

# **UBUHLEBEZWE MUNICIPALITY**

# 2019/2020~ ANNUAL REPORT

The Municipal Manager Mr GM Sineke web: www.ubuhlebezwe.org.za

# **VOLUME I**

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## **VOLUME I**

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#### CHAPTER 1 - MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

#### **MAYOR'S FOREWORD**



Ubuhlebezwe Municipality takes great pleasure in presenting the 2019/20 Annual Report, where we will be reflecting on the performance of the Municipality, We shall reflect on area where we have had successes whilst not forgetting the area where we have been challenged as a Municipality. It September 2019, within the third month of the financial year there were changes in the political leadership of Ubuhlebezwe with myself, Cllr EB Ngubo taking the reigns as the Mayor of Ubuhlebezwe, Cllr CZ Mngonyama as Deputy Mayor and Cll T.C Dlamini becoming the new Speaker of

Council.

It was not long into the commencement of this new leadership team that we had the outbreak of the Corona Virus in March 2020, and with that, this financial year ended on a rather tumultuous mood. We came to a point where most of our plans had to be revisited and some of them even halted for a period of about 3 months. The Municipality had projects that were due to be completed by the end of March 2020, whose dates had to be postponed. At the end of this financial year, 30 June 2020, we found ourselves in a position where some projects had to be postposed to the new financial year 2020/21 and some community programs, had to be cancelled all together. It has indeed been a difficult time for all of us.

As is the culture of this Council, in the 2019/20 financial year we prioritised our capital projects according to our core competencies as a local municipality; Construction of Roads, Halls and Sportsfields, whilst working hand in hand with the Department of Energy and Eskom on Electrification projects and the Department of Human Settlements on Housing Projects. In respect of our completed project this year, I will highlight, Esivandeni, Esidungeni, Magawula, Khambula and Masomini Roads. The new Fire Station was also completed this year, which is great progress towards meeting out Disaster needs in a prompt and efficient manner. The electrification projects for Mandilini, Fairview and Ndonyane will continue into the 2020/21 financial year.

In conclusion, I wish express my sincere gratitude to all Councillors, officials, and the residents of UBuhlebezwe Local Municipality for another year of commitment, hard work and co-operation. This enables the institution to excel and withstand all the challenges it faces.

Cllr. EB Ngubo

Mayor

#### **MUNICIPAL MANAGER'S FOREWORD**



This Annual Performance Report for the financial year 2019/20, seeks to reflect on our service delivery achievements, non-achievement and challenges experienced during the financial year. The report is presented in recognition of our obligation to being an accountable and transparent institution that uses an inclusive Public Participation Strategy to engage and consult the community on matters concerning them. Such annual reporting on performance is required from all municipalities in terms of various pieces of legislation, from the Constitution of

the Republic of South Africa, Section 46 of the Local Government: Municipal System Act No. 32 of 2000 and Section 121 and 127(2) of the Local Government: Municipal Finance Management Act No.56 of 2003.

In this financial year we were leaping when in comes to the filling of Senior Management Positions. We started the year with the position of the Chief Financial Officer (CFO) still being vacant, however, in the middle of the year, the Director: Infrastructure Planning and Development(IPD) also resigned, leaving us with two vacant, key senior management positions. I would like to take this opportunity to acknowledge and thank the Assistant CFO and Manager: Project Management who stepped up and acted in these positions during this time. I am happy to announce that to date, we have appointed a CFO and recruitment processes for the Director IPD are underway.

The Municipality received a Qualified audit opinion for the 2018/19 financial year, however, we had less qualifying matters in this year compared to the previous year, which gives us some assurance that we are moving in the right direction and should have a better outcome for the 2019/20 audit.

I thank this Council for always creating a conducive environment for the Administration to carry out our duties. I also wish to express my greatest gratitude to all employees of Ubuhlebezwe who consistently show commitment, even through this year where they had to perform their duties under difficult circumstances of the COVID-19 virus. We even had some workers who tested positive for the virus, but following the Government regulations, we were able to deal with those cases and overcome. This is the culture of oneness that we embrace as a Municipality and wish to continue in this way in future. We invite you to take a look at this report in order to understand better the workings of our Municipality.

#### **GM Sineke**

#### **Municipal Manager**

#### VISION

"To provide affordable quality services through good governance"

#### **MISSION STATEMENT**

"UBuhlebezwe Municipality will strive to deliver an appropriate level of service to all of its citizens by the year 2025 and alleviate poverty by promoting sustainable development through good governance and accountability."

# **ACRONYMS & ABBREVIATIONS:**

AFS	Annual Financial Statements						
AG	Auditor -General						
CIP	Consolidated Infrastructure Plan						
COGTA	Corporative Governance and traditional Affairs						
CPMD	Certificate Programme in Management Development						
DOT	Department Of Transport						
EXCO	Executive Committee						
IDP	Integrated Development Plan						
IGR	Intergovernmental Relations						
LGSETA	Local Government Sectoral Education and Training Authorities						
MFMA	Municipal Finance Management Act						
MIG	Municipal Infrastructure Grant						
MSA	Municipal Systems Act						
MTAS	Municipal Turnaround Strategy						
PMS	Performance Management Systems						
SCM	Supply Chain Management						
MPAC	Municipal Public Accounts Committee						
SDBIP	Service Delivery and Budget Implementation Plan						
SMME	Small Medium Micro Enterprise						
ODETD	Occupation Directed Education and Training Development Programme						
WSP	Workplace Skills Plan						
APAC	Audit & Performance Audit Committee						

#### **MUNICIPAL POWERS AND FUNCTIONS**

In terms of the Municipal Structures Act No. 117 of 1998 UBuhlebezwe Municipality (KZ434) is classified as a Category B Municipality and falls within the Harry Gwala District Municipality (DC43). This act made provision of the division of powers and functions between the district and local municipalities with the most day to day service delivery functions being delegated to local municipalities and the District wide to District Municipalities. UBuhlebezwe Municipality is responsible for a number of functions some of which are not being performed due to lack of capacity. The Municipality has entered into shared service with Harry Gwala District and our neighbouring local Municipality in some of the functions.

UBuhlebezwe Municipality has executive authority in respect of, and has the right to administer the local government matters listed below:

Functions	Functio current perform Ye s	ly	Capacity perform function Yes	the	Levels of capacity	Alternative measures in place(function not performed or no capacity	Municipal Action
Amusement facilities	-	Х	-	X	-	-	-
2. Air pollution	-	X	-	X	-	-	There is no demand no action required
3 Building Regulations	X	-	X	-	Limited capacity there is only one building inspector responsible for all building related activities. Law enforcement not effectively executed.	-	Deal with contraventions effectively
4. Child care facilities	-	X	-	X	-	Community driven function.	The municipality coordinates Sukuma Sakhe where departments sit and

Functions	Functio current perform Ye s	ly	Capacity perform function  Yes	the	Levels of capacity	Alternative measures in place(function not performed or no capacity	Municipal Action
							look at the adequacy and Department of Social Development builds creches
5. Case of Burial of Pauper and Human Remains	-	X	-	X	-	-	Maintenance of facilities
6. Fire Fighting	X	-	X	-	Municipality has a functional capacity and is gradually increasing human resources	-	The municipality creates awarenesses and responds in case of accidents.  Disaster  Management Plan

Functions	Function currently performed		Capacity to perform the function		Levels of capacity	Alternative measures in place(function	Municipal Action
	Ye	N	Yes	N		not performed or no capacity	
	S	0		0		• •	
							caters for fire fighting functions
7. Local Tourism	X	-	X	-	Limited due to financial constraints and minimum skills	-	The municipality adopted a Tourism strategy and is working with local tourism owners to uplift tourism within the ecomic space
8. Municipal Planning	X		Х		Limited capacity to perform all planning functions. There is the Manager Planning	-	Planning shared to assist in this regard

Functions	Function currently performed		Capacity to perform the function		Levels of capacity	Alternative measures in place(function	Municipal Action
	Ye	N	Yes	N		not performed or no capacity	
	S	0		0		or no capacity	
					with only Town		
					Planner.		
9. Municipal Public	-		-	X	-	-	Planning has been
Transport							done by the District
10. Storm water	X	-	X	-	Performed internally.	-	Maintenance of storm
					Limited Financial and		water facilities are done
					human resources to		internally.
					perform this function		
					fully.		
11. Trading Regulations	X	-	X	-	Municipal	-	The municipality
					Bylaws are		reviewed Bylaws and
					enforced with		training of Peace
					limited resources		Officers

Functions	currently		currently perform the		Levels of capacity	Alternative measures in place(function	Municipal Action
	Ye	N	Yes	N		not performed or no capacity	
	S	0		0		or no capacity	
12. Billboard and display	X	-	х	-	Municipal Bylaws are	-	Signage Bylaws and
of advertisement in public					enforced		strengthen law
places							enforcement
13. Cemeteries	X	-	Х	-	-	-	Maintenance and
,funeral							allocation of graves.
parlour and							
crematoria							
14. Cleansing	X	-	X	-	-	-	Daily to day activity
15. Control Public	X	-	Х	-	-	-	By-laws are in place
nuisance							and enforced
16. Fencing and fences	X	-	Х	-	-	-	No action required

Functions	Functions  Function  currently  performed		Capacity perform function	the	Levels of capacity	Alternative measures in place(function	Municipal Action
	Ye	N	Yes	N		not performed or no capacity	
	S	0		0		or no capacity	
17. Licensing of dog	X	-	Х	-	Limited capacity	-	By-laws in place and enforced
18. Licensing and	-	X	-	X	Municipality has	Each case is	Harry Gwala District
control undertakings that					licenced informal	treated base on	municipality conducts
sell food to the public					traders	its own merits	Environmental Health inspections to ensure that formal shops also get licenced
19. Local amenities	X	-	X	-	-	_	Ixopo Town Regeneration to address the lack of amenities within the municipal area.

Func	tions		Function currently perform  Ye s	ly	Capacit perform function Yes	n the	Levels of capacity	Alternative measures in place(function not performed or no capacity	Municipal Action
20.	Local	Sports	X	-	X	-			Continuously
facilit	ies								maintain
									community sports
									field within the
									municipality
21.	Markets		-	X	-	X	-	-	The municipality
									deals with the markets
									through the informal
									traders policy
22.	Parks	and	X	-	X	-	-	-	Continuously
recrea	ntion								Maintain and beautify
									parks and gardens
23.	Pontoons	and	-	X	-	X		-	No action required
ferrie	S								

Func	tions	Functio current perform Ye s	ly	Capacit perform function Yes	n the	Levels of capacity	Alternative measures in place(function not performed or no capacity	Municipal Action
24.	Pounds	-	X	-	X	-	-	Municipality in a process of establishing a pound in terms of the Pounds Act.  Lots of stray animals around the municipal area
25. 26.	Municipal Roads  Municipal airport	X -	X	- x	X	This function is performed by PMU Unit under the supervision of the Director IPD	-	municipal roads are maintained as per the maintenance plan  No action required

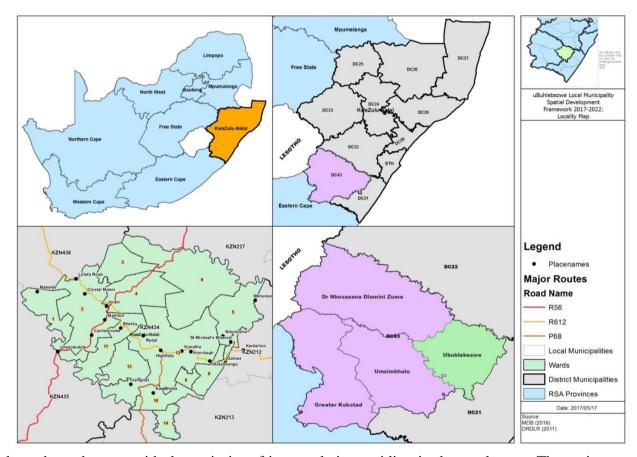
Functions	Function currently performed		Capacity to perform the function		Levels of capacity	Alternative measures in place(function	Municipal Action
	Ye		Yes	N		not performed or no capacity	
	S	0		0			
27. Municipal	-	Х	-	X	-	-	No action required
Abattoir							
28. Noise pollution	-	X	-	X	By-laws in place	-	Bylaws enforced
							by community
							safety unit
29. Public places	X	-	-	X	Functioned	-	-
					performed to a		
					limited extent due to		
					financial constraints		
30 Refuse Removal	X	_	-	X	Municipality does not	The	The municipality to
and Solid Waste Disposal					have a landfill site	Municipality	acquire land for the
						utilizes	landfill site in
						UMzimkhulu	partnership
						Municipality's	

Functions	Function currently performed		Capacity to perform the function		Levels of capacity	Alternative measures in place(function not performed	Municipal Action
	Ye s	N o	Yes	N 0		or no capacity	
						land fill to dump refuse.	Department of Land Affairs
31 Street trading	X	-	X	-	Limited number of Peace Officers	-	The municipality to train more Peace Officers
32 Street Lighting	X	-	X		Capacity is limited relying to ESKOM.	-	Municipality is negotiating with ESKOM to take over the street lighting after completion of the project.
33. Traffic and parking	Х	-	X	-	-	-	No action required
34. Fireworks					-	-	No action required

Functions	Function currently performed	Capacity perform the function	o Levels of capacity e	Alternative measures in place(function	Municipal Action
	Ye N o	Yes N		not performed or no capacity	
35. Libraries	х -	Х		-	-

#### AN OVERVIEW

Ubuhlebezwe Local Municipality (ULM) is one of the four local municipalities that constitute the Harry Gwala District Municipality (HGDM). The ULM is characterised as a small urban centre with large agricultural plantations, natural vegetation and traditional authority land. The main administrative centre of the municipality is the town of Ixopo, it is located 85km from the City of Pietermaritzburg at the intersection of two national routes R56 and R612. Apart from the Ixopo town the settlement patterns of the ULM reflects one that is predominantly rural. The ULM has a population of about 118 346 people (Community Survey, 2016) spread out



throughout the area with the majority of its population residing in the rural areas. The major economic drivers in the ULM area are agriculture, mining, manufacturing, construction, utilities, business services and tourism. Among these economic sub-sectors, agriculture; business services; and manufacturing have been the biggest contributors to the ULM GDP thus far. Sub-sectors with minute contribution to the ULM GDP were the mining and utilities sub-sectors.

Unemployment is considered as one of the main reasons of poverty. The municipality's' percentage contribution to the District employment is currently seating at 21%. The

unemployment rate in the ULM currently stands at 25%, reduced by 0.3% from 24.7% projected in 2011 (Global Insights,2007). It is a clear indication that unemployment still remains a concern and shows that the municipality is currently living below the poverty line. It is also observed that the urbanised wards have a relative lesser concentration of poor people living under the poverty line then those living in rural wards.

Ubuhlebezwe has strong north-south linkages and east-west linkages within its region. This is achieved via R56, which links it to areas such as Pietermaritzburg to the north and Kokstad to the south. R612 provides regional access and linkages with the South Coast tourism region in the east and Southern Drakensburg to the west. In addition, Ubuhlebezwe is located at the intersection of at least three established tourism regions, namely: Southern Drakensberg; Natal Midlands; and UGu South Coast.

The town of Ixopo forms the primary development node of the Municipality and has also been selected as the seat of the Harry Gwala District Council. The importance of Ixopo cannot be underestimated in the socio-economic development of the area as a whole. Its role as a centre of activity is further emphasised in the Spatial Development Frameworks (SDF). Ixopo plays an important role in terms of the possible location for industry, commerce and other economic activity. It is a major education and health centre and assists in the diffusion of new ideas and technologies to the rural areas. It is also the primary base for the operation of many departments and service providers.

#### **DEMOGRAPHICS**

Initially Statistics South Africa (Statssa) conducted a population census once every 5 years i.e. 1996 and 2001, this interval was however changed to 10 years and thus the last census was in 2011. In between the census, Statssa conducts a Community Survey (CS) and the last one was in 2016. According to Statssa a population census, as defined by the United Nations, is "the total process of collecting, compiling, evaluating, analyzing and publishing or otherwise disseminating demographic, economic and social data pertaining, at a specified time, to all persons in a country or a well-defined part of the country"; i.e. a total count of the population. The CS on the other hand is a large-scale household survey conducted by Statistics South Africa to bridge the gap between censuses. I.e. it is a representative sample of the population. As a result of this the information from the Community Survey is only provided at a Municipal level and not at ward level as compared to the 2011 census which goes down to the ward level and beyond. Prior to the release of the CS results in 2016 there

was a redermacation of the municipal wards. Statssa thus had to delay the release of the CS results and realign the ward boundaries to the newly demarcated ward boundaries. E.g. Population Figures for Ubuhlebezwe from the CS before factoring in the new demarcation was 101690; but after factoring in the redemarcation it is 118 346.

According to the Stats SA, Community Survey 2016 results, there is an average of 4, 1 persons per household. 30, 3% of households reside formal dwellings and approximately 63, 8% of residences are owned and fully paid off. 12, 4% of households have access to piped water from either inside the dwelling, inside the yard or water on a community stand. Access to proper sanitation is very poor, with 12% having access to a flush toilet connected to the sewerage system. Harry Gwala District has an increase in total population from 461 420 to 510 865, out of which Ubuhlebezwe Local Municipality has increased from 101 690 to 118 346 which is 23.2% of the District total population. The female population is dominant at UBuhlebezwe which indicates male absenteeism. Out of the total population of 118 346, total number of females has increased from 54445 to 62834 which is 53.1% of the total population and males from 47246 to 55513 which is 46.9% of the total population. The population density is 63 persons/km2.

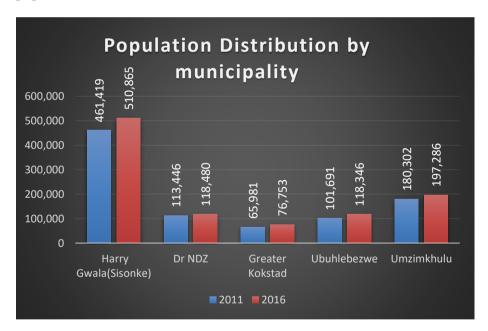
The majority of population in Ubuhlebezwe is dominated by Black Africans with a total population increased from 99 188 to 115 893 which is 97.9% of the total population. Age distribution within Ubuhlebezwe Municipal area, where the ages 00-04 accounting to 17 247 which is14.6% of the total population followed by ages 05-09 accounting to 15 679 which is 13.3% of the total population. Based on the CS 2016 results for the whole population, Males (10545) and Females (12847) with no formal education constitute the majority in terms of the population in relation to education. The highest level of education that has been attained by the population of Ubuhlebezwe Local Municipality is Grade 12, whereby the number of females (8589) out numbers males (6933). From here on the highest of education attained decreases progressively from Grade 11 to Grade R, as well as for Tertiary education for males and females combined. The dominant trend is that each of the categories the number of educated females exceeds that of males. One exception is in Grade 4 whereby the number of educated males (2959) exceeds that of females (2446). With regards to employment, there has been a steady in increase in the total number of people employed except for 2011 which experienced a decline to 19631 from 20217. In terms of percentages the average employment contribution to the district population has declined by 0,3% between 2010 and 2015. The total number of unemployed people at Ubuhlebezwe

Municipality correlates directly with the total employment per municipality in that for 2011 there was a decline in the number of people employed (4843) as compared to 2010 (5150).

Children between the ages of 0-14 contribute a portion of 40, 4% towards the total population of uBuhlebezwe. Elderly people from 65+ within the existing population contribute 6.8%. The observable dependence ration of people between people living below 15 years of age and those having 64+ is 89.39%. This percentage is too high and contributes to uncontrollable levels of poverty. In actual facts it will become difficult for the municipality to cater for the provisions of pensioners, proving social security systems to people in need as well as the non-working population.

#### **Population size**

The graph below depicts the population for Harry Gwala District Municipality (HGDM) and its family of local municipalities. All municipalities reflect an increase in their population from 2011 to 2016.



**Source: Stats SA Community Survey (2016)** 

#### Population distribution by gender

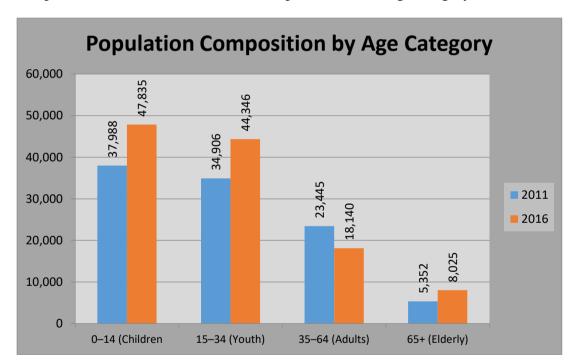
The table below depicts the population distribution by gender for Ubuhlebezwe Municipality for 2011 and 2016. There is a 1% increase in the percentage of males from 2011 to 2016; inversely the females declined by 1% over the same period.

