km tarred internal accesses roads - completed
	Sidewalks: Mangosuthu Drive (eShowe) and Helly Hutchinson Str (Mtunzini)	Project completed 2013/14	R 265 000	11&19	Both totalling 2km pedestrian pathways completed at eShowe and Mtunzini main roads.
	Nogobhoza	Project completed 2014/15	R5,032 000	15	4,5 km completed



	Gciza Access Road	Project completed 2014/15	R4,733 830	17	3 km completed
	Ngwadla Access Road	Project completed 2014/15	R1 ,143 553.95	19	1,2 Km completed
	Esifubeni Access Road	Project completed 2014/15	R1, 704 498	10	2,73 km completed
	IsandlwanaNaickerville intersection (connecting to R66)	Project completed 2014/15	R5, 877 424	18	500 m completed
	Khangela Road (rehabilitation) (MULTI YEAR PROJECT)	Multi year project Phase 1 completed (2014/15)	R12, 481 520 (total budget for Phase 1 and 2)	11	Phase 1 1,2km- rehabilitated, tarred and landscaped.
		Phase 2 is still in Bid Process. (2015/16)			Phase 2 Currently on Bid Specification Committee Awaiting advertising
	Ndlongolwane road and causeway	Project completed 2014/15	R4, 090 617	4	2,5 km completed
	Mfomfolozi road and causeway	Project completed 2014/15	R1,905,802.21	1	1 km road and causeway completed
	KDS/Sunnydale link road	Project completed 2014/15	R6,052,235	11 &12	800 m road & 10 m bridge completed
	Osborn Road rehabilitation	Completed 2014/15	R12,719,572.80	11	700 m dual carriage road completed
	Rehabilitation of Urban Roads (MULTI YEAR PROJECT)	Project completed (2012/13)	R2,970 023	All urban wards	2,6 km roads rehabilitated
		Project completed (2014/15)	R4, 949 999	All urban wards	3,1 km roads rehabilitated
	Ntenjane causeway and road	Project completed 2014/15	R 5,000 000	14	3.0 km completed
	eShowe Landfill site capping and closure	Project completed 2013/14	R7,054, 546	11	8ha



II) SPORT FIELDS

Project	Ward	Year completed	Budget spent
Hlokohloko	9	2011/12	R1,025,124
Nomyaca Sportfield	26	2012/13	R1,900 000
Hhayinyama	6	2012/13	R1,374,503
KDS out door gym	12	2014/15	R450 000
Kwayabu Sportfield	15	2015/16	R2,900 000
Enkume Sportfield	10	2015/16	R2,100 000

III) CRÈCHES AND PEACE CENTRES

The Municipality has assisted communities with early childhood development facilities by building the following Creches and Peace Centres with the assistance of the Divine Life Society of South Africa:

Project	Ward	Year completed	Budget spent
Imbalenhle Crèche	8	2013/14	R778 506
Ngodini Creche	26	2012/13	R 827 702
Lethukuthula Creche	24	2014/15	R 1 239 575.66
Simunye Creche	5	2011/12	R592 977
Thintumkhaba Creche	9	2013/14	R355 000
Gingindlovu Creche	18	2013/14	R355 000
Vukayibambe Peace centre	17	2011/2012	R800 000
Sabeka peace centre	19	2011/2012	R800 000



B) ELECTRICITY

NO.	PROJECT	STATUS / CHALLENGES	BUDGET	L.M. WARDS	OUTCOME
	Free Basic Electricity (indigent Households)	In terms of the Eskom Indigent Register the uMlalazi Municipality assists 2300 urban and rural indigent households with free basic electricity	R1,200 000 (per annum)	All 26 wards	2300 urban and rural indigent households with free basic electricity
	Free refuse removal (Indigent Households)	The Municipality assists 16, 597 rural households and 1,103 urban households with free refuse services	R2,900000 (per annum)	All wards	16, 597 rural households and 1,103 urban households with free refuse services
	Egcotsheni	Project completed in 2010/11	R15,000 000	6	418 connections
	Izinsundu	Project completed 2011/12	R16,9 00 000	1	677 connections
	Mhlathuzana (self built approach)	Project completed 2012/13	R15 000 000	14	660 connections
	Makhilimba	Multi-year project completed 2012/13 to 2013/14	R6,500 000	16&20	315 connections
	Samungu	Project completed 2012/13	R20 730 000	5	1382 connections
	Entumeni	Multi year Phase 1 Project completed (2012/13) with (1286 connections) Phase 2 Project in progress (2015/16)	R20 730 000	1	Phase 1- 1286-connections Phase 2 – 491 connections in progress
	Catherine booth	Project completed 2012/13	R 21,000 000	15	979 connections completed
	Dibhazi/ Mankumbu	Project completed 2012/13	R14 000 000	2	936 connections completed
	Ngeza	Project completed(Phase 1) 2012/13 Project in progress (Phase 2) 2015/16	R14,900 000 R1,500 000	13 & 14	Phase 1 -867 connections completed Phase 2-132 connections in progress
	Gingindlovu	Project completed 2013/14	R 1 500 000	18	143 connections completed



	Mbongolwane	Project completed 2013/14	R20,9 00 000	5	1560 connections completed
	Sibhakuza	Project completed 2013/14	R4,2 00 000	22	401 connections completed
	Nhlalidakiwe	Phase 1Project completed 2013/14	R8, 000 000	2	369 connections completed
	Mtakwende Informal Settlement	Project completed 2013/14	R280 000	12	85 connections completed
	Mabhudle	Project completed 2013/14	R1,700 000	15	114 connections completed
	Saroni	Project completed 2014/15	R6,3 00 000	7	539 connections completed
	Ezingwenya	in progress	R 7 000 000	21	250 connections in progress
	Mpehlele	Project Completed 2014/15	R6,150 000	25	410 connections completed
	Bongela/Mbileni	Project in progress 2015/16	R 8,3 16 000	1	400 connections in progress
	Hhayinyama	Project in progress 2015/16	R12,300 000	6	801 connections in progress
	Oyemeni	Phase 1 in progress (2015/16)			1870 connections in progress
		P Phase 2 (2016/17)	R12,7 00 000	22	560 connections expected after March 2016
	Substation upgrading from 7,5 to 20MVA	Project Completed 2014/15	R15, 000 000	12	Substation 20MVA built
	Manzamnyama	Project Completed 2014/15	R6,100 000	22	203 connections completed
	Eziqwaqweni	Infills Project Completed 2014/15	R3,450 000	10	230 connections completed
	Bonisani/Dlangubo	Infills Project Completed 2014/15	R1,200 000	24	60 connections completed
	Obanjeni	Infills Project Completed 2014/15	R750 000	20	50 connections completed
	Dibhasi/Mankumbu	Infills Project in progress 2015/16	R1,8 00 000	2	70 connections in progress



	uMhlathuzana	Infills Project Completed 2014/15	R1,3200 000	10&14	88 connections completed
	Enqoleni	Infills Project Completed 2014/15	R3,3 00 000	26	220 connections completed

C) HUMAN SETTLEMENTS

NO.	PROJECT	STATUS / CHALLENGES	BUDGET	L.M. WARDS (TRADITIONAL AUTHORITY)	OUTCOME
	Sunnydale Low Cost houses Phase 1&2	Project completed 2011/12	R33, 449 000	11	403 Houses completed
	Mombeni Rural Housing	Slow progress (started in 2011) Land legal issues (awaiting Environmental Impact Assessment approvals) Contractors with no capacity	R83,000 000	Mombeni TA	1000 houses to be built 384 completed To be completed by December 2015
	Gingindlovu Extension 5& 6	Project completed 2012/13	R11, 869 000	18	143 houses completed
	Bhekeshowe Rural Housing	Project completed 2013/14	R83,000 000	Bhekeshowe TA	1000 houses completed
	Oyaya	1000 total number of houses expected and 580 houses completed. The project is progressing	R83,000 000	Oyaya TA	580 completed
	Housing Projects Sponsored by Business sector in partnership with the Mayors' programmes				



	Sponsor name	Ward	Number of houses	Year completed
	Siqu Group	14	1	2013/14
	Bahlomile Developments	13	1	2014/15
	Linda Masinga & Associates	16	1	2014/15
	Tronnox	23,8 &18	3	2014/15
	Inprodev	18	1	2013/14
	African National Congress Councillors	18	1	2013/14
	Houses Constructed through Operation Sukuma Sakhe (OSS)	various	171	2011-2015
		15,22 and 24	4	Ward 15 (2 houses –construction phase) Ward 22 (1 house –construction phase) Ward 24 (1 house –construction phase)

D)

i) JOB CREATION & LOCAL ECONOMIC DEVELOPMENT

NO.	PROJECT	DESCRIPTION	STATUS	VALUE	L.M. WARDS	OUTCOME
	EPWP & CWP	The Municipality has initiated various programmes which are aligned through the Expanded Public Works Programme (EPWP) and Community Works Programme (CWP) and created jobs for the local community	total of approximately 1700 jobs are created annually through EPWP & CWP	R1,700 000	All 26 wards	War Against Poverty-135 jobs Food for Waste - 100 jobs Sizabonke - 130 jobs Weed eradication – 50 jobs Community Works Programme - 1017 jobs Other Capital projects - 300 jobs



InqabaYesizwe Co-operative	Mayor's special project to ensure Food Security – through Community Gardens	2013/14	R78 918	25	Contributions Mayor: Garden tools Seeds Fertilizers, chemicals and implements. Department of Agriculture: Land Preparation, extension work (skills development on Agri-Technics) uThungulu: Fresh Produce Market, Formal registration of Co-ops
Zamukwazi Co-operative	Mayor's special project to ensure Food Security – through Community Gardens	2013/14	R87 271	26	
Siyanqoba Co-operative	Mayor's special project to ensure Food Security – through Community Gardens	2013/14	R113 520	20	
Sukuma Wenze Co-operative	Mayor's special project to ensure Food Security – through Community Gardens	2013/14	R93 562	17	Contributions Mayor: Garden tools Seeds Fertilizers, chemicals and implements. Department of Agriculture: Land Preparation, extension work (skills development on Agri-Technics) uThungulu: Fresh Produce Market, Formal registration of Co-ops Contributions Mayor: Garden tools
Ithuba lethu Co-operative		2013/14	R112 641	15	
Amakalishi Co-operative		2013/14	R114 500	21	
Silwanendlala Co-operative		2013/14	R88 580	24	
Vukuzakhe Co-operative	Mayor's special project to ensure Food Security – through Community Gardens	2014/15	R128 000	16	Contributions Mayor: Garden tools Seeds Fertilizers, chemicals and implements. Department of Agriculture: Land Preparation, extension work (skills development on Agri-Technics) uThungulu: Fresh Produce Market, Formal registration of Co-ops Contributions Mayor: Garden tools
Impumalang Co-operative		2014/15	R114 900	10	
Izimbidli Co-operative		2014/15	R124 300	01	
Asisebenze Co-operative		2014/15	R107 300	06	