	2011	2016
Males	46%	47%
Females	54%	53%

**Source: Stats SA Community Survey (2016)** 

#### **Population composition**

The graph below depicts the population composition by age category for Ubuhlebezwe Municipality between 2011 and 2016. The graph shows an increase in the population composition between 2011 and 2016 except for the 35-64 age category (Adults).



**Source: Stats SA Community Survey (2016)** 

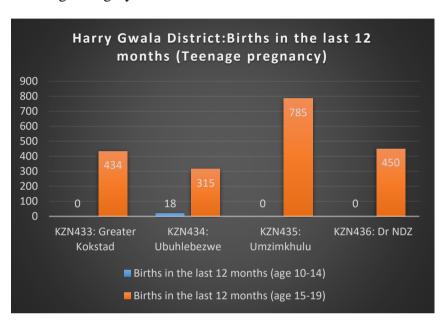
#### **Dependency Ratio**

The Dependency Ratio is defined as the ratio between the number of people aged less than 14 and over 65 to the number of people aged 15-64. A high ratio may increase the burden on the productive part of the population. The dependency ratio for 2011 stood at 74, 27%.

For 2016 the dependency ratio stands at 89, 39%. Therefore a higher number of the population is now dependent on the working population.

#### Teenage pregnancy

The table below depicts the teenage pregnancy figures for the district LMs. uBuhlebezwe Local Municipality is the only municipality that has had births in the 10-14 age category. In the age category of 15-19 it has the lowest number at 315 births.



**Source: Stats SA Community Survey (2016)** 

#### **Fertility rate**

Fertility statistics that speak directly to Ubuhlebezwe Local Municipality are difficult to find by according to StasSA mid-year population estimates (2009) the KwaZulu Natal Province has had average fertility rates.

Province	2001-2006	2006-2011
KwaZulu Natal	3,03	2,60

Source: StasSA mid-year population estimates (2009)

The above table depict that, the municipal health system have birth control determinants in place that one can firmly state that they are accessible to the society at large.

#### Mortality rate

Mortality is the decrement process by which living members of a population gradually die out. The Infant Mortality Rate is the number of infant deaths (< 1 year of age) in a given

year divided by the total number of live births during the same year multiplied by a thousand. The IMR is a good indicator of general health & living standard.

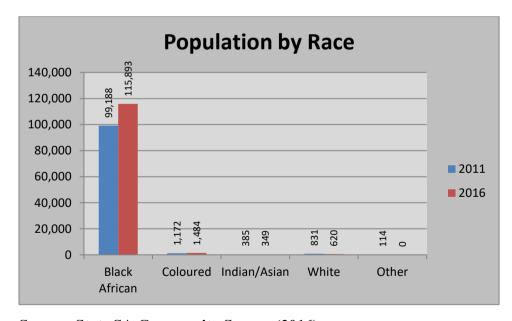
The IMR stands at 19, 4 i.e. 19, 4 infant deaths per thousand births.

#### Life expectancy

Life expectancy is the expected average number of years remaining to be lived by persons of a particular age. Between 2002 and 2016, there was an overall increase in Life expectancy (55,2 to 62,4 years). The population for 2016(8025) for persons above the age of 65 has increased compared to the same age category for 2011(5352).

#### **Population groups**

The graph below depicts the population by race group between 2011 and 2016. There is an increase in the black (16 705) and coloured (312) population groups. The Indian/Asian and White population groups have experienced a decline in population numbers of -36 and -211 respectively. In 2011 there was a population group category called "Other" which stood at 114; in 2016 this category is 0.

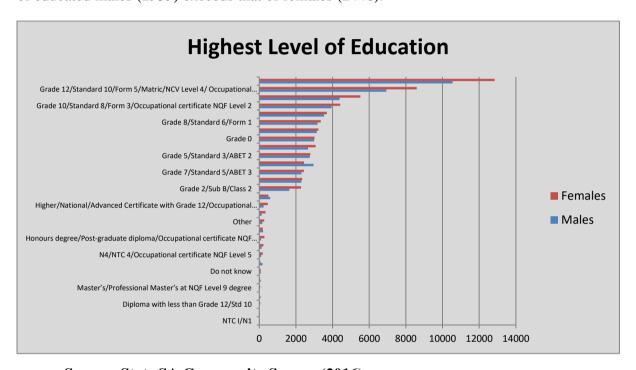


**Source: Stats SA Community Survey (2016)** 

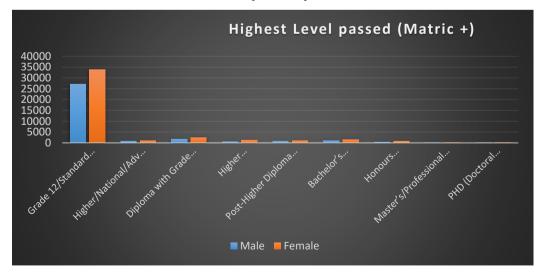
#### **Educational status**

The graph below depicts the highest level of education within various categories for males and females at Ubuhlebezwe Local Municipality based on the CS 2016 results for the whole

population. Males (10545) and Females (12847) with no formal education constitute the majority in terms of the population in relation to education. The highest level of education that has been attained by the population of Ubuhlebezwe Local Municipality is Grade 12, whereby the number of females (8589) out numbers males (6933). From here on the highest of education attained decreases progressively from Grade 11 to Grade R, as well as for Tertiary education for males and females combined. The dominant trend is that each of the categories the number of educated females exceeds that of males. One exception is in Grade 4 whereby the number of educated males (2959) exceeds that of females (2446).



**Source: Stats SA Community Survey (2016)** 



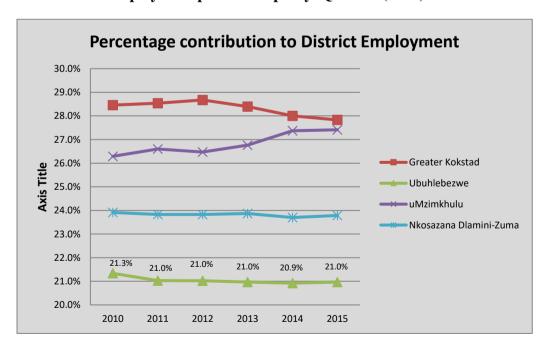
**Source: Stats SA Community Survey (2016)** 

#### **Employment status**

The table below depicts the total number of employment from 2010 to 2015. The table shows a steady in increase in the total number of people employed except for 2011 which experienced a decline to 19631 from 20217. In terms of percentages the average employment contribution to the district population has declined by 0,3% between 2010 and 2015. The total number of unemployed people at Ubuhlebezwe Municipality correlates directly with the total employment per municipality in that for 2011 there was a decline in the number of people employed (4843) as compared to 2010 (5150).

	2010	2011	2012	2013	2014	2015
				101	107	112
Harry Gwala	94 749	93 351	96 088	051	537	306
Greater Kokstad	26 964	26 643	27 553	28 698	30 117	31 256
Ubuhlebezwe	20 217	19 631	20 202	21 188	22 498	23 546
uMzimkhulu	24 910	24 832	25 438	27 043	29 437	30 786
Nkosazana Dlamini-						
Zuma	22 658	22 245	22 894	24 122	25 486	26 718

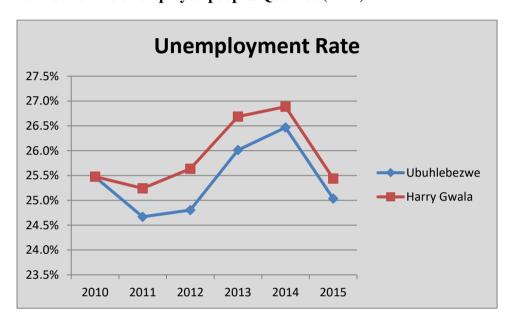
**Total Employment per Municipality. Quantec (2015)** 



# Percentage contribution of HGDM local municipalities to District Employment. Quantec (2015)

	2010	2011	2012	2013	2014	2015
Ubuhlebezwe	5 150	4 843	5 011	5 512	5 954	5 895
Harry Gwala	24 140	23 563	24 634	26 967	28 912	28 568

Number of the unemployed people. Quantec (2015)



**Unemployment Rate of Ubuhlebezwe Local Municipality vs HGDM. Quantec** (2015)

#### SERVICE DELIVERY OVERVIEW

Ubuhlebezwe Municipality although striving for excellency, there are still some challenges in terms of service delivery, that of the municipality has already engaged on processes to address them. There is a challenge with the landfill site; currently the municipality is using the one at Umzimkhulu Municipality. There are also financial constraints, since we have a low revenue base and are highly dependent on Grant Funding. The municipality is unable to retain skills staff due to location and the development of the town. Funds are so limited that the municipality is unable to address backlog in terms of CIP. We are experiencing difficulty in attracting economic and investment opportunities to the urban area due to aging and inadequate infrastructure. The municipality is also provides public facilities and there is much of vandalism from the communities that we are trying to develop. The municipality wants to extend the town of Ixopo but there is a challenge of land availability, since the land is privately owned. We are slowly making moves to buy land around town for development.

#### ORGANIZATIONAL DEVELOPMENT OVERVIEW

Organizational development, in essence, is a wide effort to increase an organization's effectiveness and/or efficiency to enable the organization to achieve its strategic goals.

Organizational development with the Ubuhlebezwe Municipality is a priority as we would like to:

- Attain optimal performance from our employees,
- Provide opportunities and an environment where staff is able function as part of the Municipality at large developing them to their full potential,
- Increase effectiveness of the organization in terms of all of its goals,
- Create an evolving and ever growing environment, in which it is possible for employees to be enthusiastic and able to undertake challenges,
- Develop platforms where issues are prioritized in such a way that it changes and improves the individual and organizational performance.

The Municipality took various strides towards this by:

- 1. Developing a comprehensive Workplace Skill Plan and offering bursaries to employees as a means of developing and having a more focused approach to staff development,
- 2. Developing a systematic approach, PMS Policy and other related documents for affected parties, towards the cascading of PMS to middle management for implementation.
- 3. Creating a culture of systematic reporting in undertaking performance assessments for Departmental Heads and Managers every quarter,
- 4. Reviewing its organizational structure to address gaps within departments as a means of ensuring effectiveness of departments the organization on the whole.
- 5. Undertaking specific strategic planning sessions i.e. Policies, budgeting, adjustments budget, SDBIP, IDP etc. wherein relevant officials are directly involved in the compilation of the said documents therefore promoting accountability and ultimately performance.
- 6. Exercising strict project management, in that service level agreements are now standard, with every project ensuring performance of service providers and thus improving service delivery and reaching municipal objectives.

# STATUTORY ANNUAL REPORT PROCESS:

No.	Activity	Timeframe	
	Consideration of next financial year's Budget and IDP process		
	plan. Except for the legislative content, the process plan should		
1	confirm in-year reporting formats to ensure that reporting and		
	monitoring feeds seamlessly into the Annual Report process at	July	
	the end of the Budget/IDP implementation period.		
2	Implementation and monitoring of approved Budget and IDP		
	commences		
3	Finalise 4 <sup>th</sup> quarter Report for previous financial year		
4	Audit/Performance committee considers draft Annual Report of		
4	municipality		
5	Mayor tables the unaudited Annual Report		
	Municipality submits draft Annual Report including consolidated	August	
6	annual financial statements and performance report to Auditor	C	
	General.		
7	Submit draft Annual Report to Internal Audit and Auditor-		
7	General		
0	Auditor General assesses draft Annual Report including	Contomb O-4-1	
8	consolidated Annual Financial Statements and Performance data	September - October	
	Municipalities receive and start to address the Auditor General's		
9	comments	November - December	
10	Oversight Committee assesses Annual Report	November - December	
	Mayor tables Annual Report and audited Financial Statements to		
11	Council complete with the Auditor- General's Report		
	Audited Annual Report is made public and representation is	January	
12	invited		
13	Council adopts Oversight report		
14	Oversight report is made public	March	
15	Oversight report is submitted to relevant provincial councils		

# CHAPTER 2 – GOVERNANCE

#### INTRODUCTION TO GOVERNANCE

Ubuhlebezwe has been able to maintain a strong relationship between Administration and Council, this has contributed greatly to the stability of the institution and has yielded positive result. The lines of reporting are clear and there is no interference in Administration by politicians and visa versa. Funds have been allocated to ensure the capacitation of the Municipal workforce.

## **POLITICAL STRUCTURE:**







CLLR CZ MNGONYAMA – DEPUTY MAYOR



CLLR T.C DLAMINI - SPEAKER



CLLR ET SHOBA - EXCO MEMBER EXCO MEMBER



CLLR CN NTABENI – EXCO MEMBER



CLLR GJ NGCONGO -

#### POLITICAL AND ADMINISTRATIVE GOVERNANCE

There are three tiers of government: national, provincial and local - i.e. municipalities. S151(3) of the Constitution gives municipalities the power to govern their own affairs, subject to national and provincial legislation as provided for in the Constitution, while S151(4) prevents national and provincial government compromising or impeding the exercise of municipal power.

It is with this that the political and administrative governance of Ubuhlebezwe Municipality is closely linked but exercised through clear processes of taking political goals and implementing them through systematic administrative procedures. Our political and administrative governance can be outlined as follows:

#### **POLITICAL GOVERNANCE**

The Council (chaired by the Speaker) together with the Executive Committee (chaired by the Mayor) are the 2 decisive structure within the organisation and have 3 (three) portfolio Committees reporting thereto. Portfolio Committees, chaired by Exco members are aligned to the core functions of the existing departments, namely the Social Development; the Administration and Human Resources; and the Infrastructure, Planning and Development Committees. The Finance Committee also formulated by Council is chaired by the Mayor and deals with financial management issues focusing on compliance reporting, budgeting, income and expenditure, systems and procedures, revenue enhancement etc.

Additional to that, is the Audit and the Oversight/ MPAC Committee reporting directly to Council and the sub-committee, the Local Labour Forum reporting to the AHR Portfolio Committee.

The mentioned committees provide structural reporting to various levels to ensure extensive interrogation before such is tabled before council or Exco and also to ensure proper monitoring and oversight over the performance of departments.

#### **COUNCILLORS**

Also refer to **Appendix A & B** which sets out committees and committee purposes.

Political governance within Ubuhlebezwe Municipality is comprised of 27 (twenty seven) Councillors with 14 of such being Ward Councillors and the remaining forming part of public representatives with affiliated parties such as the ANC, IFP, EFF and DA; with the majority being that of the ANC.

#### POLITICAL DECISION TAKING

There are three tiers of government: national, provincial and local - i.e. municipalities. S151(3) of the Constitution gives municipalities the power to govern their own affairs, subject to national and provincial legislation as provided for in the Constitution, while S151(4) prevents national and provincial government compromising or impeding the exercise of municipal power.

It is with this that the political and administrative governance of Ubuhlebezwe Municipality is closely linked but exercised through clear processes of taking political goals and implementing them through systematic administrative procedures.

Our decision making is governed by both political and administrative leadership, which comprises of 27 Councillors and 4 Amakhosi together with 5 Departmental heads, respectively. All of which are appointed to sit on Council Committees wherein decisions are taken depending on the delegation of powers assigned to the relevant committee and on the terms of reference thereof.

#### **ADMINISTRATIVE GOVERNANCE**

The Municipal Manager as the accounting officer is the administrative head responsible for the implementation of organisational goals in line with the national key performance areas namely, Municipal Transformation and Organizational goals; Basic Service Delivery; Local Economic Development; Municipal Financial Viability and Management; and lastly Good Governance and Public Participation.

The Municipal Manager provides leadership and direction through effective strategies, in order to fulfil the objectives of local government which are provided for in the Constitution

of the Republic of South Africa, and any other legislative framework that governs local government.

At Ubuhlebezwe Municipality we uphold the values of integrity and honesty, promoting a culture of Collegiality throughout the municipality by delegating duties and rewarding excellence. We also strongly adhere to the Employment Equity policies and ensure that our staff complement has a fair representation in gender and race.

## **SENIOR MANAGEMENT:**







MR GM SINEKE - MUNICIPAL MANAGER SERVICES

MRS NC MOHAU - DIR SOCIAL DEVELOPMENT

Ms P Luswazi - Dir Corporate

#### INTERGOVERNMENTAL RELATIONS

In terms of the Municipal Systems Act No. 32 of 2000, all municipalities should exercise their executive and legislative authority within the constitutional system of co-operative governance in the Constitution S41. Ubuhlebezwe is one of the five (5) municipalities within Harry Gwala District Municipality. There are five (4) portfolios which sit quarterly and coordinated by the Sisonke District. There are also Mayoral and Municipal Manager's Forums that sit on a regular basis as and when convened by the District.

PORTOLIO	CHAIRPERSON	MUNICIPALITY THE CHAIRPERSON IS COMING FROM
Social Development, Youth and Special Programmes	Mr GM Sineke	Ubuhlebezwe Municipality
Planning	Mr. L Mapholoba	Greater Kokstad  Municipality
Finance and Economic Development	Mr NC Vezi	Dr Nkosazana Dlamini Zuma Municipality
Infrastructure Planning and Development	Mr ZS Sikhosana	Umzimkhulu Municipality

## PUBLIC ACCOUNTABILITY AND PARTICIPATION

#### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The rationale behind uBuhlebezwe Municipality putting community participation on its strategic and operational agenda is because Section 152 (1) (e) of the Constitution of the Republic of South Africa states that one of the objectives of local government is to encourage the involvement of communities and community organizations in the matters of local government thus taken initiatives to honour this constitutional obligation.

**Accountability and participation** refers to the extent to which stakeholders can influence development by contributing to the project design, influencing public choices, and holding public institutions accountable for the goods and services they are bound to provide.

Adhering to Section 152 (1) (e) of the Constitution of the Republic of South Africa Ubuhlebezwe Municipality Promoted social Cohesion between itself and its Citizens by;

- Encourages its citizens to make meaningful influence in a decision making process such as policy development, Planning, and Budgeting.
- Strengthening the voice of its communities on its matters so that they become architects of their own development.

Putting community participation on the strategic and operational agenda is the rationale behind uBuhlebezwe Municipality.

## **Ward Committees**

## **Functionality of Ward Committees**

Ward Committees are being monitored every quarter through a revised approach. Functionality of ward committee is assessed as per the following indicators:

- Number of ward committee meetings held
- Number of meetings chaired by War Councillor
- Percentage of attendance
- Number of community meetings held
- Number of sectorial reports submitted
- Number of ward reports submitted to the municipality

Assessment period		No. of Functional Ward	Functional wards	Non - Functional Wards	No. of non- functional Wards	
Jul. – Sept. 2019	14	14	All 14 Wards	0	0	
Oct. – Dec. 2019	14	14	All 14 Wards	0	0	
Jan. – Mar. 2020	14	14	All 14 Wards	0	0	
Apr. – Jun. 2020	14	Functionality Verification not yet conducted by Cogta				

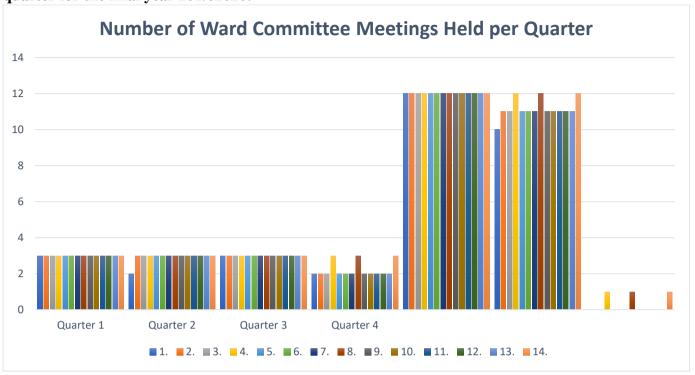
## **Number of Ward Committee Meetings Held**

Ward based and centralized Ward committee meetings are convened as per an adopted schedule of meetings. Concurrently the Ubuhlebezwe Policy on Ward Committee Election and Operation is implemented. With regards to ward committee meeting procedures it stipulates that:

- (1) (b) Ward committee meetings are convened and chaired by the Ward Councillor. (c) Ward councillor may delegate in writing the chairing of a meeting in his/her
  - absence to a member of the ward committee.