	Thintumkhaba Co-operative	Mayor's special project to ensure	2014/15	R132 550	04	Seeds Fertilizers, chemicals and implements.
	Siyathuthuka Co-operative	Food Security – through Community Gardens	2014/15	R119 970	09	
	Hlanganani Co-operative	Mayor's special project to ensure Food Security – through Community Gardens	2014/15	R85 606	15	Department of Agriculture: Land Preparation, extension work (skills development on Agri-Technics)
	Siyajabula Co-operative		2014/15	R120 367	23	
	Luzwano Co-operative		2014/15	R136 471	12	uThungulu: Fresh Produce Market, Formal registration of Co-ops
	Phaphamani Co-operative		2014/15	R121 407	22	
	Mkhwishimane Co-operative		2014/15	R108 075	07	

II) THE FOLLOWING PROJECTS HAVE BEEN INITIATED BY THE MUNICIPALITY AND PRIVATE DEVELOPERS TO EMPOWER/ DEVELOP THE LOCAL ECONOMY AND CREATE JOBS

MUNICIPAL PROJECTS			
Project Name & Ward no	Project Value	year completed	Number of Jobs created
eShowe Animal Pound Ward 11	R1,000 000	2012/13	N/A
Bus and Taxi Shelter (Ndayini and Dlangubo) Ward 24	R100 000	2012/13	N/A
Planning and Development Offices and Youth Business Advisory Centre Ward 11	R2,100 000	2013/14	6 permanent posts created



Eshowe Taxi Rank Trading facilities (ward 11)	R12 700 000	2014/15	100 traders formalised 41 Trading Units, comprising of 4 anchor shops and 37 normal size shops
Infrastructure for fire services	R1,500 000	2015/16	Phase 1 –preliminary studies to be undertaken
Rutledge park Middle Income houses Ward 11	Still at Planning stages		
eShowe Testing Station Ward 11	Site available - Budget still to be sourced		
PRIVATE DEVELOPERS			
Ogwagwini Skills Development Training Centre (by Tronox) Ward 19	R1,400 000	2012/13	
Gingindlovu Shopping Centre (Private Developer) Ward 18	R 45 000 000	2013/14	70 permanent jobs And more than 90 temporary jobs during construction
Jet Mart Shopping Centre(Private Developer) Ward 11	R9 000 000		47 permanent jobs
Buildrite and Cash Build (Private Developer) Ward 12	R5,500 000	2014/15	96 permanent jobs
Mombeni Community Centre Ward 6	R7 000 000	2014/15	12 permanent jobs
Tronox Mining (Private Developer) Ward 19	In progress Phase 1 of the project is in operation. Phase 2 & 3 awaiting for the finalisation of legalities		
Siza Garage shopping Centre (private developer) Ward 12	R140 000 000	In progress	250 during construction 1500 permanent jobs after construction



Mtunzini Mixed use Development (Private Developer) Ward 19	R1,1bn	Awaiting confirmation of Bulk Services	
eShowe Private Hospital (Private Developer) Ward 11	R124, 000 000	Awaiting confirmation of Bulk Services	1000 Permanent Employees
eShowe Taxi Rank Shopping Centre Development Ward 11	R60 000 000	Still at Planning stages	175 permanent employees

III) PLANNED LED PROJECTS FOR 2015/16

Project Name	Description	Ward no	Budget	Number of beneficiaries	Year
Construction of King Dinuzulu Informal Traders and small businesses Shelters	Taxi rank, park, shops, library and offices	12	R500 000	50	2015/16
Construction of Gingindlovu Trading Shelters at the taxi rank	Trading shelters for informal traders along main street	18	R500 000	85	2015/16
Purchase of a tractor	This will be shared by all agricultural businesses registered in the uMlalazi Municipality database	All Wards	R700 000	All uMlalazi Farmers	2015/16
Installation of irrigation systems – P Installation of irrigation systems – PILOT PROJECT	All community gardens fenced off by the Council	All community gardens on municipal database	R105 00	500 farmers	2015/16



F) SERVICE DELIVERY PROTESTS

NO.	ISSUES	PERIOD	SOURCE	L.M. WARD	RESPONSE	STATUS
	Electricity	2012		6	<p>Mayor addressed the disgruntled community</p> <p>Mayor advised the Community to elected ten representatives to discuss the concerns and find the workable solution.</p> <p>The meeting above was held in the Mayors board room with Eskom Executive managers in attendance in order to make community aware that the delay on electrification was on Eskom. The budget was available, once after all National operational investigations are over the project will commence.</p> <p>Nobody was allowed to demonstrate after this</p> <p>The Municipal Manager was also part of the team</p>	<p>The sewer line has been removed and a three phase line installed.</p> <p>Electrification of Schools has taken place</p> <p>Household electrification will take place shortly.</p>
	Electricity, Roads and water	2014		8	<p>Mayor addressed the disgruntled community</p> <p>Mayor advised the Community to elected ten representatives to discuss the perceived problem and find the workable solution.</p> <p>The meeting above was held in the Mayors board room with Eskom Executive managers in attendance in order to make community aware that the delay on electrification was on Eskom. The budget was available, one after all National</p>	<p>Household electrification will take place shortly.</p> <p>Internal roads have been rehabilitated</p> <p>Grader road maintenance for Local Roads commences in 2011 and progressed since then.</p> <p>uThungulu is progressive with water reticulation intervention programme</p>



					operational investigations are over the project will commence. Nobody was allowed to demonstrate after this The municipal Manager was Also part of the team	
3.	a) Alleged lack of effective communication between the youth and Inkosi Traditional Authority b) Tronox recruitment was allegedly void of sanity			20	Mayor intervened by bringing together Youth Representatives, Ubukhosi, Sector Departments and SAPS in order to find a workable solution. There were series of meetings and strategy applied was effective.	Mayor, Izinduna, Youth together found solutions to the problem. Parties agreed to hold regular meetings to evaluate the effectiveness of the agreed solutions.
4.	Water	2014	17		uThungulu District Municipality Intervened	
5.	Electricity	2015		1	Mayor addressed the disgruntled community Mayor advised the Community to elect ten representatives to discuss the perceived problem and find the workable solution. The elected reps where not co-operative.	The Mayor found the alternative way to address the perceived problem to this end, electricity has now being installed, as there were already plans to Electrify Bongela and Mbileni.

Appendix G:

Recommendations of the Municipal Audit Committee

This appendix relates to all meetings of the audit committee held together with its recommendations, those that have been adopted and those not.

DATE OF MEETING	RECOMMENDATIONS	ADOPTED	NOT ADOPTED
21 August 2014	That the Internal Audit Unit be assessed in terms of the performance evaluation form by the Audit Committee.	√	
	That management attend to all the inputs and comments and that the revised draft unaudited annual financial statement for 2013/2014 financial year be accepted with amendments.	√	
	That the Senior Compliance Manager secure the required software to be available as a tool for proper risk management	√	
20 January 2015	That a report in respect of the Impact of the Compliance of Laws and Regulations Checklist as at the end of the first quarter of 2014/2015, be tabled at the next Audit Committee meeting.	√	
	That Performance evaluated areas with scores less than 3 be reviewed by the respective departments and attended to, so as to improve.	√	
	That the strategic Internal Audit Plan for the financial year 2014/2015 be approved.	√	
	That references of the projects of the risk register be added on the annual operational plan in a separate column.	√	
	That the Internal Audit Reports as well as consolidated action plans on audit findings be noted.	√	
	That a report in respect of the progress of audited areas where recommendations are not resolved in the follow up review of the Internal Audit Report by PricewaterhouseCoopers (PWC) be provided at the next meeting.	√	
	That an investigation in respect of whether the Monthly Bank Reconciliations where completed timeously, be done.	√	
	That the Audit and Performance Management Committee Charter be approved.	√	

	That an internal audit methodology be drawn-up that reflects the reports of the auditing which supports the internal audit charter.	√	
	That the revised Internal Audit Charter be approved subject to the following amendments: <ul style="list-style-type: none"> • That the “<i>Chief Audit Executive (CAE)</i>” be amended to “<i>Internal Auditors</i>” where necessary. • That Page 6, item k be deleted, as it is the responsibility of the Audit Committee to respond to Council on any issues raised by Auditor-General in the audit report. 	√	
30 April 2015	That the Committee is satisfied that the IDP review that was done in terms of the approved audit plan and duplication did not take place, however in future, communication between management, internal audit and the Committee must be clear and relevant and minutes should be reviewed by all role players to ensure the factual correctness.	√	

Appendix H:

Long term Contracts and Public Private Partnership

CONTRACTS AND SERVICE LEVEL AGREEMENT REGISTER

One of the Councils strategies in terms of the key performance area of institutional development, is to improve contract management.

In this regard a contract and service provider register has been developed which indicates all current contracts with Consultants and Contractors currently engaged in the service of the Council. It further details the commencement and conclusion of the contract to improve monitoring thereof.

In some cases such as the engineering contracts there is no expiry date as the contract period is dependent on a multitude of factors including climate, supply of material and contingency matters.

The intention of the Register is to ensure that no service is engaged without a signed contract or service level agreement to ensure that the Council has the monitoring tools for milestones and quality assurance. This will further ensure compliance with the Local Government Municipal Finance Management Act 56 of 2003 and the procurement plan in that proper planning can be ensured for those contracts nearing completion which will prevent unauthorized expenditure.