Ward No.	Number of	Target	Actual	Percentage			
	per quarter						
	Quarter 1	Quarter 2	Quarter 3	Quarter 4			
1.	3	2	3	2	12	10	83.3%
2.	3	3	3	2	12	11	91.7%
3.	3	3	3	2	12	11	91.7%
4.	3	3	3	3	12	12	100%
5.	3	3	3	2	12	11	91.7%
6.	3	3	3	2	12	11	91.7%
7.	3	3	3	2	12	11	91.7%
8.	3	3	3	3	12	12	100%
9.	3	3	3	2	12	11	91.7%
10.	3	3	3	2	12	11	91.7%
11.	3	3	3	2	12	11	91.7%
12.	3	3	3	2	12	11	91.7%
13.	3	3	3	2	12	11	91.7%
14.	3	3	3	3	12	12	100%

Below is the bar chart that depicts number of ward committee meetings her held per quarter for the final year 2019/2020:



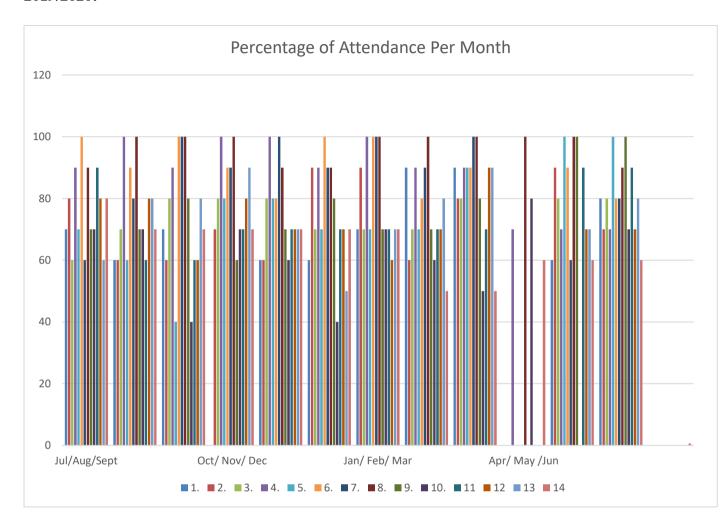
## Percentage of attendance

Ward Committees as an official specialized participatory structure attends monthly meetings to discuss issues that affect communities to come up with possible solutions. Ubuhlebezwe Municipality pays of Out-of Pocket Expenses to its members subject to submission of the following portfolio of evidence:

- Monthly submission of minutes
- Monthly submission of signed attendance register
- Monthly submission of sectorial reports

Ward				Per	centag	e of att	endanc	e per n	nonth				Aver. %
No.	Ju	l/Aug/S	Sept	Oc	t/ Nov/	Dec	Jan	/ <b>Feb</b> / ]	Mar	Apr	/ May	/Jun	
		2019			2019			2020			2020		
1.	70	60	70	-	60	60	70	90	90	-	60	80	58.3%
2.	80	60	60	70	60	90	90	60	80	-	90	70	67.5%
3.	60	70	80	80	80	70	70	70	80	-	80	80	68.3%
4.	90	100	90	100	100	90	100	90	90	70	70	70	88.3%
5.	70	60	40	80	80	70	70	70	90	-	100	100	69.2%
6.	100	90	100	90	80	100	100	80	90	-	90	80	83.3%
7.	60	80	100	90	100	90	100	90	100	-	60	80	79.2%
8.	90	100	100	100	90	90	100	100	100	100	100	90	96.7%
9.	70	70	80	60	70	80	70	70	80	-	100	100	70.8%
10.	70	70	40	70	60	40	70	60	50	80	-	70	56.7%
11	90	60	60	70	70	70	70	70	70	-	90	90	67.5%
12	80	80	60	80	70	70	60	70	90	-	70	70	66.7%
13	60	80	80	90	70	50	70	80	90	-	70	80	68.3%
14	80	70	70	70	70	70	70	50	50	60	60	60	65%

## Below is the bar chart that depicts percentage of attendance per month for the final year 2019/2020:



## **Number of Ward Reports Submitted to the Municipality**

Recommendations made by the ward committee to be formalized in a form of a ward report. A ward report translated the implementation of a Ward Operational Plan by ward Councillors in their respective wards. It gives a clear indication of the following:

- ward committee meetings convened and attended by members,
- Community report back meetings held, participation by members and issues discussed,
- War rooms held in wards, participation by members and issues discussed,
- Ward projects, role played by members and projects status

Number of wards	Num	Target	Actual			
or wards	Quarter 1	per quarter r 1				
14	14	14	14	14	56	56

## **Ubuhlebezwe Ward Committee Award Ceremony 2019/2020**

The Concept of Ward Committee/War room Awards Ceremony unfolded on the 5<sup>th</sup> of December 2019 at the Peace initiative Hall. As per an adopted Ubuhlebezwe Ward Operational Plan which clearly recommends that ward committee must receive recognition for going an extra mile in their respective portfolios. The notion for the collaboration of this ceremonial occasion is to showcase the functionality of these structures at ward level and furthermore as token of encouragement wherein excellent performance is recognised.

The Provincial Cogta Public Participation Unit makes provisions for an approach and guidelines to improve sustain and monitor ward committee functionality through specific indicators

## **Categories for the Ward Committee Awards**

Functionality Achievement Award

100% Attendance Achiever Award (Ward level)

100% Reporting Achiever Award (Ward level)

Best Performing member per ward (14 members)

Best performing sector (No. 1, 2 and 3)

Long Service Award

Most Improved ward

Best performing Ward Support Clerk (No.1, No. 2, and No. 3)

Best performing ward committee (Overall)

## **Categories of War Room Awards**

Best Performing Department (War Room per Ward)

Best Innovative War Room

Best Performing Department (overall)

Best Performing War Room

### **Alignment with Strategic Plan**

Ward Committee/Warroom Awards Ceremony is aligned with IDP Strategic Objectives which promotes Good Governance and accountability to the citizens of Ubuhlebezwe. Ward committees are motivated to effectively support Ward Councillors and to serve the community by providing feedback on issues raised.

#### Stakeholder's Involved

- The Provincial Gogta Public Participation Unit
- Office of the Premier
- LTT Stakeholders



Her Worship the Mayor Cllr EB Ngubo handing over and award to the Most Improved Ward





The Speaker Cllr TC Dlamini handing over an award for the best performing department and the appreciation award to the best performing member in their portfolio.

#### **Training of Ward Committees.**

Provisions of funds and resources to enable ward committees to perform their functions and undertake development in their wards have been made. Through Ubuhlebezwe skills development programme in 2019/2020 financial year, Ward Committees have been trained on Diversity Management in January 2020.

## **Community Works Programme (CWP)**

Community Works Programme is a poverty alleviation programme initiated by National Department of Corporative Governance and Traditional Affairs. Ubuhlebezwe as one of the sites consists of 14 wards with a projected number of 1039 participant. The municipality is in partnership with the following parastatals:

- SAYM as an implementing agent
- Economic Development, Tourism & Environmental Affairs (EDTEA)
- Harry Gwala House of Traditional Leadership
- National Development Agency (NDA)
- Department of Social Development
- Department of Agriculture
- Department of Education
- Department of Health
- TREE and Smart Start
- COUNT

## **Proposed Profiling / Recruitment**

Ward No.	Actual Participants	Active Participants	Participants recruited	to	be
Ward 1	64	64	10		
Ward 2	74	68			
Ward 3	108	106			
Ward 4	45	39	25		
Ward 5	77	76			
Ward 6	94	92			

Ward 7	61	58	20
Ward 8	71	68	
Ward 9	68	65	10
Ward 10	76	72	
Ward 11	87	87	
Ward 12	79	74	
Ward 13	33	33	15
Ward 14	37	37	25
TOTAL	974	939	

Activities performed through the programme are as follows:

- Clean-up Campaign's
- Cleaning of schools and community halls
- Repairs to the school fence
- Cleaning of illegal damping
- Street cleaning
- Cleaning public places
- ECD
- Establishments of rubbish pits
- Cleaning of bush and overgrown area
- Repairing roads and pavements
- Community gardens
- HBC
- OVC's
- Repair to vulnerable homes

## Training Program as an exit strategy to the programme

Period	Training	Beneficiaries		
January – February 2020	Agriculture	15 Participants		
	IT	15 Participants		
	ECD	13 Participants		
	Sewing	14 Participants		
Other training	Alien invasive species Workshop			

#### CORPORATE GOVERNANCE

#### INTERNAL AUDIT ACTIVITY

The Ubuhlebezwe Local Municipality has an Internal Audit Activity which has been fully functional for the year under review. The roles and responsibilities of the Internal Audit Activity are set out in Section 165 of the Municipal Finance Management Act, 56 of 2003.

The Internal Audit Activity functionally reports to the Audit Committee and administratively to the Accounting Officer. Internal audit uses systematic processes which determine whether established procedures are being followed and whether internal controls are operating effectively. The internal audit observes and formally assesses governance risk and control structural design and operational effectiveness while not being directly responsible for operations

The Internal Audit Activity complied with section 165 of the MFMA by developing a risk-based internal audit plan and an audit program. The risk-based internal audit plan was implemented in this financial year; the internal audit reports were submitted to the Audit and Performance Audit Committee quarterly. The progress of the internal audit plan was monitored quarterly to ensure that projects are competed timely.

#### **RISK MANAGEMENT:**

The MFMA establishes responsibility for Risk Management at all levels of management and the municipality has a Risk management committee in place. The Risk management committee held four (3) meetings during the year to monitor the implementation of action plans to mitigate identified risks. The Risk management committee reports are discussed with the Accounting officer and tabled to the Audit and Performance Audit Committee quarterly.

The Council has adopted a Risk Management Policy and Framework that enables management to proactively identify and respond appropriately to all significant risks that could impact badly on the achievement of municipal goals and strategic objectives.

## ANTI-CORRUPTION AND FRAUD

Ubuhlebezwe municipality has an approved fraud and anti-corruption strategy in place, which comprises a fraud prevention plan, fraud response plan and a fraud ethics policy.

Fraud Prevention Plan – set out a detailed step by step action plan to implement the Fraud Prevention Strategy and responsibilities and deadlines are assigned to each step.

Fraud Response Plan - A Fraud Response Plan set out clear, prompt and appropriate actions that must be taken when fraud is suspected. This will greatly assist officials who are unlikely to have experienced fraud before. The creation of a Fraud Response Plan increases the likelihood that the crisis will be managed effectively ensuring minimum loss and appropriate outcomes.

The Fraud Ethics Policy has been implemented in order to stress:

- The need for all to demonstrate the highest standard of personal and corporate ethics,
- The need for compliance with all laws and regulations,
- That Ubuhlebezwe values integrity and effort, not merely financial performance, in all dealings with staff, the public and suppliers,
- The desire to be open and honest in all internal and external dealings,
- That the policy applies consistently to all staff, whatever their level.

The key risk areas which are prone to fraud in most institutions include the procurement process, embezzlement and theft of cash etc. Ubuhlebezwe has ensured segregation of duties in these key risk areas, access controls have been improved.

## **BY-LAWS**

By-laws cover various local government issues such as public roads and miscellaneous, parking grounds, public open spaces, street trading, selling and undertakings of liquor to the public, public health, cemeteries and crematoria, emergency services, culture and recreation services, encroachment on property .Ubuhlebezwe Municipality has a total number of 24 (twenty four) bylaws which were adopted by Council on the 4<sup>th</sup> December 2014 together with their Fine Schedules following Public Participation and Magistrates' approval of the Fine Schedules.

The following Bylaws and applicable fine schedules were gazetted on the 9<sup>th</sup> February 2016.

ADOPTED BYLAWS	DEVELOPED/ REVIEWED	PUBLIC PARTICIPATION CONDUCTED PRIOR TO ADOPTION OF BYLAWS (YES/ NO)	DATES OF PUBLIC PARTICIPATION	BYLAWS GAZETTED (YES/ NO)	DATE OF ADOPTION BY COUNCIL
ACCOMMODATION ESTABLISHMENT	DEVELOPED	YES	2014	YES (Notice No. 29 of 2016)	04/12/14
ADVERTISING BYLAWS	DEVELOPED	YES	2014	YES (Notice No. 28 of 2016)	04/12/14
BUILDINGS REGULATIONS BYLAWS	DEVELOPED	YES	2014	YES (Notice No. 31 of 2016)	04/12/14

BYLAWS RELATING TO THE KEEPING OF DOGS	DEVELOPED	YES	2014	YES (Notice No. 30 of 2016)	04/12/14
CEMETERY LAWS	DEVELOPED	YES	2014	YES (Notice No. 32 of 2016)	04/12/14
BY-LAWS RELATING TO CHILDCARE SERVICES	DEVELOPED	YES	2014	YES (Notice No. 34 of 2016)	04/12/14
BYLAWS FOR THE CONTROL AND DISCHARGE OF FIREWORKS	DEVELOPED	YES	2014	YES (Notice No. 35 of 2016)	04/12/14
CONTROL OF UNDERTAKINGS THAT SELL LIQUOR TO THE PUBLIC	DEVELOPED	YES	2014	YES(Notice No. 37 of 2016)	04/12/14
CREDIT CONTROL AND DEBT COLLECTION	DEVELOPED	YES	2014	YES (Notice No. 41 of 2016)	04/12/14
PROPERTY ENCROACHMENT BYLAWS	DEVELOPED	YES	2014	YES (Notice No. 42 of 2016)	04/12/14
BYLAWS RELATING TO THE ESTABLISHMENT AND CONTROL OF RECREATIONAL FACILITIES	DEVELOPED	YES	2014	YES (Notice No. 39 of 2016)	04/12/14
FENCES AND FENCING BYLAWS	DEVELOPED	YES	2014	YES (Notice No. 27 of 2016)	04/12/14
FIRE PREVENTION BYLAWS	DEVELOPED	YES	2014	YES (Notice No. 40 of 2016)	04/12/14
GENERAL & NUISANCE BYLAWS	DEVELOPED	YES	2014	YES (Notice No. 38 of 2016)	04/12/14
INFORMAL TRADING BYLAWS	DEVELOPED	YES	2014	YES (Notice No. 36 of 2016)	04/12/14
INTEGRATED WASTE MANAGEMENT (RECYCLING) BY-LAWS	DEVELOPED	YES	2014	YES (Notice No. 33 of 2016)	04/12/14
BYLAWS RELATING TO THE KEEPING OF ANIMALS AND BIRDS BUT EXCLUDING DOGS	DEVELOPED	YES	2014	YES (Notice No. 43 of 2016)	04/12/14
LIBRARY BYLAWS	DEVELOPED	YES	2014	YES (Notice No. 49 of 2016)	04/12/14
MUNICIPAL POUND BYLAW	DEVELOPED	YES	2014	YES (Notice No. 45 of 2016)	04/12/14
PUBLIC ROADS AND MUNICIPAL STREETS BYLAWS	DEVELOPED	YES	2014	YES (Notice No. 46 of 2016)	04/12/14
BYLAWS RELATING TO PUBLIC AMENITIES	DEVELOPED	YES	2014	YES (Notice No. 46 of 2016)	04/12/14
MUNICIPAL PUBLIC TRANSPORT BY-LAWS	DEVELOPED	YES	2014	YES (Notice No. 47 of 2016)	04/12/14
ROAD TRAFFIC BYLAWS	DEVELOPED	YES	2014	YES (Notice No. 50 of 2016)	04/12/14

STORMWATER	DEVELOPED	YES	2014	YES	04/12/14
MANAGEMENT BY-				(Notice No. 51 of 2016)	
LAWS					

## **WEBSITE**

The municipality constantly strives to make information that is relevant, fresh, accurate and consistent available through its website to keep visitors well informed. Furthermore, we endeavour to run a website that is useful to visitors while being a continuous communication bridge between the community and the organization. Other responsibilities include compliance with Section 75 of MFMA that requires the municipality to publish documents for the purpose of access to information and transparency.

Our website currently is compatible with mobile phones and can be accessed via <a href="https://www.ubuhlebezwe.gov.za">www.ubuhlebezwe.gov.za</a>

#### PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Ubuhlebezwe Municipality has never experienced major challenges regarding service delivery protests on services under its mandate. There have been community unrests with community demands ranging from Water, Electricity, Housing, these have been addressed with assistance from the relevant Provincial Departments and District Municipality. There is still a challenge of some areas not having services such as water and electricity and even though these may not be our competencies, we are constantly in engagements with the relevant structure on how we can eradicate all service delivery backlogs.

In the 2019/20 financial year, the Municipality has concluded a Community Survey through our Public Participation Unit, this has been done to clearly identify the arears where the community is greatly dissatisfied so that we may find ways to improve. We also want to rate ourselves, see where we are doing well and continue improving in those areas.

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

## **BASIC SERVICES**

#### PLANNING DEVELOPMENT

In terms of the Municipal Systems Act all Municipalities are required to prepare and review their IDP during the 5-Year period of its lifespan. As part of the IDP process, the municipality has developed a Spatial Development Framework (SDF). Ubuhlebezwe Municipality finalised the development of a four generation IDP and SDF which were adopted by the municipal council on the 28 May 2020.

Moreover, a number of sector plans have been developed/reviewed, which impact on a number of spatial issues such as the; Housing Sector Plan and Migration Plan (HSP), Three Year Capital Investment plan, Spatial Development Framework, Urban Regeneration Plan which unanimously informs the development and growth of the Municipal jurisdiction. It should be noted that the Municipality also facilitated the preparation of the Wall to wall Land Use Management Scheme as well as the Rural Land Use policy to look into the alignment with the elements of the Spatial Planning and Land Use Management Act No. 16 of 2013.

The single Municipal Planning Tribunal (MPT) has been developed as requirement in terms of the Spatial Planning and Land Use Management Act of 2013 (SPLUMA). On 23 February 2017 Council adopted and approved names of persons to serve on the MPT as required by SPLUMA. SPLUMA also requires that the names of MPT nominees be gazette and a notice informing the public of the MPT Establishment be advert on a local newspaper, this has been done.

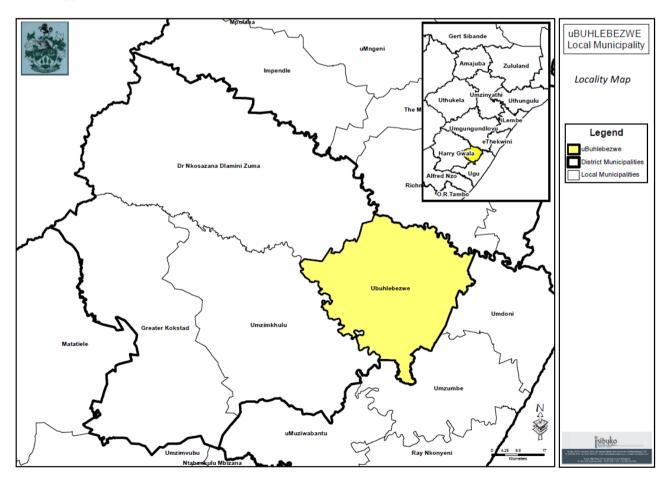
#### **HUMAN SETTLEMENTS**

#### Purpose

The Constitution of the Republic of South Africa, 1996 and the associated Bill of Rights establishes the right of all citizens of the Republic of South Africa to have access to adequate shelter. In response to this Constitutional imperative, the Government introduced the Housing Act, 1997 (Act No 107 of 1997) which requires each municipality, as part of its integrated development planning process, to take reasonable and necessary measures within the national and provincial policy towards the progressive realization of this right. This includes initiating, planning, coordinating, promoting and enabling appropriate housing development within its area of jurisdiction.

Ixopo is identified as the primary node and plays an important role in the region. This recognizes its strategic location and potential role in regional development, service delivery and governance. The town is developed with social, economic and physical infrastructure that benefit the entire municipal area and beyond. It is largely a rural town, which services the community, farmlands and expansive rural settlements.