The following is the current Contract Register for the Council as at 30 June 2015: -

CONTRACT REGISTER				
CONTRACT	PURPOSE	COMM DATE	EXPIRY DATE	ACTIVE / CONCLUDED
ABSA BANK	SERVICES AGREEMENT - FLEET	12/12/2011	Dependent	Active
A1 ELECTRICAL	ELECTIFICATION : MAKHILIMBA VILLAGE	04/07/2014	Dependent	Active
ALPHA SECURITY & PATROLS	MONITORING OF ALARMS AND REACTION	SLA - 3 months written notice		Active
AMAQUBEQOLA TRADING CC	GRADERS	01/10/2012	30/09/2015	Active
APTRONICS KZN (PTY) LTD	VSAT (INTERNET CONNECTIVITY) BUTCHER STREET & STORES	01/03/2015	28/02/2018	Active
ASANDA PROJECT	MIG - SQWANJANA HALL	16/08/2013	Dependent	Active
BHALOMILE DEVELOPMENT	MPUNGOSE RURAL HOUSING	12/05/2013	Dependent	Active

CAB HOLDINGS	PRINTING AND DISTRIBUTION OF MUNICIPAL ACCOUNTS	01/04/2015	31/03/2018	Active
CHUBB SECURITY SA (PTY) LTD	MONITORING GING MTZ	SLA - 3 months written notice		Active
CONLOG	ELECTRICITY VENDING	SLA - 3 months written notice		Active
DOLPHIN COAST MANAGEMENT (PTY) LTD	TRANSPORATION OF WASTE : ESHOWE TO EMPANGENI LANDFILL SITE	17/12/2014		Active
DURBAN SNAX T/A UMLALAZI POUND	OPERATION OF ANIMAL POUND	01/12/2014	30/11/2017	Active
ECONOTEL	SERVICE AND MAINTENANCE OF TELEPHONE SYSTEMS	01/10/2014	30/09/2017	Active
ELEMENT CONSULTING ENGINEERS (PTY) LTD	ELECTIFICATION : IZINGWENYA ELECTRIFICATION (WARD 21)	13/10/2014	Dependent	Active
ESKOM	GING STREET LIGHTS	Indefinite		Active
FIRST NATIONAL BANK	BANKING SERVICE	01/07/2013	30/06/2018	Active
FUJITSU SERVICES PTY LTD	MAINTENANCE OF ABAKUS AND SUPPORT	SLA - 3 months written notice		Active
GIBB ENGINEERS	MIG - SUNNYDALE / KDS LINK ROAD	16/08/2013	Dependent	Active
HR CONCEPTS	JOB EVALUATIONS AND ORGNAISATION STRUCTURE REVIEW	01/01/2015	30/06/2015	Active
HUMAN COMMUNICATIONS	PUBLICATIONS	01/01/2015	30/06/2015	Active
INHLANZEKO PROJECTS MANAGEMENT CC	GRADERS	08/07/2013	30/09/2015	Active
INTO ENGALALI TRADING ENTERPRISE CC	WASTE MANAGEMENT	04/09/2013	30/08/2016	Active
IQOLA SECURITY SERVICES	SECURITY	30/06/2014	30/06/2016	Active
INDWE RISK SERVICES	INSURANCE	1/07/2014	30/06/2017	Active
ITHWINI CONSTRUCTION AND PROJECTS	CONSTRUCTION OF KWAYABU SPORT COMPLEX	03/07/2014	Dependent	Active

ITRON METERING SOLUTIONS (PTY) LTD	ON-LINE WEB BASED HOSTED STS PREPAYMENT ELECTRICITY VENDING SOLUTION	01/04/2015	31/03/2018	Active
JUDY MAGWAZA TRADING ENTERPRISE	WAR AGAINST POVERTY	12/09/2013	30/08/2016	Active
K A CONSULTING	MIG - MAKHELE CAUSEWAY	16/08/2013	Dependent	Active
KAMAWEWE DEVELOPMENT	MIG - GCIZA ROAD	16/08/2013	Dependent	Active
KANTEY AND TEMPLER	KWAMONDI RURAL HOUSING	12/07/2013	Dependent	Active
KETELELO TRADING 13CC BEE	SECURITY	30/06/2014	30/06/2016	Active
KHOMBIZWE CONSTRUCTION	MOWING OF VERGES AND OPEN SPACES (GINGINDLOVU)	04/07/2014	30/06/2017	Active
KONICA MINOLTA ZULULAND	LEASE PHOTOCOPIERS	01/07/2014	30/06/2017	Active
KWAZIKHATHAZE CONSTRUCTION CC	REFUSE	01/07/2013	30/06/2016	Active
M & C CONSULTING	MIG - MFOFOLOZI CAUSEWAY AND ROAD	16/08/2013	Dependent	Active
MABUNE CONSULTING	KHOLWENI RURAL HOUSING	12/07/2013	Dependent	Active
MADIMANDILE TRADING	REFUSE	01/07/2013	30/06/2016	Active
MAFAHLENI ENGINEERS	MIG - ESIFUBENI ROAD	16/08/2013	Dependent	Active
MAGEBO CONSULTING	MIG - MTIPELA NTOBONKULU ROAD	16/08/2013	Dependent	Active
MANCINZA CIVIL WORKS & ROAD CONSTRUCTION	SECURITY	30/06/2014	30/06/2016	Active
MELA OKUHLE TRADING ENTERPRISE	REFUSE	04/09/2013	30/08/2016	Active
MELA OKUHLE TRADING ENTERPRISE	MOWING OF VERGES AND OPEN SPACES (MTUNZINI)	04/07/2014	30/06/2017	Active
MGAMULE CONSULTING	MIG - KWABULUWAYO SPORTS	16/08/2013	Dependent	Active
MINATHI CONSULTING	MIG - NGWADLA ROAD	16/08/2013	Dependent	Active

MTIMA BUILDING CONSTRUCTION CC	WAR AGAINST POVERTY	12/09/2013	30/08/2016	Active
MTN	DATA CONTRACTS (3G)	01/08/2014	31/07/2016	Active
MULTICHOICE	DSTV	01/09/2010	Dependent	Active
N A ASSOCIATE	MIG - BELE ROAD	16/08/2013	Dependent	Active
NHLOSENLE	GRADERS	12/09/2013	30/08/2016	Active
OFF CAMP TRADING ENTERPRISE PTY LTD	WASTE MANAGEMENT	04/09/2013	30/08/2016	Active
PHUMULA KAHLE FUNERAL SERVICES CC	BURIALS	30/06/2013	30/06/2016	Active
PRICEWATERHOUSE COOPERS	AUDITING	01/07/2013	30/06/2015	Active
PRICEWATERHOUSE COOPERS	REVIEW OF ASSET MANAGEMENT	06/06/2014	30/06/2015	Active
PURE MAGIC TRADING 22CC	REFUSE	01/04/2014	31/03/2017	Active
RED SPIKE SECURITY SERVICES	SECURITY	30/06/2014	30/06/2016	Active
S6 SECURITY & LEANING SERVICES CC	SECURITY	30/06/2014	30/06/2016	Active
SIBGEM MANAGEMENT AND CONSULTING ENGINEERS (PTY) LTD	URBAN ROADS REHABILITATION	17/12/2014	Dependent	Active
SIGMA IT PTY LTD	MAINTENANCE OF IT SYSTEM	1/02/2014	31/01/2017	Active
SIQU CONSULTING	KWAKHOZA RURAL HOUSING	12/07/2013	Dependent	Active
SIQU CONSULTING	UYAYA RURAL HOUSING	31/10/2011	Dependent	Active
SIQU CONSULTING	MIG - KWAYABU SPORTSFIELD	16/08/2013	Dependent	Active
SITA	LIBRARY DATA LINE	Indefinite		Active
STEINER HYGIENE	TOILET HYGIENE EQUIPMENT	01/07/2014	30/06/2015	Active
TECHNOLOGIES ACCEPTED	RENTAL AGREEMENT FOR COPIER	30/09/2001	Dependent	Active
THOBANJALO SECURITY CC	SECURITY	30/06/2014	30/06/2016	Active

TONGAAT ASPHALTS	REHABILITATION OF OSBORN ROAD- ESHOWE	03/07/2014	Dependent	Active
TSW CONSTRUCTION	CONSTRUCTION OF NDLONGOLWANE ACCESS ROAD	03/07/2014	Dependent	Active
TLS ENGINEERS	MIG - NDLONGOLWANA ACCESS	16/08/2013	Dependent	Active
TMT SERVICES & SUPPLIES (PTY) LTD	TRAFFIC FINES	01/07/2013	30/06/2016	Active
TREK SCALE COMPANY (PTY) LTD	INSTALLATION AND LEASING OF WEIGHBRIDGE : ESHOWE AND MTUNZINI WASTE TRANSFER STATION	01/02/2015	31/01/2018	Active
UMHLABA GEOMATICS INCORPORATED	VALUATORS	01/06/2014	30/06/2019	Active
UWP PROJECT	MIG - KDS BUS ROUTE REHABILITATION	16/08/2013	Dependent	Active
WINDEED	WINDEED SOFTWARE	17/10/2013	Dependent	Active

Appendix I:

Municipal Entity/Service Provider Performance Schedule

Assessment of the performance of External Service Provider

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

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

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Assessment of Service Providers Performance			Planned measures for improvement on satisfactory and poor performances
					G	S	P	
	First National Bank		Banking Service					
	Indwe Risk Services	01 July 2014 - 30 June 2017	Short term Insurance					
	HCB Valuers	01 July 2011 - 30 June 2015	Compilation of general valuation and valuation maintenance					
	Umhlaba Geomatics	01 June 2014-30 June 2019	General Valuation and Maintenance					
	Sigma-it	01 February 2014 - 31 January 2017	Support and maintenance of Computer hardware and software					Contract terminated
	FSO IT Services		Provide software support on IT system (Abakus)					
	Conlog	SLA expires 31.03.2015	Ongoing(Prepaid Electricity)					
	Lasercom	01 December 2014 to 28 February 2015	Printing & distribution of monthly municipal service accounts and newsletters					