MAP 1: LOCALITY MAP



**Human Settlements:** 

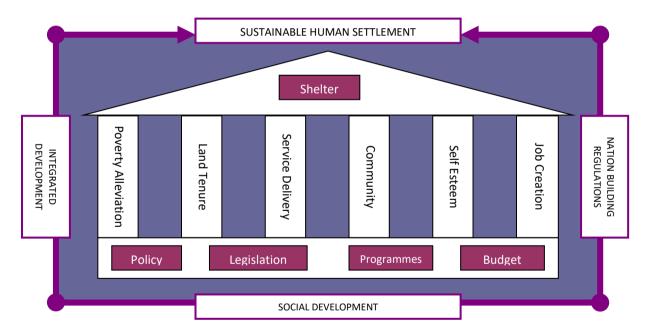
#### The 1976 Vancouver Declaration defined human settlement as:

the totality of the human community - whether city, town or village - with all the social, material, organizational, spiritual and cultural elements that sustain it. The fabric of human settlements consists of physical elements and services to which these elements provide the material support.

The physical components comprise of the following (refer to Figure 1):

- Improving access to shelter (a house);
- delivery of basic services;
- upgrading of land tenure rights;
- improving access to social facilities and services;
- affirming the integrity and dignity of the beneficiaries;
- unlocking economic development potential; and
- improving amenity.

FIGURE 1: HOUSING CONCEPT



Over the years, the concept of human settlements has been developed further into a strategic framework for overall socio-economic development. Human settlements are the spatial dimension as well as the physical expression of economic and social activity. The creation of sustainable human settlements is inevitably an objective for social development as it defines and conditions the relationship between where people live, play and work on the one hand and how this occurs within the confines of the natural environment.

It is one of the most visible and quantifiable indicators of the society's ability to meet one of its basic needs – shelter, and a pre-requisite for sustainable human development and economic

growth. Future human settlement projects within Ubuhlebezwe Municipality should aim to achieve all of these development goals within the broader national housing delivery policy, and planning and service delivery program of the Municipality.

## **Role of the Municipality**:

Since the introduction of the Housing Act, (Act No. 107 of 1997), the National government has introduced a comprehensive programme to address a range of housing needs in South Africa. The programme is outlined in the National Housing Code and the recently introduced Comprehensive Plan for the Creation of Sustainable Human Settlements (commonly known as Breaking New Ground). The National Housing Code (March 2000) sets out clearly the National Housing Policy of South Africa. It identifies the primary role of the municipality as taking all reasonable and necessary steps, within the framework of national and provincial legislation and policy, to ensure that the inhabitants within its area of jurisdiction have access to adequate housing on a progressive basis.

This entails the following:

- Initiating, planning, facilitating and coordinating housing development. This can be undertaken by the municipality itself or by the appointment of implementing agents.
- Preparing a housing delivery strategy and setting up housing development goals.
- Setting aside, planning and managing land for housing.
- Creating a financially and socially viable environment for housing delivery.
- Facilitating the resolution of conflicts arising from housing delivery initiatives.
- Facilitating the provision of bulk services.
- Administering national housing programmes.
- Expropriating land for housing development.

The aim of this plan is to assist the municipality in fulfilling the abovementioned role assigned to it in terms of the National Housing Code.

## Aims and Objectives of the Housing Sector Plan

The Human Settlement Sector Plan for Ubuhlebezwe Municipality is a five-year (2016 to 2020) strategic guide for the transformation of existing human settlements and development of new sustainable human settlements in line with the national human settlement development policy. Its primary aim is to move the human settlement development programme beyond the provision

of basic shelter towards achieving the broader vision of sustainable human settlements and efficient spatial systems.

Its objectives are as follows:

- To reduce housing backlog in line with the national and provincial norms, standards and targets.
- To provide for the introduction of a variety of housing typologies and densities in appropriate locations in line with the Ubuhlebezwe Municipality SDF.
- To contribute towards spatial transformation and creation of an efficient settlement and spatial pattern.
- To facilitate rapid and cost-effective release of land for human settlement development purposes.
- To integrating human settlement projects with other development programmes within the context of the Ubuhlebezwe Municipality Integrated Development Plan and the Harry Gwala District Integrated Development Plan.
- To build capacity for effective human settlement development.

The Ubuhlebezwe Municipality will review the plan annually (as part of the IDP review process) to take into account changes in development trends, progress made in the implementation of the plan and emerging (new) human settlement needs in the Ubuhlebezwe Municipality.

## Scope Of The Human Settlement Sector Plan

The following are to be addressed in the plan:

- Analysis of the local context (spatial, demographic, economic and social);
- Establishing current housing backlog and demand (numerical extent and number of potential beneficiaries per subsidy instrument/ priority issue);
- Analysis of the current housing situation (housing projects, land reform/ restitution projects);
- Developing a pipeline of planned projects (as per Housing Planning Template, i.e. linked to priority housing issues, objectives and strategies; with linkages between strategies and the provincial Department of Human Settlement's programmes, with quantum funding targets per subsidy instrument and with project details per financial year);
- Land identification (location, ownership, access to community and social services, availability of bulk and/ or connector services, accessibility in terms of transport and economic opportunities,

- Promotion of spatial integration and indicating areas prioritised for housing development;
- Integration with other sectors (including land reform, transportation, education, health, etc.);
- Performance management (i.e. performance indicators per priority issue); and
- Developing an appropriate institutional framework for an effective management of the human settlement development programme.
- The Migration plan must be prepared to cater for inflows / outflows / overflows of the population located in informal settlements within Ubuhlebezwe. As such, the following must be addressed:
- Analysis of existing informal settlements;
- Alignment of informal settlement upgrading with policies and frameworks of the Department of Human Settlements;
- Identify and quantify the location of existing informal settlements;
- Classification and evaluation of informal settlements;
- Assessment of migration patterns and impact on housing in the municipality.
- Initiating, planning, facilitating and coordinating housing development. The municipality may undertake this activity itself or by the appointment of implementing agents.
- Preparing a housing delivery strategy and setting up housing development goals.
- Setting aside, planning and managing land for housing.
- Creating a financially and socially viable environment for housing delivery.
- Facilitating the resolution of conflicts arising from housing delivery initiatives.
- Facilitating the provision of bulk infrastructure services.
- Administering national housing programmes.
- Acquiring land for housing development.

The Ubuhlebezwe Municipality HSSP responds to these provincial policy directives and provides for their attainment within the Ubuhlebezwe Municipality area of jurisdiction. The PGDS identities Port Shepstone as a one of the critical population and economic growth areas (urban centres) within the KZN Province. As such, it is a priority area for human settlement development.

MASTER SPATIAL PLAN FOR KZN FOR HUMAN SETTLEMENTS INVESTMENT, JULY 2016:

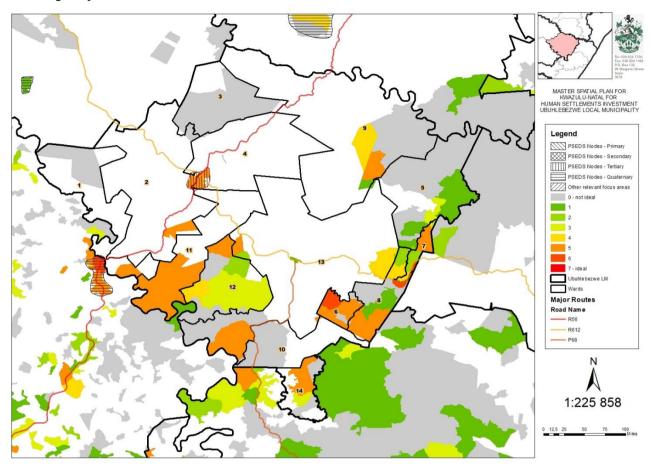
NDP 2030 VISION	MUNICIPAL	HOUSING	HOUSING PROJECTS
	VISION	BACKLOGS	
"By 2030 KwaZulu-Natal is	To improve the	-Lack of housing:	G D 111 '
recognised for its compact,	quality of life	although people are	Sponya Rural Housing
connected and integrated	of all its	employed in the	Project
human settlement pattern	citizens by	Ixopo	Highflats Slums Clearance
across different scales	providing	area the lack of	Housing Project
reflecting successful spatial	basic affordable	accommodation	Kwathathani Rural Housing
transformation, founded on	services, a	results	Project
the values of sustainability,	safe and	in them living	• Ithubalethu Extension 1
collaboration, choice, and	healthy	outside of	Housing Project)
value creation."	environment,	the municipal area	Ibhobhobho Rural Housing
	eradication of	and hence their	Project
	poverty and	spending	Morning view Middle
	maintaining the	power is in other	Income Project
	scenic beauty	areas/regions.	<ul> <li>Mziki Agri Village Housing</li> </ul>
	of this land.	-Housing backlog	Project
		is	<ul> <li>Amanyuswa Rural Housing</li> </ul>
		significant and at	Project
		the time of Precinct	<ul> <li>Ehlanzeni Housing Project</li> </ul>
		Plan	<ul> <li>Madungeni Rural Housing</li> </ul>
			Project
		preparation was planned to be	<ul> <li>Sangcwaba Rural Housing</li> </ul>
		addresses	Project
		through slums	<ul> <li>Ufafa Rural Housing Project</li> </ul>
		clearance	<ul> <li>Mfulomubi Rural Housing</li> </ul>
		projects	Project
		projects	<ul> <li>Hlokozi Rural Housing</li> </ul>
			Project
			<ul> <li>Gudlucingo Rural Housing</li> </ul>
			Project
			Buhlebethu Community
			Residential Units
			<ul> <li>Mariathal Rehabilitation</li> </ul>
			<ul> <li>Fairview Rehabilitation</li> </ul>
			<ul> <li>Mziki Agri-Village</li> </ul>
			Gudlucingo

• Hlokozi
Mhlabashane Housing
Project
Butateni Housing Project
KoZondi Housing Project
Hopewell Housing Project
Ixopo Slums Ward

## **Human Settlement Focus Areas aligned with PSDF Nodes**

PROVINCIAL SDF NODAL CLASSIFICATION	MAIN PLACE		
Primary Nodes for Human settlement	eThekwini		
Investment			
Secondary Nodes for Human	Richards Bay, Pietermaritzburg, Newcastle,		
settlement investment	Port Shepstone		
Tertiary Nodes for Human settlement	Vryheid, Ulundi, Pongola, Kwadukuza,		
Investment	Umzinto / Scottburgh,		
	Kokstad, Howick, Estcourt, Ladysmith,		
	Dundee		
Quaternary Nodes for Human	Jozini, Richmond, Mooi River, Weenen,		
settlement investment	Utrecht, Paulpietersburg, Nongoma, Mkuze,		
	Hlabisa, Melmoth, Eshowe, Nkandla,		
	Nqutu,Greytown		
Other potential areas for Human	Camperdown, Izinqolweni, Ndwedwe,		
settlement investment	Pomeroy, Tongaat/Umhlali		

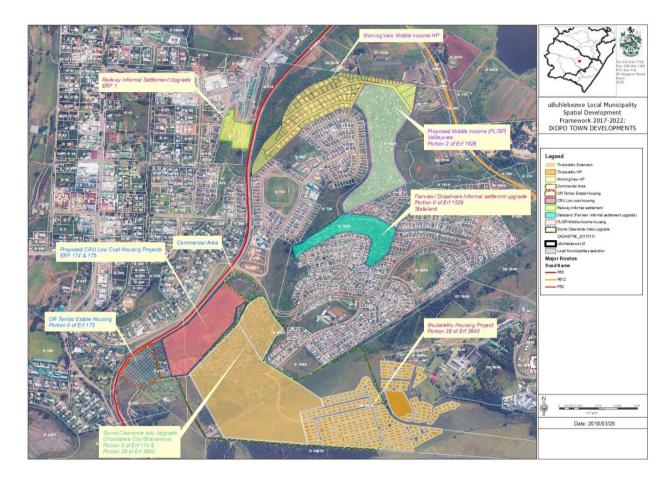
Master Spatial Plan for KZN for human settlements investment – Ubuhlebezwe Municipality



The above mentioned Ubuhlebezwe implemented and planned housing projects have taken into cognisance of the PGDP objective number 3.4. which is on Sustainable Human Settlements. This can be seen in the fact different types of housing options are being offered within the Municipal space. From Densification of settlements – building walk-up flats to optimise the use of the land through CRU, middle and low-income housing options, rehabilitation of old housing stock as well as slums clearance projects. High density sustainable liveable housing remains the Municipality's gospel which is line with the MSP for the province. This desired human settlement projects have been noted to be slow to materialize and the Municipality depends heavily on DOHS being the driver of this institutional mechanism as they are most acutely. The Municipality also ensures coordination with the relevant sector departments to assist with the planning and implementation of all housing projects. As mentioned with the MSP and DOHS anticipated urbanization human settlement focus the Municipality has also aligned itself with this requirement as can be seen as per the below map and it caters to the

provision of appropriate housing typology linked to all income levels. This ranges from new entrants to the housing market as well as the gap housing market beneficiaries.

# MAP ON Ixopo Town: Ward 2 and 4 Proposed Slums Clearance currently packaged Housing projects



All in all it should be noted that Ubuhlebezwe housing sector plan speaks to the following PGDP Objectives;

- Interventions for Sustainable Human Settlement
- Intervention for Densification of settlement patterns
- Intervention for Transformation of Informal Settlements
- Intervention for Develop provincial strategy and plan to address housing Gap Market
- Intervention for the Expansion of the Social Housing Programme and Rental Programme

Consistent interpretation and application of the following principles and objectives across various scales is of importance as a way forward linking Ubuhlebezwe Housing sector plan with the Master spatial Plan for the Province and it is achieved in the following manner;

HUMAN SETTLEMENTS MASTER SPATIAL PLAN PRINCIPLES	HUMAN SETTLEMENTS MASTER SPATIAL PLAN OBJECTIVES	
Principle 1:Guide and align all investment in	Objective 1:Spatial Transformation	
Human Settlements		
Principle 2: Creation of balanced settlements	Objective 2: Compact settlements and	
reflecting spatial equity, economic potential,	settlements patterns	
and competitiveness & environmental		
sustainability.		
Principle 3: Spatial targeting and spatial	Objective 3: Connected settlements and	
concentration	settlement patterns	
Principle 4: Accessibility and Choice	Objective 4: Integrated settlements and	
	settlements patterns	
Principle 5: Value creation and capture	Objective 5: Functional residential property	
	markets in urban and rural areas	
Principle 6: Effective governance	Objective 6: Consistent application of	
	principles and objectives across various	
	scales (provincial, regional, local, precinct)	
Principle 7:Responsiveness to demographic	Objective 7: Institutional capacity for	
and economic context	effective planning and implementation	

KZN Informal Settlement Upgrading Strategy was developed in 2011.

Its focus is in line with the National Housing Code and current developmental priorities of government as recently reflected in the Outcome 8 National Delivery Agreement. It also seeks to give effect to the upgrading of informal settlements as prioritized via Breaking New Ground and Part 3 of the National Housing Code (the Upgrading of Informal Settlement Programme).

It identifies the promotion of densification as one of its strategic tenets and indicates that densification should be pursued where it is appropriate to do so and where 'compaction' of the urban form is regarded as an important planning principle. The strategy also starts identifying measures of densification through housing as follows:

Double story, attached housing typologies.

More pedestrianised layouts in order to reduce the loss of space to road reserves.

#### Harry Gwala District Development Agenda

The Harry Gwala Integrated Development Plan presents a comprehensive programme for the development of area under the jurisdiction of the District Municipality. Harry Gwala District Municipality is a water service authority. Therefore, its core mandate is providing access to basic infrastructure and services. This includes the human settlement projects. The municipality

has developed a Water Services Development Plan and aims to provide a broad strategy to be followed with the planning and implementation of activities to ensure that adequate operations and maintenance of water services infrastructure is being undertaken. The municipality is still facing challenges in addressing amongst others water and sanitation backlogs especially in rural areas and aging infrastructure. In addition, the dispersed settlement pattern increase the cost of service delivery in the rural areas.

## **Ubuhlebezwe Development Agenda**

The Ubuhlebezwe Municipality has developed an Integrated Development Plan (IDP) indicating, among others, the long term desired situation, short-to-medium term strategic guide for public and private sector investment, and the spatial location of critical infrastructure development projects. The IDP is based on the six local governments Key Performance Areas (KPA), with the development of human settlements being part of the basic service delivery and infrastructure development KPA. The organisational strategic objective in this regard are to ensure the provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development.

In the short to medium term, the HSSP will facilitate housing delivery as a catalyst for socioeconomic development, and in the end contribute towards making the Municipality an area that is sustainable, economically vibrant that affords its citizens a high quality of life.

#### **Implications for the Ubuhlebezwe HSSP**

National, provincial, district and local municipality policies relating to the development of human settlements have far reaching implications for the Ubuhlebezwe Municipality HSSP. These can be summarized as follows:

Access to adequate housing is one of the basic human needs and human rights enshrined in the Constitution. The Ubuhlebezwe Municipality has a responsibility to advance the housing (shelter) related human rights within its area of jurisdiction.

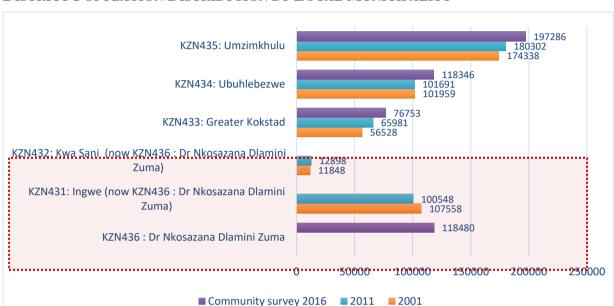
The Ubuhlebezwe Municipality has a Constitutional obligation to ensure that all citizens within the municipal area have access to adequate housing or shelter.

The delivery of housing and the development of human settlements should be undertaken within the broader framework of socio-economic development and spatial transformation.

Planning and development of future human settlements should embrace and adopt norms and standards as articulated in various policy developments.

Human settlement development projects should align with the Harry Gwala District Municipality bulk infrastructure planning and development programme. The same applies to other government departments responsible for educational, health, sports and recreation facilities.

Ubuhlebezwe has the third largest population within the Harry Gwala District, after the recent amalgamation of Ingwe and Kwasani municipalities. It experienced a decrease in population from 101 959 people in 2001 to 101691 in 2011 (figure 2). Recently released Community Survey 2016 results indicates a population of 118 346, which indicates a small population increase of 16 655 people for the period 2011-2016.



DISTRICT POPULATION DISTRIBUTION BY LOCAL MUNICIPALITY

Source: Statistics South Africa (Census 2011) and Community Survey 2016

Considering that South Africa's natural growth rate is around 1%, very little (if any) influx of people to Ubuhlebezwe took place during the period 2001-2011, while a very little influx occurred between 2011-2016.

## **Population Distribution**

The population in Ubuhlebezwe Municipality is unevenly distributed across 14 wards. It should be noted that the ward boundaries recently increased from 12 to 14 wards with the inclusion of a portion of Umzumbe and Ingwe Municipalities into Ubuhlebezwe Municipality (southern boundary). However, statistical data from Census 2011 have not been modified to accommodate this change.

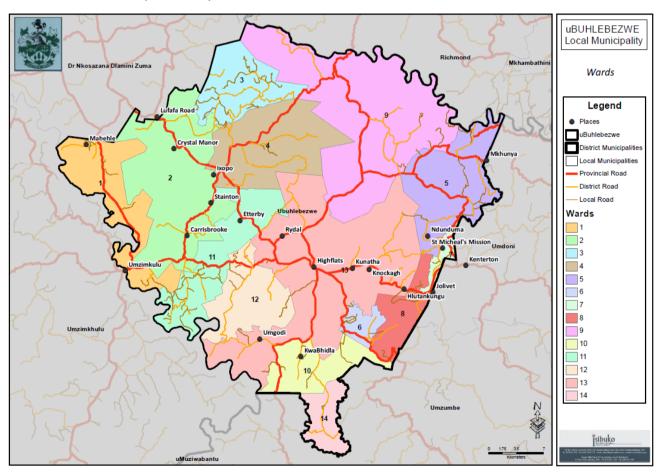
According to the Census 2011 data, ward 8 has 11 646 people, which makes it the most populated electoral ward within Ubuhlebezwe Municipality. This is followed by ward 4 with 11 327 people. While ward 8 is a rural ward, ward 4 and 2 houses the majority of the urban population.

FIGURE 2: POPULATION DISTRIBUTION BY WARD



Source: Statistics South Africa (Census 2011)

Wards in Ubuhlebezwe (new wards)



## **Population Growth Projections**

The table below show the growth rates of Ubuhlebezwe from 2001 to 2011 and 2011 to 2016. Although the population growth rate was estimated at -0.3% between 2001 and 2011, the municipality experienced a positive growth of 3.08% between 2011 and 2016 with an additional population of 16 655 people. This influx can be attributed to the 2016 boundaries redeterminations, where a significant portion of Umzumbe municipality was added to Ubuhlebezwe municipality.