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Assessment of Service Providers Performance			Planned measures for improvement on satisfactory and poor performances
					G	S	P	
	Traffic Management Technology	5 Year Contract	Supply Installation and Maintenance of Traffic Violation Systems					
	Red Spike Security Services	1 year contract	Provision of Security Services Gingindlovu Municipal offices, Fire Station, Clinic, Sport field & Workshop					
	Iqola Security Services	1 year contract	Provision of Security Services Governance complex, Butcher str, Stores, Eshowe bus & taxi rank					
	S6 Security Services	1 year contract	Provision of Security Services at Sunnysdale Library, Hall, pool and Sportground					
	Ketelelo Trading 13 CC	1 year contract	Provision of Security Services at Board walk, Museum, Testing Station & Mpushini Hall					
	Mancinza Civil Contractor & Road Maintenance	1 year contract	Provision of Security Services at Mtunzini offices, Library, hall & Workshop				- Close supervision and a letter was written to the company regarding their unsatisfactory service.	
52/2012	Mthiya Plant Hire	01 April 2014	Construction of Lethukuthula Creche.	R 945 499.00 100% Complete				
08/12/13	Tasa Construction	5 February 2014	Construction of Ntenjane access Road and Causeway	R 2 452 066.44 Terminated			Contract terminated	
08/13/14	Siyaya Construction	05 June 2014	Construction of Ngwadla	R 1 143 553.95				
07/13/14	Tongaat Asphalt Construction	08 April 2014	Construction of Naickerville Intersection	R 5 067 212.10				
24/13/14	Ithwini Construction	4 July 2014	Construction of KwaYabu Sportfield.	R 2 947 988.31			Contract terminated	
11/13/14	TSW Construction	4 July 2014	Construction of Ndlongolwane.	R 3 526 394.70				
7/12/13	Phakamanzi Construction	5 February 2014	Construction of Sunnydale/ KDS Link Road and Causeway.	R 4 656 998.50			Contract terminated	
20/13/14	Tongaat Asphalt Construction	15 September 2014	Construction of Osborn Road	R12 730 858.80				

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Assessment of Service Providers Performance			Planned measures for improvement on satisfactory and poor performances
					G	S	P	
06/13/14	Siva Pillay	06 June 2014	Construction of Kangela Street.	R 13 503 334.20				
50/13/14	Santo Civils	13 October 2014	Construction of Makhehle Causeway	R 1 038 891.35 Commence 12 January 2015				
	Amaqubeqolia Trading	Appointment date: 03/07/2012	Grader maintenance	R2,083,203.00 pa				Letter written to contractor to improve performance
	Inhlanzeko Project Management Services	Appointment date: 03/07/2013	Grader maintenance	R2,185,418.00 pa				
	UWP (MIG Project Consulting Engineer)	Appointment date: 16/08/2013	KDS BUS ROUTE REHABILITATION (WARD 12)	R 1 500 000				
	Mafahleni Engineers (MIG Project Consulting Engineer)	Appointment date: 16/08/2013	ESIFUBENI ROAD (WARD 10)	R 2 500 000				
	Siqu Consulting (MIG Project Consulting Engineer)	Appointment date: 16/08/2013	KWAYABU SPORTSFIELD (WARD 15)	R 1 500 000				
	Kamawewe Develop and Consultants (MIG Project Consulting Engineer)	Appointment date: 16/08/2013	GCIZA ROAD (WARD 17)	R 1 584 120				
	Mgamule Consulting (MIG Project Consulting Engineer)	Appointment date: 16/08/2013	KWABULAWAYO SPORT COMPLEX (WARD 25)	R 500 000				
	Asande Project (MIG Project Consulting Engineer)	Appointment date: 16/08/2013	SQWANJANA HALL & A PARK	R 1 000 000				
	Gibb Engineering + Signs (MIG Project Consulting Engineer)	Appointment date: 16/08/2013	SUNNYDALE / KDS LINK ROAD (WARD 11&12)	R3 500 000				
	TLS Engineers and Projects (MIG Project Consulting Engineer)	Appointment date: 16/08/2013	NDLONGOLWANE ACCESS ROAD (WARD 4)	R 1 500 000				
	M&C Consulting Engineers (MIG Project Consulting Engineer)	Appointment date: 16/08/2013	MFOFOLOZI CAUSEWAY & A ROAD (WARD 1)	R 2 000 000				

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Assessment of Service Providers Performance			Planned measures for improvement on satisfactory and poor performances
					G	S	P	
	Minathi Consulting (MIG Project Consulting Engineer)	Appointment date: 16/08/2013	NGWANDLA ROAD (WARD 19)	R 1 752 000				
	Mageba Consulting (MIG Project Consulting Engineer)	Appointment date: 16/08/2013	MTIPELA/ NTABANKULU ROAD (WARD 3)	R 3 000 000				
	N.A Associate (MIG Project Consulting Engineer)	Appointment date: 16/08/2013	BELE ROAD (WARD 24)	R1 500 000				
	K.A Consulting + Projects (MIG Project Consulting Engineer)	Appointment date: 16/08/2013	MAKHEHLE CAUSEWAY (WARD 24)	R 950 000				
	Makhaotse, Narasimulu & Associates		Kangela Street (Ward 11)	R34 000 000				
17/13/14	Mela Okuhle Trading	25 June 2014	Grass Cutting	R 621 000				
17/13/14	Khombizwe Construction & Security	30 Sept 2014	Grass Cutting	R 375 000				
17/13/14	Goodness & Mercy Transport	25 June 2014	Grass Cutting	R 270 900				<i>Letter of intent to terminate services to be signed by MM delivered before 19/06/15</i>
	Madimandile Trading	1 July 2013	Refuse removal	R 638 648				<i>Meetings with contractor held - improvement noted</i>
	Mtima Building Construction	1 July 2013	Refuse removal	R 112 860				
	LSG Projects	1 July 2013	Refuse removal	R 140 400				
	Judy Magwaza Trading	1 July 2013	Refuse removal	R 125 880				
	Kwazikhathaze Construction	1 July 2013	Refuse removal	R 178 948				
	Mela Okuhle Trading	1 Dec 2013	Refuse removal	R 324 000				
	Off - Camp Trading	1 Dec 2013	Refuse removal	R 276 843				
	Into Engalali Trading	1 Nov 2013	Refuse removal	R 270 000				
	LLBT Projects	1 July 2013	Refuse removal	R 225 600				
	Sisize- Haba Trading	1 July 2013	Refuse removal	R 101 250				
	Pure Magic Trading	Contract Extended	Refuse removal	R 695 115				
	Dolphin Coast	Contract Extended	Refuse removal	R 636 509				