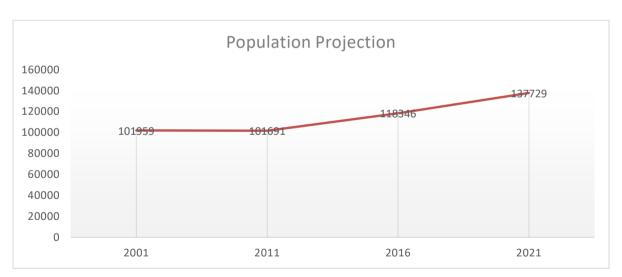
TABLE 1: POPULATION GROWTH RATES

	2001	2011	2016
Ubuhlebezwe Population	101 959	101691	118 346
Growth Rate	(2001-2011)= -0.3%	(2011-2016)=3.08%	

Source: Statistics South Africa (Census 2011), Community Survey 2016 and own calculations

Using the growth rate of 3.08%, the municipality's population is estimated at 137 729 people in 2021. This means that the municipality will grow by an additional 19 383 people. Noteworthy, the growth rate used for the population projection factors in the population that was added into the municipality as a result of boundary redetermination. It is possible that population may grow by a number less than the projected. A growing population has the potential to influence the intensity of development in the municipality. In turn, a growing population needs to be met with an adequate supply of social facilities and basic services to ensure good quality of life of residents. Figure 4 graphically illustrates the municipality's population growth projection trend.

FIGURE 3: POPULATION PROJECTION



Source: Statistics South Africa (Census 2011) and Community Survey 2016

## **Gender Structure**

The gender composition of the population indicates that females are in a majority compared to their male counterparts (refer to figure 3). According to the recently released results of the 2016 Community Survey, there has been an increase in both the male and female population.

FIGURE 4: GENDER DISTRIBUTION



In addition, 57.4%

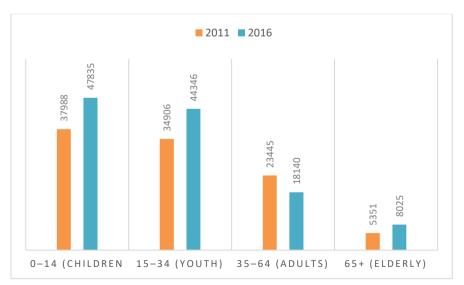
(2016) of the heads of households are women. This reflects the impact of the local economy (lack of employment opportunities) on the gender structure, which forces a large number of males to

seek employment outside the area. It also implies a need for the human settlement programme to sensitive to gender and the needs of women in particular.

## **Age Structure**

The population of Ubuhlebezwe is predominantly young and youthful. Figure 5 provides a comparison between the Census 2011 data and the Community Survey of 2016 data in respect of age groups. The data suggests that there has been an increase in the age group 0-14 and 15
34. This includes the FIGURE 5: AGE STRUCTURE

This includes the school going age cohort and children that need facilities. pre-school However, the age group representing adults and the economically active group of the population declined (35-64) has significantly. This is most probably due to the decline in employment opportunities in the area



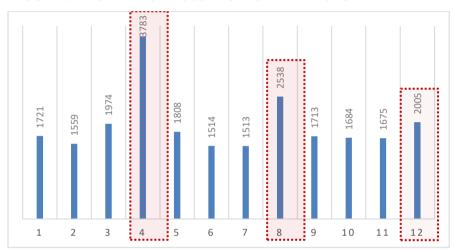
Source: Statistics South Africa (Census 2011), Community Survey 2016

and people leaving the municipal area in search of employment. The percentage of elderly has also increased from 5.3% in 2011 to 6.8% in 2016, which could suggest a trend of older people returning to the area.

## Number of Households

The municipality had approximately 23487 households in 2011 with an average 4.1 people per household. The highest number of households were concentrated in ward 4 followed by wards 8 and 12. Ward 7 accounted for the lowest number of households in the municipality (see figure 7 below). It should be noted that in terms of the 2 new ward information the following applies Ward 13= 3820 and Ward 14=7539

FIGURE 6: NUMBER OF HOUSEHOLDS PER ELECTORAL WARD

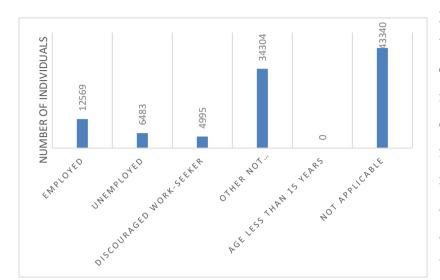


Source: Statistics South Africa (Census 2011)

## **Employment Profile**

Unemployment in Ubuhlebezwe was approximately 6.38% in 2011. The municipality has a

FIGURE 7: EMPLOYMENT STATUS



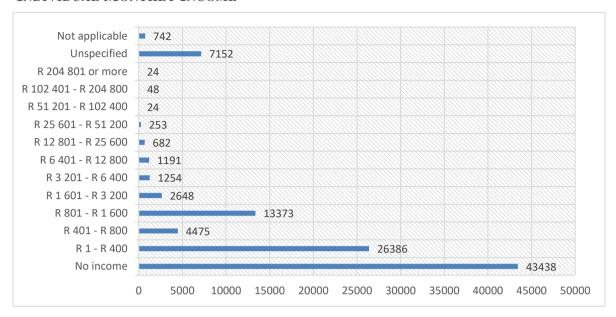
large portion of its population falling within the category of economically not active individuals. This portion of the population accounts for 33.73% of the municipality's population and includes individuals are able and available to work but did not look for

work or start their own business. Only a small portion (12.63%) of the municipality is employed. This indicates a need for the development of the municipality's economy that will contribute to the creation of employment opportunities.

## **Income Profile**

Approximately 42.72% of the population does not earn any income. Furthermore, 26 386 people earn between R1–R400; this is approximately 25.95% of the municipality's population. This income bracket includes government grant recipients and is indicative of a state-dependant portion of the population. Majority of the population earns below R1600 (between R1 and R1600) this further indicates that a large portion of the population is living in poverty with low level of disposable income.

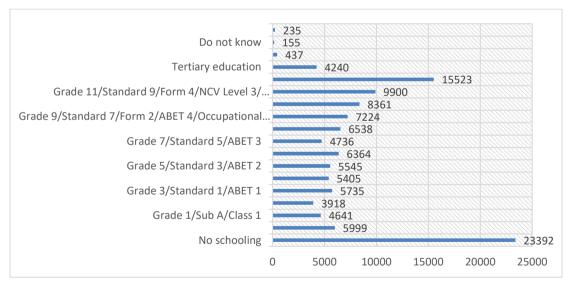
#### INDIVIDUAL MONTHLY INCOME



Source: Statistics South Africa (Census 2011)

## **Education**

Ubuhlebezwe municipality has a high percentage of people with no schooling. Approximately 23 392 people within the municipality have no schooling, accounting for 19.77% of the municipality's population. There is approximately 15 523 people within the municipality have obtained a grade 12 qualification. However, only 3.58% of the population possess a tertiary qualification. This thus calls for the development of tertiary facilities, as highlighted in the municipality's IDP.



Source: Statistics South Africa, Community Survey 2016

#### **Access To Infrastructure And Service**

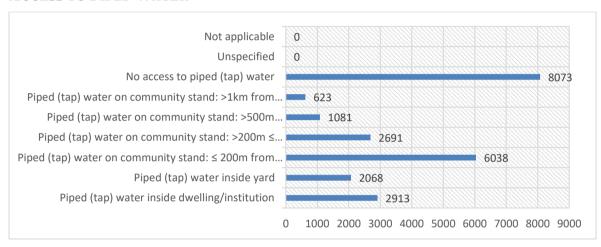
Maps 3 and 4 indicates the main distribution and location of bulk utility infrastructure in Ubuhlebezwe. Although in existence, there are areas not served with bulk infrastructure. It is

noted that the bulk water pipeline and the Eskom power network is closely linked to the movement network.

## **Access to Water**

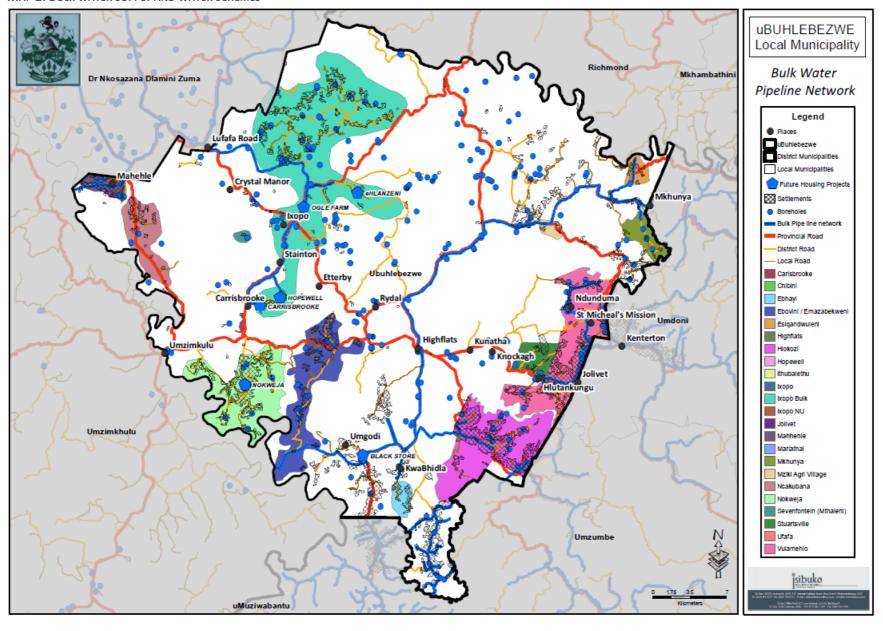
Ubuhlebezwe falls within the Umvoti to Umzimkhulu Water Management Area. Harry Gwala District Municipality is the Water service Authority of Ubuhlebezwe municipality.

## ACCESS TO PIPED WATER



Source: Statistics South Africa, Census 2011

MAP 2: BULK WATER SUPPLY AND WATER SCHEMES



In 2011, approximately 34.37% of the households in Ubuhlebezwe did not have access to piped water. This is approximately 8073 people in the municipality as indicated in figure 10. Only 12.40% of household had access to piped water inside the dwelling. A majority of households in the municipality, about 41.77%, accessed piped water from a community stand of up to 1km away from the dwelling. It is clear that there still exist a number of backlogs with regards to water service provision in the municipality.

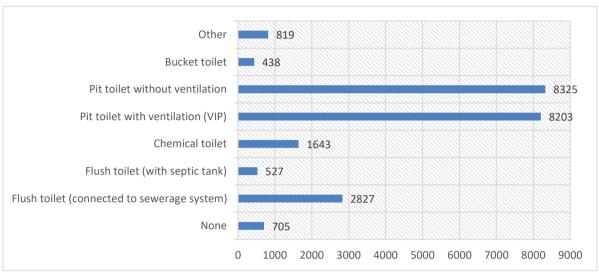
The provision of bulk services to housing projects are of utmost importance. However, confirmation of bulks to urban housing projects by the District have caused a number of problems and delays. The table below indicates the District's planned bulk projects to be implemented within the Ubuhlebezwe Municipality.

NO.	PROJECT NAME	WARD	STATUS
1.	Rectification & upgrade Of fairview and ixopo town sewer system	4	Construction
2.	Ncakubana Water Supply Scheme Phase 3	1	Construction
3.	Umkhunya Water Supply Schemes (AFA)	5	On hold due to appeal
4.	Mariathal, Sprenza, Mandilini Water Project	4	Tender
5.	Nokweja/Mazabekeni Water Supply Scheme	11&12	Construction
6.	Hlokozi water Supply Scheme	6 &8	Construction
7.	Upgrade of Umhlabashana Water supply	10 & 13	Construction
8.	Upgrade of Jolivet Water Supply	8	Construction

## Sanitation

The most common type of sanitation facility used in Ubuhlebezwe are the Pit toilets without ventilation.

#### **SANITATION**



Source: Statistics South Africa, Census 2011

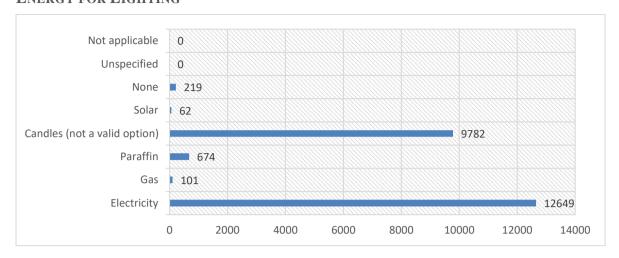
These account for 35.45% (8 325) of the households within the municipality, followed closely by Pit toilets with ventilation used by 34.92% (8 203) of the households in Ubuhlebezwe.

The 2011 Census reveals that 3.00% of the households in the municipality do not have access to sanitation which is a significant decrease from 11.97% in 2011. The municipality still faces backlogs in the number of households with access to flush toilets of which was 12.28% in 2011 (including both flush toilets connected to a sewerage system and those connected to a septic tank). Ixopo is the only settlement serviced by a sanitation scheme and sewerage works.

## **Electricity**

Electricity in Ubuhlebezwe is supplied by Eskom. Approximately 12649 of the households in Ubuhlebezwe use electricity for lighting, accounting for 53.85% of the households within the municipality. Majority of households in the rural segments of the municipality use alternative energy sources such as candles (41.65%), paraffin (2.87%), gas (0.43%) etc. the 2011 Census reveals that only 0.93% of the households within Ubuhlebezwe do not have access to electricity.

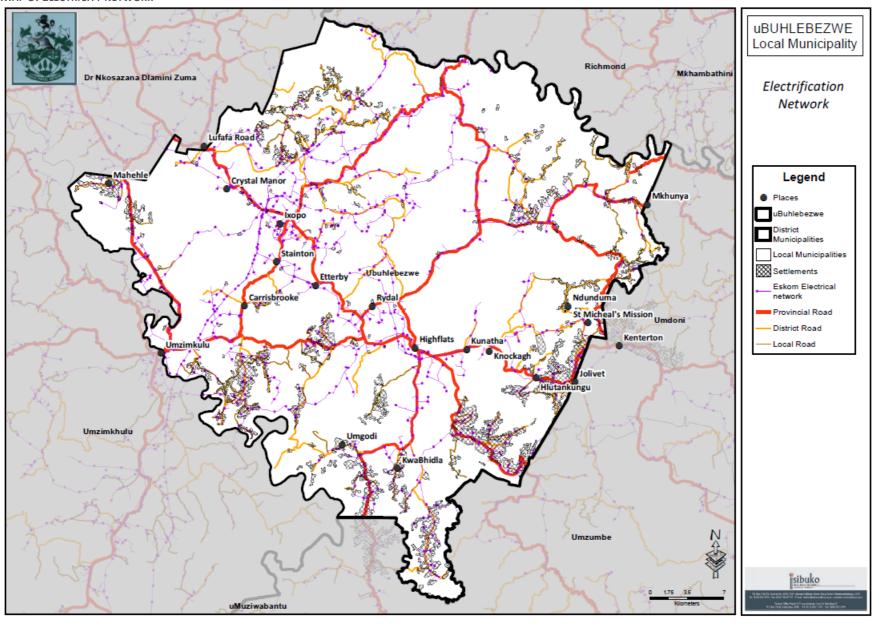
#### **ENERGY FOR LIGHTING**



Source: Statistics South Africa, Census 2011

The electricity backlog in Ubuhlebezwe is attributed to poor access to areas resulting from topography, lack of funding and inadequate bulk supply. The existing power stations have reached maximum capacity. Eskom is in the process of constructing a new power station in Kenterton, which will serve most of the area falling under Ubuhlebezwe municipality.

MAP 3: ELECTRICITY NETWORK

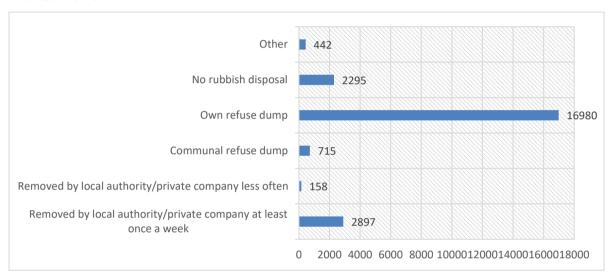


#### **REFUSE REMOVAL**

The municipality developed an Integrated Waste Management Plan in 2014. Approximately 9.77% of households within the municipality have no refuse removal, which is a 1.48% decrease from 2001. Furthermore, about 72.30% of the households in the municipality use their own rubbish dump as a waste removal mechanism.

The IDP indicates that the municipality collects waste on a periodic basis; once a week within residential areas while rubbish is collected twice a day within business are

#### Refuse Removal



Source: Statistics South Africa, Census 2011

Currently, waste is disposed of at the uMzimkhulu Landfill site, 25km to the west of Ixopo. The estimated household wastes being transported are 6.1t/d with a monthly cost of R43 472/month.

#### **Access to Public Facilities**

#### **Health Facilities**

Ubuhlebezwe has 12 health facilities; 1 District Hospital, 9 clinics and 2 mobile points (refer to maps 5-6). Ambulance services are provided from the District Hospital in Ixopo and service the entire municipal area. Table 15 indicates planned clinics within Ubuhlebezwe municipality by the Department of Health. These include new clinics to be constructed and clinics to be upgraded.

#### **Educational Facilities**

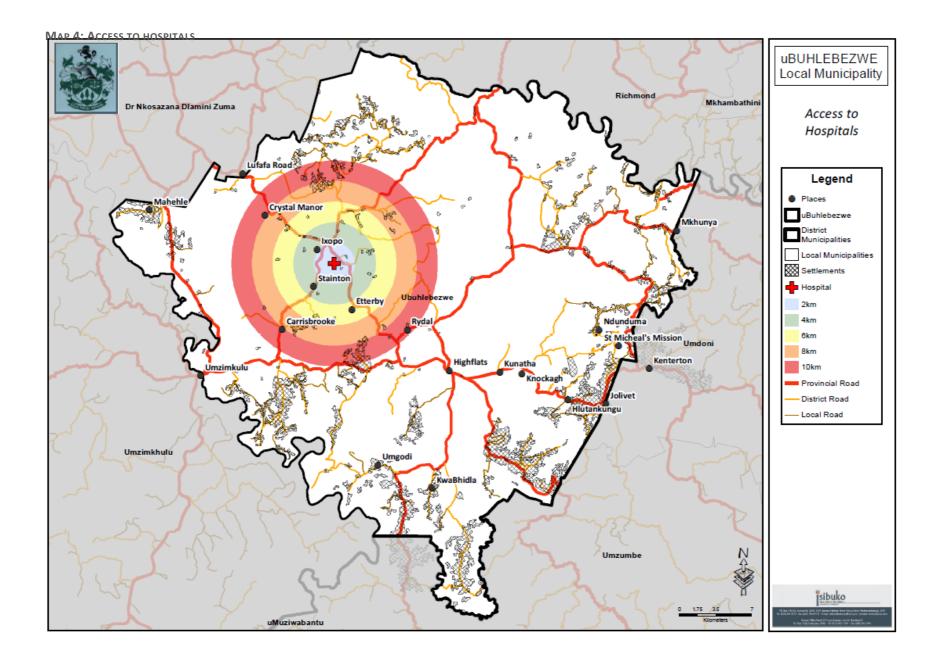
Ubuhlebezwe municipality has 8 crèches, 67 primary schools and 2 secondary schools and 2 combined schools (refer to maps 7-8). There are currently no tertiary institutions within the municipality. According to the department of education, the existing educational facilities can service the area. However, there is a need for the development of tertiary institutions especially in the rural areas to aid in improving the skills base of the population. Furthermore, the existing educational facilities need to be upgraded (SDF 201718: 8).

#### **Libraries**

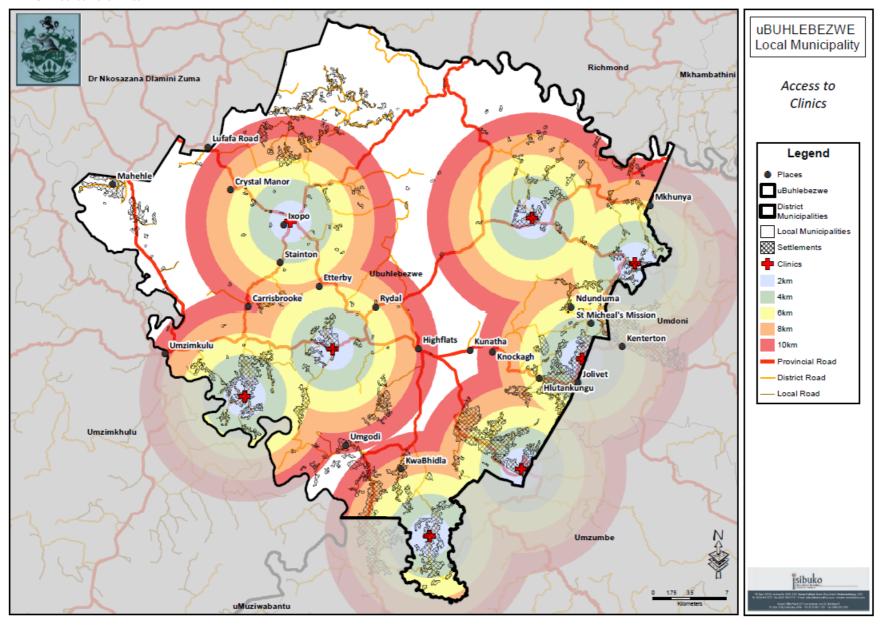
There is one main library within Ubuhlebezwe, the Margaret Mcadi library in Ixopo. The library is the only source for library services within Ubuhlebezwe. The services provided by the library include book lending and computer services. The municipality has extended the library services to the secondary node of Highflats where the facility is housed in the Thusong centre

#### **Police Stations**

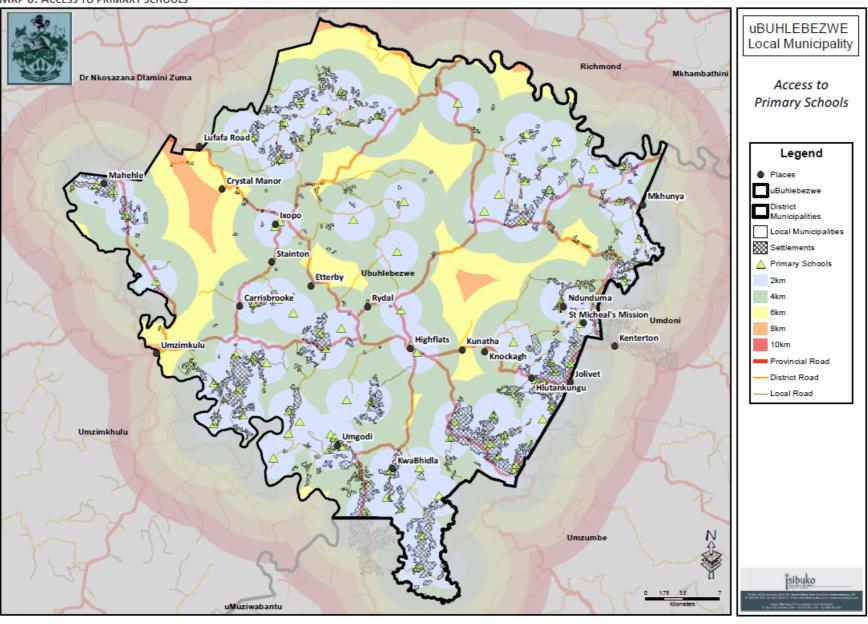
There are two police stations within Ubuhlebezwe municipality, one in Ixopo and the other is located in the Highflats area. Due to the location and the topography some settlements are located, police visibility is limited.



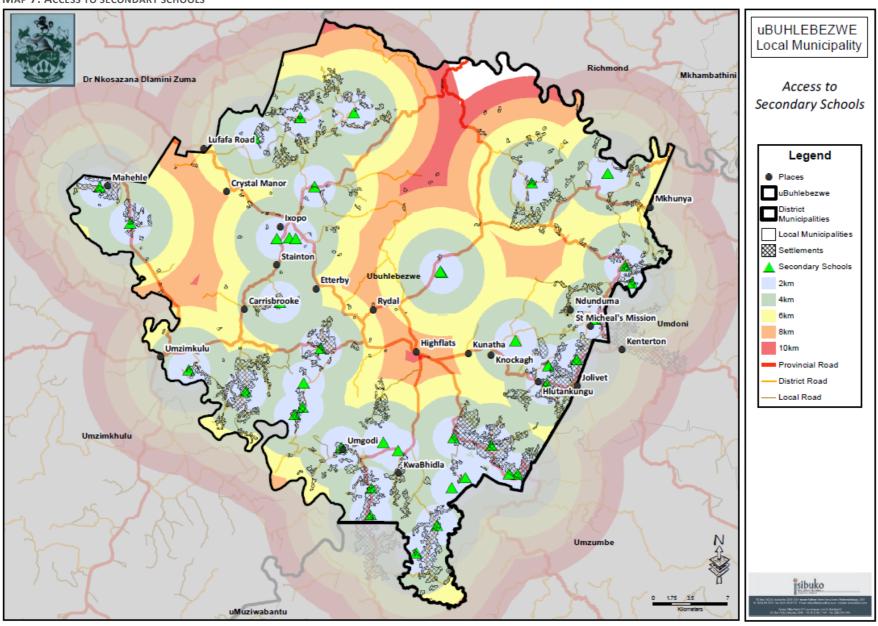
**MAP 5: ACCESS TO CLINICS** 



MAP 6: Access to PRIMARY SCHOOLS



MAP 7: Access to secondary schools



#### Household and services

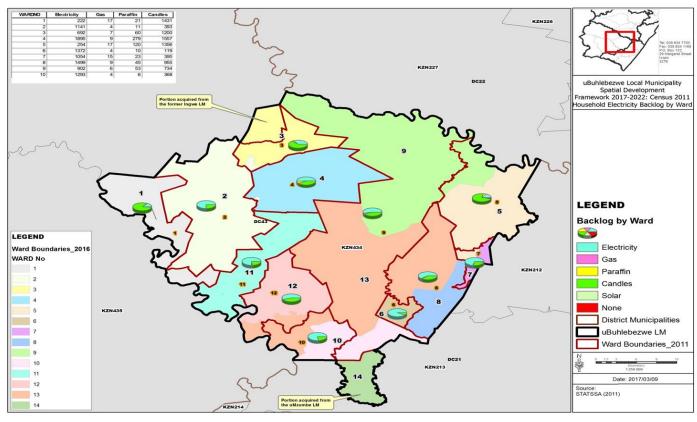
The section below covers the backlog status that is faced by Ubuhlebezwe Local Municipality by providing a comparison of Census 2011 and CS 2016 data. As stated earlier in the passage, the demarcation process and the level of detail at which the CS 2016 is collected has had major implications in how the data is represented.

#### **Electricity**

Electricity used for Lighting is commonly used to identify electrification Backlogs (CS). In the 2011 statistics the electrification backlogs are calculated per household and in 2016 they are based on the total population.

The electricity backlog in 2011 was 10838 households. The backlog for 2016 is 26477 (people). The map below depicts the backlogs from 2011 against the new ward boundaries.

#### **Electricity backlo**



#### (Piped) water

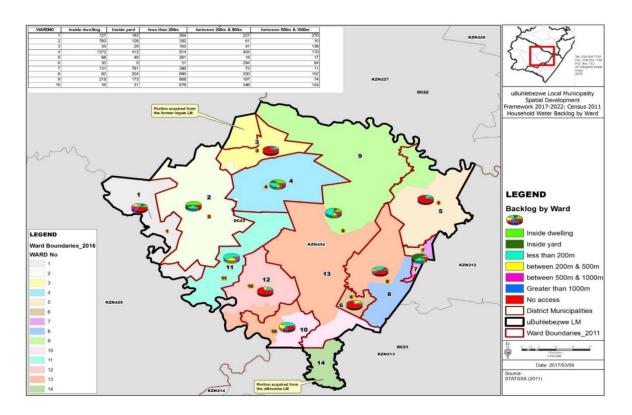
The minimum requirements for acceptable access to Piped Water are:

- Piped (tap) water inside dwelling/institution
- Piped (tap) water inside yard
- Piped (tap) water on community stand: < 200m from dwelling/institution</li>

The following constitute backlogs:

- Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution
- Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution
- Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution
- No access to piped (tap) water

The (Piped) water backlog in 2011 was 12 468 households. The backlog for 2016 is 70834 (people). The map below depicts the backlogs from 2011 against the new ward boundaries.



Water backlog

#### Sanitation

Minimum requirements for acceptable access to Sanitation are:

- Flush toilet (connected to sewerage system)
- Flush toilet (with septic tank)
- Chemical toilet
- Pit toilet with ventilation (VIP)

The following constitute backlogs:

- None
- Pit toilet without ventilation
- Bucket toilet
- Other

The sanitation backlog in 2011 was 10 287 households. The backlog for 2016 is 34 318 (people). The map below depicts the backlogs from 2011 against the new ward boundaries. The (Piped) water backlog in 2011 was 12 468 households. The backlog for 2016 is 70834 (people). The map below depicts the backlogs from 2011 against the new ward boundaries.

#### Refuse Removal

Minimum requirements for acceptable access to Refuse Removal are:

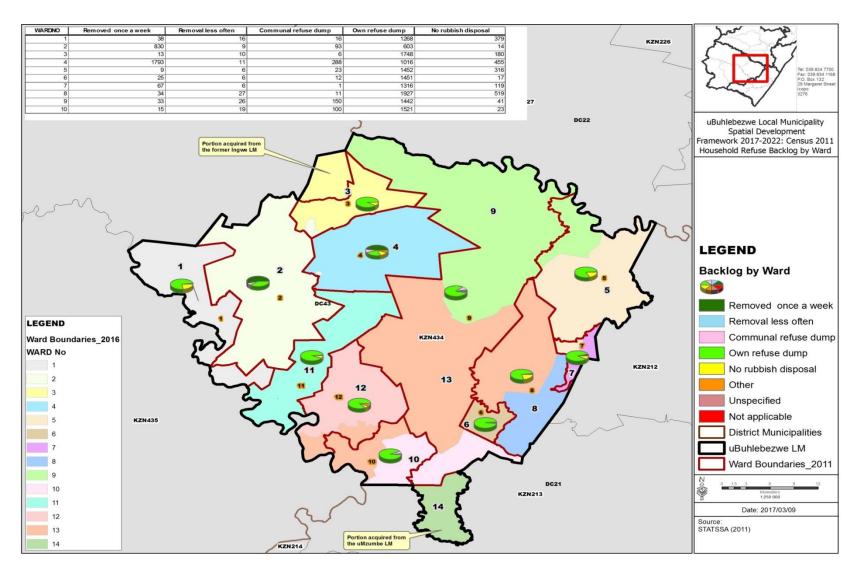
- Removed by local authority/private company at least once a week
- Removed by local authority/private company less often

The following constitute backlogs:

- Communal refuse dump
- Own refuse dump
- No rubbish disposal
- Other

The Refuse Removal backlog in 2011 was 20 432 households against 23487 total households. The backlog for 2016 is 109 424 (people) against 118 346 (people). The map below depicts the backlogs from 2011 against the new ward boundaries.

#### **Refuse Backlog**



#### **INFRASTRUCTURE DEVELOPMENT**

The Infrastructure Planning and Development department is also responsible for the development of road, public transport infrastructure, public facilities, electrification project as well as the implementation of maintenance programmes.

The mandate objectives are achieved by among others:

- Design and construct roads infrastructure as per Department of Transport standards
- Design and construct sport facilities as per the Department of Sport and Recreation specifications
- Design and built all municipal buildings to meet Building regulation standards.
- Design and built all electrification projects to meet Eskom standards through the Schedule B programme.
- Implementation of project under the guidelines of the EPWP

ACTIVITY	UNIT OF MEASURE	2019/20 OUTPUT ACHIEVED
Number of km of new surfaced roads	Km	0
Number of km surfaced roads rehabilitated	Km	2
Number of km new gravel roads constructed	Km	7
Number of km patched gravel roads	Km	0
Public Transport Facility (i.e. Ixopo Bus Rank)	No.	0
Number of sport facilities constructed	No.	0
Number of sport facilities upgraded	No.	1
Number of community halls constructed	No.	2
Number of community halls Renovated	No.	1
Number of bridges constructed	No.	2
Number of crèches constructed	No.	0
Number of skills centre constructed	No.	0
Number of street light installed	No.	0
Number of Households electrified	No.	1185

The following are infrastructure projects that were implemented in the 2019/20 Financial Year:





Culvert/bridge Esivandeni (Ward 14)

Culvert/bridge Brigadier Royston road (Ward 2)

WARD	PROJECT DESCRIPTION	Photos	ORIGINAL BUDGET	BUDGET SPENT IN 2019/2020 FINANCIAL YEAR	PROJECT DURATION
1	Magawula road		R 2 771 365.45	Completed	06 Months
3	Amazabeko hali		R 3 166 023.03	Completed	06 Months
5	Esidungeni road		R 3 964 271.39	Completed	06 months
6	Esivandeni Road		R 6 765 301.91	Completed	06 Months
	Masomini road		R 4 168 155.05	Completed	06 Months
7					

	Esiqandulweni sportsfield	R 7 141 905.80	R 5 121 117.11	06 Months
8	Nkhweletsheni Community Hall	R 3 522 268.18	Completed	06 Months
9	KwaDlaDla Sportfield	R 1 513 683.82	Completed	6 Months
10	Bethal Electrification 50 Connections	R1 500 000.00	R320 733.13	3 Months

11	Mandilini Electrification 300 house holds	R9 563 061,23	Completed	6 Months
12	Black store Electrification 882 House holds	R18 719 217,74	Completed	10 Months
13	Golf course electrification project. 42 units	R10 729 900,53	Completed	6 Months

## **Social and Local Economic Development**

#### SOCIAL AND LED

#### **Ubuhlebezwe Municipality SMMEs and Co-operatives Support**

The Municipality's LED Unit has a mandate of supporting community based projects, throughout the local community and it is the Municipality's intention to ensure economic sustainability and viability of these initiatives by not only providing funding, but also providing capacity building for the betterment of the projects or businesses that are funded by the Municipality. Ubuhlebezwe has developed the SMME's / Cooperatives data base for the implementation of business support programme. Ubuhlebezwe has a funding programme that assists cooperatives / SMME'S access funding.

Applications for funding are invited from Small, Medium and Macro Enterprises / Cooperatives. The criteria to select these businesses and projects were based on locality, competitiveness, potential to register, creating employment and profitability. The Evaluation Committee consisted of representatives from SEDA, Department of Agriculture, Harry Development Agency, Harry Gwala Agric, LIMA and Ubuhlebezwe LED unit, respectively.

## **LED** ward-based projects

The 25 twenty-five Local Economic Development projects implemented by Ubuhlebezwe Municipality are as follows:

LED Projects that have been funded in the 2019/20 financial year namely:

NIO		CECTOD		1	
NO	PROJECT	SECTOR	LOCATION	SUPPORT	PROJECT DESCRIPTION
	NAME			PROVIDED	
1.	VAALKRANS PIGGERY	LIVESTOCK (PIGGARY)	HLANZENI WARD04	FEEDS	This is a agriculure livestock piggery project. It has employed 4 people consists
2.	PHUMA EPHETHE PROJECT	POULTRY	EMGAGENI WARD 07	FEEDS, EQUIPMENT FOR STRUCTURE, CAGES AND HENS	of 1 female and 3 Males.  This is a agriculure poulty project. It has employed 3 people consists of 3 females.
3.	VUKUZENZEL E PROJECT	POULTRY	SPRINGVALE KOZONDI WARD 09	STRUCTURE AND FEEDS	This is a agriculure poulty project. It has employed 3 people consists of 3 females.
4.	UBUNYE BOBUMBAN O	POULTRY	VUKANI MPOFINI WARD 03	FEEDS, CHICKEN LAYERS, HENS AND CAGES	This is a agriculure poulty project. It has employed 3 people consists of 3 females.

5.	ZONDI FARM	LIVESTOCK	KWANTAMBA MA WARD 12	FEEDS AND CHEMICALS	This agricultural livestock project. There are 3 people who are employed, consists of 3 males. Mr Zondi is a livestock farmer, he raises bottle - calves and sell them at 18 months old at Rydal livestock Auction (Indali).
6.	MASAKHANE FARMING	CROP	DAWNVALLEY FARM WARD04	AGRIC INPUTS AND CHEMICALS	This agricuvltural crops project. It has employed 7 people consists of 3 females and 4 males.
7.	INTSHAKAZI	CROP	KWANCAKUBA NE WARD 01	DESIEL PUMP FENCING MATER IRRIGATION SYST AND AGRIC INPU	TEM

of 0 females and 5 males.

8.	MANCIZA	CROP	EMAZABEKWE NI WARD 12	AGRIC INPUTS	This agricuvltural crops project. It has employed 6 people consists of 5 females and 1 male.
9.	INHLAKANIPHO FARMING PTY LTD	CROP	EMADUNGENI WARD 12	FENCING AND AGRIC INPUTS	This agricuvltural crops project. It has employed 8 people consists of 3 females and 5 males.
10.	NCAMA UKUFA CONTRUCTION AND FARMING	CROP	HLOKOZI WARD 06	SEEDS	This agricuvltural crops project. It has employed 4 people consists of 1 female and 3 males.
11.	SIYATHUTHUKA AGRI CO-OP	CROP	MAZABEKWEN I WARD 12	FENCING MATERIAL WATER PUMP PIPES AND SPRINKLER AND AGRIC INPUT	This agricuvltural crops project. It has employed 10 people consists of 4 females and 6 males.

4.5	D.1370 - 2 - 2 - 2	an on		I A GRAG TO THE	
12.	PANDAROSA	CROP	HLANZENI	AGRIC INPUT TRACTOR AND DAM	
			WARD 04	SCOOPING	This agricuvltural crops project. It has employed 18 people consists of 10 females and 8 males.
13.	MAHLAVU	BLOCKS	NDWEBU	MACHINE MIXER,	
	TRADING	MAKING	WARD 14	PALLETS OF CEMENT	This project is a block making project. There are 6 people who are employed consist of 2 females and 4 males.
14.	SANDS AND	BLOCKS	IXOPO TOWN	ABLUTION FACILITY	
	TRANSPORT	MAKING	WARD 02	BUILDING MATERIAL	This project is a block making
					project. There are 15 people who

					are employed consist of 1 female and 14 males.
15.	THANDOKU HLE	SEWING	HLOKOZI NHLANGWINI	SEWING MATERIAL AND MACHINE	
			WARD 08		This is a sewing project. It has employed 2 people consists of 2 females only.
16.	IKUSASA SEWING SKILL ACADEMY	SEWING	MORNINGSIDE WARD 04	MACHINES AND SEWING MATERIAL	This is a sewing project. There are 3 people who are employed consist of 3 females only.
17.	PHAPHAMA TEXTILE AND FARMING	SEWING	MAKHOLWENI	MACHINES & SEWING MATERIAL	This is a sewing project. There are 5 people who are employed consist of 5 females only.
18.	NDALO ACADEMICS FASHION AND DESIGN	SEWING	SANGCWABA WARD 05	MACHINES AND SEWING MATERIAL	The second secon
					This is a sewing project. There are 16 people who are employed consist of 12 females and 4 males.
19.	SIYAZAMA FASHION	SEWING	JOLIVET WARD07	MATERIAL AND SEWING MACHINE	This is a sewing project. There are 4 people who are employed consist of 4 females.
20.	SENIOR CITIZEN SKILL PROJECT	ART AND CRAFT	FAIRVIEW WARD 04	SEWING MACHINE AND MATERIAL	This is a sewing project. There are 8 people who are employed consist of 8 females only.
21.	KUNTO TIMBER JOINER AND PROJECT	MANUFACTURE	IXOPO WARD 04	TRAINING	This is a furniture manufacture project. There are 2 people who are employed consist of 2 males only.
22.	SIYAZAMA SKILL WORK	TREATED POLE	NHLAVINI WARD 09	CCA CHEMICAL MATERIAL	This is a timber manufacture (poles) project. There are 3 people

					who are employed consist of 3 males only.
23.	TRUE MOTION TRADING ENTERPRISE PTY (LTD)	MANUFACTURE	HOPEWELL WARD 02	WELDING MATERIAL, GENERATOR	This is a welding project. It has employed 4 people consists of males.
24.	PHILANGOM PHAKATHI	MANUCTURE	HLUTHAKUNGU WARD 08	TRAINING	This is a furniture manufacture project. There are 1 person only.
25.	NKOSINATH I NJILO	CAR WASH	JOLIVET WARD 07	UMBRELLAS AND WENDY HOUSE	This is a car wash project. There ar employed consist of 3 males only.