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA		Value of project	Assessment of Service Providers Performance			Planned measures for improvement on satisfactory and poor performances
						G	S	P	
	Thusa Support Services	Indefinite period	Telephone system maintenance						
	Directosign	1 July 2014	Outdoor Advertising						Meetings were held with Service Provider with regard to areas of concern
	Konica Minolta		Supply & Maintenance of photocopiers						
	Kantey & Templer African Renaissance JV	Appointment date: 12/07/2013	Kwa Mondli Rural Housing		Determined by Dept Human Settlement				
	Siqu Consulting	Appointment date: 12/07/2013	KwaKhoza Rural Housing		Determined by Dept Human Settlement				
	Mabune Consulting cc	Appointment date: 12/07/2013	Kholweni Rural Housing		Determined by Dept Human Settlement				
	Mbokodwe Project Development	Appointment date: November 2004	Nzuzi	Rural Housing	Determined by Dept Human Settlement				Contract terminated. In process of appointing new contractor
	Stedone Developments	Appointment date: 15 November 2007	Ndlangubo	Rural Housing	Determined by Dept Human Settlement				
	Bahlomile Development	Appointment date: 15 November 2007	Mpungose	Rural Housing	Determined by Dept Human Settlement				
	Linda Masinga & Associates	Appointment date: 15 November 2007	Mombeni	Rural Housing	Determined by Dept Human Settlement				
	Qhawe Lamaqhawe Business Enterprise	Appointment date: 15 November 2007	Ngudwini	Rural Housing	Determined by Dept Human Settlement				In discussion with DOH on way forward
	Improdev	Appointment date: 12 October 2011	Bhekeshowe	Rural Housing	Determined by Dept Human Settlement				
	Ntokozweni	Appointment date: 12 October 2011	Mvuzane	Rural Housing	Determined by Dept Human Settlement				
	Siqu	Appointment date: 12 October 2011	Uyaya	Rural Housing	Determined by Dept Human Settlement				
	Kantey and Templer	Appointment date: 12 October 2011	Sunnydale Phase 2 Extension	Urban housing	Determined by Dept Human Settlement				
	PD Naidoo and Associates	Appointment date: November 2004	Gingindlovu Extension 5 & 6	Urban Housing	Determined by Dept Human Settlement				Contract ended. Allocation still outstanding

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Assessment of Service Providers Performance			Planned measures for improvement on satisfactory and poor performances
					G	S	P	
	Quartex	November 2014 (3 years)	Website servicing and monitoring	R50 000				

Appendix J:

Disclosure of Financial Interest

There were no financial disclosures reported for the year under review.

Appendix K:

Revenue Collection Performance

Appendix K (i):

Revenue Collection Performance by Vote

This information is available in under the Annual Financial Statements (Note 20 and 21) attached under Volume 2 of this Annual Report.

Appendix K (ii):

Revenue Collection Performance by Source

This information is available in under the Annual Financial Statements (Note 20 and 21) attached under Volume 2 of this Annual Report.

Appendix L:

Conditional Grants Received: Excluding MIG

This information is available in under the Annual Financial Statements (Note 13) attached under Volume 2 of this Annual Report.

Appendix M:

Capital Expenditure – New & Upgrade/ Renewal Programmes: Including MIG

Appendix M(i):

Capital Expenditure – New Assets Programme

This information is available in under the Annual Financial Statements (Note D(2)) attached under Volume II of this Annual Report.

Appendix M(ii):

Capital Expenditure – Upgrade/Renewal Programme

This information is available in under the Annual Financial Statements (Note D(2)) attached under Volume II of this Annual Report.

Appendix N:

Capital Programme by project current year

This information is available in under the Annual Financial Statements (Note D(2)) attached under Volume II of this Annual Report.

Appendix O:

Capital Programme by project by Ward current year

This information appears under Appendix F of this report.

Appendix P:

Service Connection Backlogs at Schools and Clinics

This information is reported under the IDP through the Community Based Planning.

Appendix Q:



Service Backlogs Experienced by the Community where another Sphere of Government is Responsible for Service Provision - reported in the IDP.

Appendix R:

Declaration of Loans and Grants Made by the Municipality

Reported under the Annual Financial Statements.

Appendix S:

Declaration of Returns not Made in due Time under MFMA s71

All s71 of the MFMA reports were submitted in the year under review.

Appendix T:

National and Provincial Outcome for local government

This is reported in the Integrated Development Plan (IDP).

Volume II: Annual Financial Statements