### **Ubuhlebezwe Municipality LED Funding Grant Programme wards presentation**

Ubuhlebezwe Municipality IDP Road-shows LED grant and entrepreneur development programme is incorporated within presentations by Ubuhlebezwe Municipality LED Unit. The requirements and processes of obtaining LED Municipal grant.

#### **Ubuhlebezwe Municipality Capacity Building on SMMEs and Co-operatives**

The Ubuhlebezwe Municipality is providing capacity building trainings on SMMEs and Cooperatives together with SEDA, NDA, EDTEA and Private Sector.

## LED CAPACITY BUILDING TRAINING WARD 02, WARD 03 WARD 04, WARD 05 AND WARD 11

The Ubuhlebezwe Municipality has partnered with the Department of Economic Development and Environmental Affairs (EDTEA) to conduct capacity building on training on emerging and established SMME's and Cooperatives in all Ubuhlebezwe Municipal wards. EDTEA has signed an MOU with the Durban University of Technology (DUT) to roll out training and capacity building interventions targeting communities from the Harry Gwala District Ubuhlebezwe Municipality. The preferences were granted to the youth, women, people with disabilities, SMME's and the unemployed for the following training programs:

MODULES
Start your own business
Financial management
Leadership in technology
Foundations of leadership
1 oundations of readership
Critical thinking and ethics
Project Management
How to interpret economic Data
•
End User- Computing
Web 2.0 and social media
Cyber sequeity
Cyber security

Ubuhlebezwe Municipality LED Office has conducted training on how to start your own business and Web 2.0 and social media during 2019 /20 financial year in the following Ubuhlebezwe Municipal wards;

NO	LOCATION AND WARD	NUMBER OF PEOPLE TRAINED	DATES
1.	Hopewell Ward 02	35	12-16 August 2019
2.	Ofafa Ward 03	36	12-16 August 2019
3.	Fairview Ward 04	30	19-23 August 2019
4.	Sangcwaba Ward 05	42	19-23 August 2019
5.	Nokweja Ward 11	30	26-30 August 2019
6.	Nokweja Ward 11	25	25-27 September 2019



#### UBUHLEBEZWE MUNICIPALITY LED CAPACITY BUILDING WORKSHOP

The Ubuhlebezwe Municipality LED Unit partnered with the Department of Economic Development and Environmental Affairs (EDTEA), Department of Cooperative Governance and Traditional Affairs (CoGTA), South African Local Government Association (SALGA) and University of KwaZulu-Natal (UKZN) Regional Local Economic Development Programme under Graduate School of Business and Leadership, conducted LED Capacity Building Workshop on Ubuhlebezwe Municipal Councilors and LED Officials on the 28 August 2019 at Morningside Soweto Hall Ward 04. Ubuhlebezwe Municipality was selected hence it has been recognized as one of the best in LED practice within KwaZulu-Natal Municipalities.

The aim of the workshop was to look at the status of LED in Ubuhlebezwe Municipality, LED as a concept and its importance, legislative framework for LED, fundamentals in LED, legislative background to LED, LED programs and projects at Municipal level, LED Strategies, investment promotions, institutional arrangements (LED forum) and LED support services.



Ubuhlebezwe Municipality LED Capacity Building Workshop 2019

#### **EDTEA AND UKZN 2020 RLED Champions Programme**

#### **Background on the RLED Champions Programme**

Ubuhlebezwe Municipality Social Development LED / Tourism Office has recommended it LED beneficiaries for the Regional Local Economic Development (RLED) Champions Programme. It is a nine month (attending one week block every month). RLED Champions is a development intervention that is designed to capacitate social entrepreneurs to scale their impact.

The RLED Champions Programme is a social entrepreneurship development intervention offered to social entrepreneurs named Champions to accelerate transformational changes in their communities across KZN. The programme is fully funded by the Provincial EDTEA and offered in partnership with the RLED initiative of the Graduate School of Business and Leadership of University of KwaZulu-Natal (GSB&L of UKZN).

The programme is based on a keen understanding of the challenges facing social entrepreneurs (both locally and across the globe) and modelled on an adaptation of best practice in both its curriculum and its delivery. RLED Champions are exposed to cutting edge thinking and innovative practices in social entrepreneurship across the major areas required for their personal development and the development and scaling of their social ventures.

The RLED Champions Programme is firmly embedded in the Sustainable Development Goals (SDGs). SDG\_1: End Poverty; SDG 2: End Hunger and achieve Food Security and promote Sustainable Agriculture and SDG 8: Inclusive and Sustainable Economic Growth. This is achieved in the Champions and through the various types of enterprises they operate.

## The attached is the list of **Ubuhlebezwe Municipality RLED Champions 2020** as follows:

SURNAM E	NAME	GENDER	AREA	ENTERPRISE	EMAIL
Gqwaru	Khethokuhl e	M	Ixopo / Nokweja Ward 11	Kwakhe Investments	khetho.g@live.co.z a
Mbongwa	Nondumiso	F	Ixopo / Nokweja Ward 11	Nokweja Chicken Farm	ndumi365@gmail. com
Ogle	Darian	M	Ixopo / Emakholwen i Ward 04	Vaalkrans Piggery Project	darianogle2@gmai l.com
Duma	Lwazi	M	Ixopo/ Jolivet Mgangeni	Lwazi Duma Entertainment PTY LTD	Lwazi.dumamjd@g mail.com



Ubuhlebezwe Municipality RLED Champions 2020

#### IXOPO FLEA MARKET FEBRUARY 2020

Ubuhlebezwe Municipality held Ixopo Flea Market on the 29<sup>th</sup> of February 2020 at Ixopo Commercial Street. The aim of having market is to provide access to market both exhibitors and local communities and furthermore ensuring that the environment is conducive for economic activities (breathe life into small towns).



Ixopo Flea Market 2020

# Business support services

The Business Act of 1991 stipulates that "the administrator my by notice in the

official Gazette, designate a local authority or appoint any person or body as a licensing authority for area which the Administrator specifies of defines in the notice, to undertake from a date specified in the notice the licensing of businesses in the area concern". Through this provision, the municipality has gained the administrative powers to issue business license to community of Ubuhlebezwe. The business support services are being provided to the community throughout the financial year.

As part of the Municipal functions Ubuhlebezwe has a responsibility, under the social development department to formalize the informal traders on the street to grant them trading permit and business license to formal to trade legal. Furthermore, ensuring that the environment is conducive enough such as ensuring safe and good trading areas (market stalls). Informal trades (street venders) are also invited to apply for traders permit for them to be identified for statistics purpose and be supported by the municipality.

#### PROJECT TARGETING EMERGING FARMERS

#### LIMA Smallholder Farmer's Abalimi Phambili Project

The Smallholders Farmer's Abalimi Phambili was focusing on the entire agricultural value chain to ensure sustainable job creation. This was achieved through 4 core elements:

- Technical training and skills development through training;
- Establishment of Agri-hubs and identifying value adding opportunities.
- Market Access Development.
- Provision of production loans to qualifying famers.

The programme duration was 1st of October 2015 to the 30th of September 2019 (4 years).

A steering committee which also includes the Agriculture Task Team was established through Ubuhlebezwe Municipality LED Forum. Its function was to deal with local agricultural related issues and Lima reports on the project's progress quarterly. The project ended in September 2019 and a close out report was submitted to Ubuhlebezwe Municipality by Lima, which furthermore allowed for an exit strategy that was developed thereafter as an alternative for Ubuhlebezwe Farmers. However, the Agriculture Task Team and LED Forum both structures still exist and currently fully functional.

#### **Ubuhlebezwe Small Holder Farmers Support Programme:**

The Ubuhlebezwe Municipality has a farmer support programme that aim at stimulating the local economy in Ubuhlebezwe Municipality by providing farmer's support services and strengthening market linkages for farmers. The Small-scale and emerging farmers in communal areas have resources available for food production but face difficulties in breaking into the agricultural value chain. Agriculture facilitation aims to create direct linkages with the value chain and break the economic isolation. The Farmers are viewed as individual entrepreneur's, with the objective of strengthening their small business and improving their profits. Appropriate business skills and farmer development training, in ensuring that these objectives are realised and ensuring sustainable development of these farmers. Farmers are also encouraged to collaborate with each other to benefit from the economies of scale. The programme aims at developing significant institutional farming structures to facilitate collective buying and selling and at addressing issues of unemployment, poverty, food insecurity and inequality, the target group is youth, women, and people with disability. This

programme is ongoing, and farmers are recruited from ward level, with provision of ongoing farmer extension support to ensure sustainable production.

As an outcome of this programme the following economic spin-offs are anticipated:

- Creation of linkages with local markets and support services
- Strengthening or creation of small businesses to provide intermediary services such as supply of seed, seedlings, agricultural inputs
- Capacity building, technical training, and management support at local level
- Better household food security and nutritional levels

#### **EXTENSION AND TRAINING**

Training are ongoing in all wards to capacitate farmers especially on good agronomic practices, business management and record keeping. Working with other stakeholders has made it easy to achieve this. National Development Agency assisted in training 20 cooperatives (two members per cooperative) from ward 5 Sangwaba, ward 6 Hlokozi, ward 7 Jolivet ,ward 8 Hluthankungu, ward 9 Springvale, ward 10 Thathane and Mhlabashane, ward 12 Mazabekweni and ward 14 Ndwebu on Cooperative Governance and Cooperative Compliance (this helps the cooperatives to understand how to file returns with CIPC and renewals of SARS Tax Clearance certificates and other related documentation for compliance). The training was conducted on the 14 November 2019 at Highflats covering the Ubuhlebezwe Municipal wards mentioned above.



Siyethemba Imvelo Co-operative based in ward 4, has been receiving ongoing support that yielded great results. The project is fully functional and has expanded its operational area.



#### **UBUHLEBEZWE TOURISM**

#### Vision

To be a leading Nature and Culture-based Tourism destination in the Harry Gwala District by 2021. Tourism shall be a dynamic engine of economic growth making a significant contribution to the well-being of the people of Ubuhlebezwe Municipality.

#### **Tourism Objectives**

- 1. To ensure awareness of the tourism opportunities available at Ubuhlebezwe Municipality.
- 2. To encourage both formal and informal investment in the tourism sector.
- 3. To exploit the existing tourism potential to attract tourists into Ubuhlebezwe Municipality.

#### **Ubuhlebezwe Tourism Celebration 2019**

The Ubuhlebezwe Municipality hosted its Annual Tourism event on the 14<sup>th</sup> of September 2019 in celebration of international tourism month. The theme of the celebration was "Creating a travelling culture of our legacy through Ubuhle bethu available facilities and attractions". It took place at Ndwebu Nhlangwini Hall in ward 14. Ndwebu is on the foothills of Ndwebu

Mountain between the streams of uMhlabashane and Mzumbe, it is one of the locations at Ubuhlebezwe with different and interesting tourist attraction sites and is located +-17 kilometres away from Highflats Town.

Ubuhlebezwe Tourism Celebration aims at mainstreaming the role of Arts, Culture and Heritage in Social and Economic Development. The main objective of the event was to:

- To profile Ubuhlebezwe and showcase its unique and diverse tourism experiences offered locally thus encouraging domestic travelling.
- To create public awareness on tourism and to generate local economic activity.
- To highlight the significance of tourism as a tool for development and cultural enlightenment.
- To explore and profile tourist attractions areas within Ndwebu and preserve its history
- To identify group that that facilitate tourism development and encourage tours operators / tour guides within Ndwebu area
- Aims at promoting Ndwebu as a Tourism Hub (destination)
- to create an enabling environment for tourism to flourish within Ubuhlebezwe.

#### The following are some of the tourist attractions and sites at Ndwebu are:

- Ndwebu Mountain
- Mpongozini View
- Rock formation & White Rocks
- eBhuqwini
- uMhlabashane Dam view Site and Rocks on the Cliff
- Caw Footprint on the Rock
- eMaromeni Church Mission
- Mdima Lounge eNdwebu

#### Ubuhlebezwe Tourism Celebration was composed of varies activities;

- 10km Ndwebu Trail Run
- Ndwebu attractions site visit
- Art & Crafts Exhibition
- Cave Tour
- Mountain viewing

- Cultural entertainment main event
- Indawo Tour Launch Ndwebu area

list of participants that won, and their prizes were trophies and medals, gold, silver, and bronze

SURNAME AND NAME	POSITION	SURNAME AND NAME	POSTION
DLAMINI	1	MHLONGO	1
NOLWAZI		THOBA	
NGUSE	2	SITHOLE	2
SIMBONGILE	_	PHELELANI	
SHIBASE ASIPHE	3	NGWANE	3
CHD ACE LETHI	4	MTHOKOZISI	4
SHIBASE LETHU	5	DLAMINI BUSANI	5
SHOBA SINDISWA	3	MBANJWA ANDILE	3
SHOBA SINDISIWE	6	CHIYA MFUNDO	6
ZUMA ASANDE	7	SHEZI	7
ZOWITISTANDE		SPHEPHELO	,
DLAMINI	8	ZUMA MFUNDO	8
AYAPHILA			
SHEZI NOBUHLE	9	NZIMANDE	9
		MPENDULO	
CHILIZA BONGIWE	10	MTHEMBU	10
		SBONISO	
ZULU BONGO	11	YANGA	11
		KHUNYANA	
NDLOVU NOTHILE	12	DLAMINI	12
The second secon	10	SPHILESONKE	10
TIBE	13	MBAMBO LWAZI	13
NTANDOKAZI MKHIZE ZAMA	14	MAGUBANE	14
MKHIZE ZAMA	14	MZOKUTHULA	14
NYANISA	15	SHOZI NELSON	15
SNENHLANHLA		SHOZHTELSON	13
CHIYA SINDISWA	16	MAPHANGA	16
		SKHUMBUZO	
KHAMBULE	17		
ZAMAJALI			
SHEZI ZOLEKA	18		
HADEBE	19		
SINDISWA			
NOTHANDO	20		
THABEDE			

Females and Males 10 km Ndwebu Trail Run





## **UBUHLEBEZWE TOURISM SUMMIT MARCH 2020**

Ubuhlebezwe Municipality held Tourism Summit on the 04<sup>th</sup> of March 2020 at Peace Initiative Hall and resolutions were taken that will inform Ubuhlebezwe Tourism Strategy and the implementation plan (action plan) will be developed and incorporated in the final Tourism Strategy.



Ubuhlebezwe Municipality Tourism Summit – 2020

## **Tourism Graduate Development Programme**

Tourism Graduate Development Programme, Ubuhlebezwe Municipality LED / Tourism is partaking in mentoring and train Tourism graduates. Ubuhlebezwe LED/Tourism unit participated hosting two Tourism interns and has requesting another two trainees to resume in March 2019/2020 to ensure that the unit has capacity to facilitate tourism programmes and events.

### **Tourism Task Team Initiative**

A Tourism Task Team was established through the Ubuhlebezwe LED Forum. Its function to deal with local tourism issues and required to report back to the Ubuhlebezwe LED forum meetings. The Tourism Task Team is currently Functional. The aim of the task team is to discuss issues that are pertaining to tourism development and to create an enabling environment for tourism to flourish within Ubuhlebezwe. The main purpose of the Tourism Task team is to report of progress made by the Tourism unit and planned programmes and activities for financial year with other relevant stakeholders.

### **Marketing**

- The Ubuhlebezwe Municipality and SMT Websites
- Ubuhlebezwe Tourism Experience Phamphflet and SMT Brochure
- Social Medi, Agricultural Royal Show and Africa (Travel Indaba)



Ubuhlebezwe Entrepreneur Exhibiting at Agricultural Royal Show-2020

## Monitoring and Monitoring M&E plan in place to track progress and effectiveness

Monitoring and evaluation are in place. Every quarter there is routine inspection done in all projects that are implemented and monthly all agriculture related projects are visited by Ubuhlebezwe LED Office. Projects are monitored and evaluated continuously. Inclusive Planning and active LED Forum was established. Reports are tabled at Manco, Portfolio committee (social development) monthly. Subcommittees namely: Agriculture, Tourism, Honey and Business Support normally sit in a quarter.

### **COMMUNITY DEVELOPMENT UNIT**

## OLDER PERSONS RIGHTS AWARENESS.

Senior Citizens Golden Games is an active programme that targets older persons from 60 years and older from community - based facilities such as service centres, clubs and hubs. The objectives of these games are to embrace active ageing and create awareness of abilities and capabilities of older persons. This games are strengthened and strategically linked with the current legislation, Older Persons Act No. 13 of 2006 that seeks to address the negative perspective regarding older persons wherein they are described in terms of "cost factors" or the "burden of the future" and portrayed as requiring more help and support which either the family nor the state can or willing to provide. These games consists of 17 sport codes: Duck Walk, Dress up, Passing the ball,100m run,200m,400m run,800m run,400m relay, Rugby ball throw, Juskei, Ring the stick, Ball pass and kick, Ball Relay, Goal Shooting, Pegging Washing Pegs. All Ubuhlebezwe wards were part of the games, which were held on the 25 July 2019 at Jeffrey Zungu Sport field. Ubuhlebezwe has 45 participants that were selected and are going to compete on a district level on the 15 of August 2018 at Jeffrey Zungu Sport field and the Provincial games are were held on the 11 – 13<sup>th</sup> of September 20189 at UGU District Municipality.





# OPERATION SUKUMA SAKHE (MANDELA DAY COMMEMORATION)

The operation Sukuma Sakhe stakeholders commemorated Mandela Day by painting two early Early Childhood Development Centres from ward 10 and ward 13. Departments from all government spheres were part of this programme. The Early Childhood Centre that were painted and renovated were selected through warroom profiling,





## MORAL REGENERATION COMMUNITY DIALOGUES:

Ubuhlebezwe youth office with Operation Sukuma Sakhe Stakeholders and Councillors conducted a Back to School in January 2019 to assess the progress made & challenges that affects the schools in order to provide interventions to resolve identified issues, such as poor passing rate, absenteeism of leaners and teachers and other social ills that exist within the schools. Ward 06 and ward 10 high schools were identified as facing a very high rate of drug abuse (Dagga) by learners. There was also poor participation of parents in school activities, which have led to poor matric results.

Ubuhlebezwe Community Development office with Operation Sukuma Sakhe Stakeholder conducted a Moral Regeneration Community Dialogue Programme at Thathani High school on the 12<sup>th</sup> of March 2020 with an aim of intervening to the social ills that were identified during Back to School visits. The prograssmme was conducted in a form of a small groups dialogue, where female learners, male learners and parents deliberated on the issues that were identified and came up with resolutions that will be implemented in order to stabilize and revitalize learners to obtain a higher pass rate this year. The following Departments formed part of this programme: Department of Social Development, Department of Health, Highflats SAPS, Department of Sports and Recreation and Department of Education. The following resolutions were taken:

- Department of Social Development will conduct more drug abuse and behaviour change programmes in the school.
- Extra study periods will be encouraged.
- Intensify Arts and Culture activities as well as Sports in the school.

### PERFORMING ARTS DEVELOPMENT.

Community Development Office conducted performing arts ward selections in all wards. The final competition was held on 27/09/2019 and the 28/09/2019. The competition was in two folds; indoor competition where Scathamiya, Afro Gospel, Spiritual Gospel, Maskandi, Poetry, Amaculo Omshado, Hip Hop and Kwaito performed. The second fold was outdoor where Isigekle, Ingoma Girls, Ingoma Boys, Isbhaca Boys, Isibhaca Girls, Ugiya, Performed. All the winners in Genre receive a trophy and R 5000; second runner ups received R 3000 and third runner up received R 2000. The purpose of Performing Arts Competition was to expose upcoming artists who have not reached the limelight so that they can be able to showcase their talents, but most importantly it is to develop and promote arts and culture in Ubuhlebezwe and mainstream its role in social development through community development and giving youth an opportunity to showcase their skills.





## UMKHOSI WOMHLANGA.

Umkhosi womhlanga is an annual cultural event that is held at KwaNongoma at King Zwelithini's Kraal. The purpose of this annual event is to promote virginity testing amongst young maidens, in order to fight teenage pregnancy as well as HIV and Aids. 350 maidens from Ubuhlebezwe

+Municipality participated in this event. All the wards attended the event. Ubuhlebezwe Municipality provided the maidens and matrons attending this event with transport and

### **DISABILITY AWARENESS:**

On the 20 November 2019 was a launch of Disability Month Awareness Campaign under the theme" Know me for my ability, not my disability" that as honoured by the presence of Department of Social Development MEC Khoza. The Campaign commenced with a peace mash, where disabled people, Departments and uBuhlebezwe Leadership were caring plug card with messages that were against the abuse of disabled people. The peace mash was from Social Development offices to Jeffry Zungu sport field. The formal programme was conducted at Jeffry Zungu Sportfield where the MEC addressed the audience and presented them with gifts and blankets to make the day special to disabled people. A disabled 8 years old girl from Mahhehle in ward 01 who has never had her birthday celebrated was surprised with a birthday Cake donated by Highflats Spar, a present donated by PEP Store and cash money from Social Development MEC had the best day of her life. The day ended with sport activities, which were soccer, netball, Athletics and mlabalaba. Daniel Mzamo Special School took 1<sup>st</sup> place, Ward 11 took 2<sup>nd</sup> place on sports activities and ward 13 took 3<sup>rd</sup> place. The winners were presented with Gold Trophies and Gold Medals for all the participants.

## DISABILITY SECTOR DEVELOPMENT.

During this reporting quarter 4 companies owned by disabled people, which are Qhafaskotshi Trading Enterprise in ward 03, Sphafu Construction Company in ward 06, Sukumasbewu Trading Enterprise in ward 07 and Masindo Trading Enterprise in ward 11 have been working with the Department of Transport to achieve the 7% target for employment of disabled people. The Department of Transport has Subcontracted 2 disability owned companies from Ubuhlebezwe. Masindo Trading Enterprise has been awarded to make guide Rails in D310 and Qhafaskotshi Trading Enterprise has been awarded to cut grass at crossini eXobho to Emabheleni.

Disability Sector has been working with the Department of Agriculture to formalise their organisations and participate in Ubuhlebezwe agriculture sector. There are 4 disability owned NPOs, which are Siyanqoba in ward 03, Zamukuzakha in ward 03, Zamambo Disability Project in ward 05 and Vukuzakhe in ward 06 that have been visited by the Department of agriculture and are in a process of receiving vegetable tunnels. The aim is to keep disabled people active members of society.

## 16 DAYS OF ACTIVISM: No Violence Against Women and Children

Ubuhlebezwe Municipality launched it 16 days of activism campaign on the 27 November 2019 at Fairview Hall in ward 02. The campaign with a peace mash demonstration that started at Fairview Hall to Shayamoya informal settlement. Shayamoya informal Settlement has been reported to have a huge number of Domestic Violence and rape cases. The formal programme was held at Fairview Hall where sector departments shared words of support. There was also a candlelight ceremony led by Deputy Mayor Cllr Z Mngonyama and Exco member Cllr T Shoba, to remember all the women and children that have lost their lives due to domestic violence. A rape survivor from Lifeline shared a story of her tragic incidents, where she was raped by her own class teacher. The campaign was a great success.

### **CHILDRENS RIGHTS AWARENESS: Child Protection**

Child Protection Week Campaign is observed on the month of May of each year. This child protection week campaign highlights the plight of violence and all forms of abuse against children. Ubuhlebezwe Municipality conducts awareness campaigns with primary school learners from all the wards of this municipality. Government Developments form part of these campaigns since child protection is a responsibility of every South African Citizen.

On the 30<sup>th</sup> of May 2020 Ubuhlebezwe Municipality with Operation Sukuma Sakhe Stakeholders conducted Children's Rights Awareness Campaign on the 30 May 2020 at Carisbrooke Combined School. Sai Babba an Hindu Organisation donated musks, sanitizers, wool school jerseys, hats and scarfs to all Carisbrooke Learners. The Departments of Health focussed on workshopping the learners and teachers about Corona Virus and COVID – 19 Regulations. 280 poor families from Carisbrooke received food parcels with musks and soap to wash hands.



### **WASTE MANAGEMENT:**

### STAFF COMPLEMENT:

Ubuhlebezwe has 12 staff permanent general workers doing street sweeping and 10 EPWP Participants in Ixopo. In Highflats there are four street sweepers and two EPWP Participants assisting in town cleanliness.

### EQUIPMENT AND TRUCK

The municipality has two compactor trucks and one skip truck, 14 skip bins in put around town and in formal and informal areas for waste collection purposes

### **RECYCLING INITIATIVES 19/20**

The implementation recycling initiatives is not formalized, this is due to limited space and facility for this activity. However local SMME take this business opportunity, they make arrangement with local shops owners and collect all recyclables for profit.

### WASTE COLLECTION INITIATIVES 19/20

General street cleaning starts at 8 am to 7pm, where from 8am EPWP Participants clean the town till 12pm. Permanent staff at 12pm till 7pm. Each employee is tasked to work in a particular area and they are given a daily task. Prohibition signs (No dumping) have been put to all areas where illegal dumping is prevalent. Awareness campaigns are coordinated in Ixopo, Highflats and Fairview areas to reduce illegal dumping.

The weekly schedule is followed on refuse collection and the waste is removed in the following area as schedule:

- Mondays High School down to Stuart Street up to Grant Street straight to testing ground
- Tuesdays Morning view High street, Mary Street and centenary road
- Wednesdays Morning Side and Highflats
- Thursdays- Little flower and Hospital. Umngeni, Harry Gwala District Municipality
- Fridays Fairview
- Saturdays Highflats Ixopo

### CHALLENGES

Aging trucks used to collect waste is a challenged, regarding waste management the municipality is still faced with challenge of establishing a dumping site. Resistance of community to adhered to the daily domestic waste collection as well as illegal dumping.

## **Clean-Up Campaign in Highflats**

The Ubuhlebezwe Municipality, Community Works Program Participants (CWP) Department of Economic, Development, Tourism and Environmental Affairs held one clean- up campaigns in Chocolate city areas (slums) on the on the 5th of September 2019. The aim of the campaign was to focus on awareness and actual cleaning of the areas, EDTEA pledged with chemicals for alien plants clearance





# **Commemoration of Arbor Day**

10 trees were planted during the month of September on the following Dates: 11<sup>th</sup> of September at Peace Initiative hall, 17<sup>th</sup> of September at comer R56 and Margaret Street park and 25<sup>th</sup> of September 2019 Corner Centenary and R56 municipal park.



## Clean –up campaign

The Ubuhlebezwe Municipality, The Department of Corporative Governance and Traditional Affairs (Cogta)where MEC Sipho Hlomuka graced the campaign, Community Works Program Participants (CWP) Department of Economic, Development, Tourism and Environmental Affairs held two clean- up campaigns in Ixopo on the 15th of October 2019 at 10am. The municipality held another clean-up campaign in Fairview on the 15th of October 2019 at 10am.









## Clean-Up Campaign in Ixopo

Community services Unit with Edtea, CWP and EPWP Participants held another clean-up campaign on the  $3^{\rm rd}$  of February 2020 in Ixopo town The Municipality, Community Works Program Participants (CWP) Department of Economic, Development, Tourism and Environmental Affairs, EPWP Participants, Office of the Mayors lead by Her Workshop The Mayor Cllr EB Ngubo, Highflats Farmers Association held one clean- up campaigns in Highflats area on the on the  $18^{\rm th}$  of February 2010.. The aim of the campaign was to focus on awareness .

### YOUTH DEVELOPMENT:

### **Career Guidance**

The career guidance for grade 09 learners took place on Thursday, 25<sup>th</sup> of July 2019 in Peace Initiative Hall.

The main aim of the career guidance was to expose grade 09 learners to various careers and advise them to choose the relevant subjects when reaching grade 10 because it's where they make the right choices to pursue their careers that will address the shortages of skills that our country needs.

The exhibitors who were able to attend the career guidance were the following:

Department of Education

South African Police Services

Department of Agriculture, Fisheries and Forestry

Department of and Economic Development Tourism and Environmental Affairs

Department of Arts and Culture – Library Services

Department of Sport and Recreation

Department of Health

Department of Social Development

Department of Correctional Services

University of South Africa





# **Sport Development Programmes**

# **Salga Games Selections**

The preparations for Salga Games Selections at a ward level started on the 03<sup>rd</sup> of August 2019 and were completed on the 11<sup>th</sup> of August 2019. All the fourteen wards successfully selected their squads to represent their wards on the final Local selections that were put on hold which were expected to take place on the 24<sup>th</sup> of August 2019 in Ixopo sport grounds.



Salga Games Ward Selections 2019



Salga Games Local Selections 2019

## **Skills Development**

The municipality through youth empowerment initiative called for applications for Skills Development Programme on Construction Plumbing that will be offered for a period of one month (20 days) as determined by the skills audit analysis of the municipality.

No.	Name & Surname	Ward	Marks Obtained
1	Nonkululeko Nkontwane	11	58
2	Kwanda Hlangu	14	55
3	Nonhlanhla Nkabinde	13	55
4	Nkosingiphile Nxele	02	54
5	Thobani Mhlongo	09	54
6	Olwethu Maduna	11	53
7	Kwenzakufani Mkhize	13	53
8	Zanele Shezi	09	52
9	Nokuzola Radebe	12	51
10	Siphamandla Mkhize	12	51
11	Blessing Chiliza	12	50
12	Sizakele Mkhize	09	49
13	Ntuthuko Ndlovu	03	49
14	Busisiwe Ngubo	04	49

### Miss Ubuhlebezwe and Fashion Show

Ubuhlebezwe Municipality had a very successful event for the youth and the community of Ubuhlebezwe at large which was Miss Ubuhlebezwe & Fashion Show for the third time this year since the event was a great success in October 2018.

The community of Ubuhlebezwe were very impressed about the performance of models and fashion designers, they seen different skills and talents especially from young designers who were showcasing their different attire that all our models used during the fashion show and beauty pageant. Since this was a competition, our first runner-up fashion designer come from ward 04 and our Miss Ubuhlebezwe Municipality comes from ward 04, first princess comes from ward 11 and the second princess comes from ward 07.







**FASHION SHOW** 





MISS UBUHLEBEZWE 2020

## **GENDER DEVELOPMENT & HIV/AIDS PROGRAMMES**

### HIV AND SEXUAL ASSAULT

**Brief report:** Ubuhlebezwe Local Aids Council Q3 report showed that ward 08 was one of the leading wards that were highly affected with sexual assault of children under 12 years of age. For this reason, Ubuhlebezwe working with stakeholders conducted an awareness campaign in the form of role-plays and learner/parent/teacher dialogue session led by Lifeline and Rape crisis.

**Our partners**: In attendance were mixed gender learners from ward 8 and surrounding primary schools as well as parents, teachers, and sister departments (DSD, DOH, DOE, DOJ, NPA, DSR, SAPS, SASSA, DHA). The relatively high incidents of crime such as sexual assault put significant pressure on the health system as it increases a person's vulnerability to HIV and Aids, other sexually transmitted diseases as well as psychological effect on the affected person.

Ubuhlebezwe is in full support of the Criminal Law Amendment Act 32 of 2007 (Sexual Offences and Related Matters) that protects any person who has experienced any form of sexual violence. Sexual assault is one of the ways that people get infected with HIV as rapists hardly wear any form of protection.

Although learners in the area were rated as highly affected, they seemed to be alert on what was discussed and participated fully. Teachers and parents reminded one another that they should be aware of the signs of abused children and should ensure that children are always under supervision of adults. They should also identify signs shown by their children as children usually convey messages through actions instead of voicing out challenges. Teachers confirmed that they have in the past identified sexually assaulted learners from their schools and notified parents that this affect the learner's school performance and the wellbeing throughout his or her life. Taking care of each other's children was also emphasised as the saying, "It takes a village to raise a child".

NPA/Department of Justice were concerned about cases that are not reported and shared the consequences of rape to the child with everyone. The one that seemed new to attendees was that: If a child reported a case to someone who then decided not to report the case further, when the child is old enough and decides to open a case the first person the child told can face serious charges. Use of drugs, alcohol abuse and negligence were linked to sexual assault of young children. Learners were encouraged to tell someone they trust if they suspect that someone might abuse them.

Impact: The community thanked the municipality for opening their eyes through the campaign with so many lessons where they got a platform to discuss issues and asked them to continue alerting people in the whole municipality through such programmes and by doing that sexual assault cases will eventually drop. Learners felt more empowered and all stakeholders committed themselves in playing a role in the fight against sexual assault of young children.

### HEALTH AND FITNESS CAMPAIGN FOR SUPPORT GROUPS

**Brief report:** The programme was done to promote healthy lifestyle for people who are on chronic medication. The programme had 2 phases: **Phase 1** - information sharing sessions on Nutrition, and adherence to treatment. **Phase 2** - health and fitness in the form of sport activities where all 7 support groups participated.

**Our partners:** This programme was done in partnership with DOH, DSD, Lifeline and Rape crisis and DSR.

**Impact:** The educational and practical sessions alerted support groups on the ways to follow to stay healthy and physically fit when using chronic medication. Participants enjoyed the programme especially playing while they initially thought playing was only for children and that physical activity should be painful. They confirmed playing with children at home and during their meetings and improved opportunistic infections since joining the programme. The overall expected outcome is less infection and mortality rates through following a healthy lifestyle.

### WORLD AIDS DAY

**Brief report**: Ubuhlebezwe municipality commemorated World Aids day on 03 December 2019 at Highflats hall in ward 13, an area that has people living in a squatter camp with many health challenges. The campaign was done in memory of those who lost their lives through HIV and Aids related illness and in support of people that are infected and affected with HIV and Aids. The programmes included a candlelight ceremony with prayer led by the religious sector, where an HIV activist lit a candle. A prayer and throwing of balloons were done to chase away the virus and asking for a miracle.

During this campaign, departments and organisations share information and allow communities to engage with them. One of the new and successful programmes discussed was **Index contact testing**, where all people who had sexual contacts with the HIV positive person

should be traced and tested. This programme had a positive impact on tracing HIV infected people instead of testing people who have been already tested.

Our partners included: DOH, DSD, DOE, Lifeline and Rape Crisis, Acqua, Woza Moya, Support groups

**Impact**: The candlelight prayer session has always been felt as a session that brings hope and healing to those infected and affected with HIV and Aids. The information sharing and dialogue session was very beneficial, as the community got a chance to interact with stakeholders and raise their concerns regarding the topics of concern and got guidance where it was possible.

### **MENS DAY**

**Brief report:** The programme was in the form of a **dialogue** to give men a platform to discuss issues that affect them under the theme: ""*Hhayi egameni lamadoda*" meaning that those who abuse women and children should not do it in the name of men as real men do not abuse women and children. The focus was on gender-based violence and highlighting positive roles that men can play in the society. This followed the spike in reports of women being murdered and raped in various parts of the country.

Not only men were concerned about gender based violence, they were also concerned about themselves:

- **Roles:** Working men forget about their roles.
- **Silence depression**: Men tend to die earlier than their wives. They do not open up about their challenges, instead they keep stuff within themselves

**Our partners**: Department of Health, Department of Social Development, Lifeline and Rape crisis, NPA, SAPS, DOJ

**Impact:** These dialogues play a major role in men as they get a chance to discuss issues that affect them. They get empowered through interaction with stakeholders who share relevant information with them.

### WOMENS DAY

**Brief report:** Women's day was done in the form information sharing session where women shared and discussed their stories as a way of empowering one another. Discussions were on:

- Alcoholism as some rape cases are related to alcohol intake
- Speak out about abuse was encouraged
- **Reporting rape** cases even if perpetrators are relatives

- **Power of prayer** in dealing with daily stresses
- Women in small businesses: Women were encouraged to engage themselves in small businesses instead of waiting for handouts.

Our partners: Rape survivor, DOJ, NPA, DOH, DSD, DSR, Lifeline and rape crisis, DEDTEA

**Impact**: The programme resulted in counselling sessions as it opened wounds that never healed for those who never went for counselling. Social workers from Department of Social Development and Lifeline and Rape Crisis had to take some women outside for further counselling after a very touching session facilitated by DOJ. They also had to do follow up appointments and referrals.

**BABY NOT NOW CAMPAIGN**: Although teenagers and partners were so looking forward for this program due to Lockdown this programme did not take place. However, it was included in 2020/2021.

**THUMAMINA CAMPAIGN**: Due to Lockdown this programme could not take place. Since it involves getting inside people's household the programme put people at high risk to Covid-19. However, it's goals and objectives will be accommodated in other 2020/2021 programmes.

## **DISASTER MANAGEMENT AND FIRE & TRAFFIC UNITS**

### **DISASTER MANAGEMENT CENTRE**

uBuhlebezwe municipality's disaster management centre was located at the municipal offices on Margaret street in Ixopo and both disaster management and fire services activities are discharged from such centre. A new centre has been completed during 2019/20, locate along the R56 which will ensure easy movement of the Fire Trucks.



Figure 1- shows the location of uBuhlebezwe municipality's disaster management centre



Figure 2: New Ubuhlebezwe Fire & Disaster Management centre

### **DISASTER MANAGEMENT ADVISORY FORUM**

The municipality established the Disaster Management Advisory Forum in 2014, and since then the forum has been very effective in dealing with all issues that pertains to disaster management within the area of jurisdiction of uBuhlebezwe municipality.

The forum sits once a quarter, and four times a year. For the period July 2018 and June 2019, the Disaster Management Forum set as follows:

NAME	DATES	VENUES
Disaster Management Advisory Forum	18 September 2019	Council Chamber
Disaster Management Advisory Forum	27 November 2019	Harry Gwala Disaster Centre Main
		Boardroom
Disaster Management Advisory Forum	06 February 2020	Harry Gwala Disaster Centre Main
		Boardroom
Drafting of Operational Plan Forum Meeting	14 May 2020	Ixopo SAPS





Figure 4: Disaster Management Advisory Forum in March 2020

### **UBUHLEBEZWE DISASTER MANAGEMENT ADVISORY FORUM TERMS OF REFERENCE**

The terms of reference for the uBuhlebezwe Municipality Disaster Management Advisory Forum are as follows:

- To deal with all disaster risk management issues within the area of jurisdiction of uBuhlebezwe.
- Provide advices and where necessary make recommendations to council on disaster risk management issues.
- Ensure contribution to disaster risk management planning and coordination.
- Promote and establish joint standards of practice amongst relevant disaster risk management stakeholders.
- Ensure that, the Disaster Management Centre stores critical information and becomes a conduit and or repository for such information
- · Promote and assist with disaster management awareness campaigns, training, and capacity building
- Monitor and evaluate disaster management activities.
- Ensure annual report is compiled and submitted to all relevant government spheres as required by the Disaster Management Act.

### MEMBERSHIP OF THE DISASTER MANAGEMENT ADVISORY FORUM

NAME OF REPRESENTATIVE	DESIGNATION	ORGANIZATION	CONTACT DETAILS
NC Mohau	Director Social Development	uBuhlebezwe	0398341904
		Municipality	0725853020
ZN Mthanti	Manager Community Safety	uBuhlebezwe	0398347700
		Municipality	0828540339
SP Mthembu	Chief Fire and Disaster	uBuhlebezwe	0398342211
	Management Officer	Municipality	0760628953
			0760628953
ZB Mthembu	Disaster Management Officer	uBuhlebezwe	0398342211
		Municipality	0729393281
			0734337177
T. Dzanibe	Disaster Manager	Harry Gwala District	0398340043
		Municipality	0828057892
T.S. Mkhize	District Manager	Emergency Medical	0398347211
		Services	0834689563
V. Dawchurran	Communications Officer	Emergency Medical	0398347211
		Services	0844047817
N. Mbongwa	Principal Provincial Inspector	Road Traffic Inspectorate -Ixopo	0398341450
			0798058208
N. Mhlophe	Senior Provincial Inspector	Road Traffic	0398341450
		Inspectorate	0829074079
Jwara	Station Commander	Ixopo SAPS	0398348823/7
			0824177319
L.M. Zondi	Lieutenant	Ixopo SAPS	0398348823/7
			0725490667
Mrs Mtolo Nguse	Station Commander	High Flats SAPS	0398353262/3
			0824177166
S.S. Chiliza	Captain	High Flats	0398353262/3
			0795000026
Mr. Mbuli	Ibhubesi Emergency Services	Operates in district area	035-7899052
			0783792749
Dr. F. Parak	Gijima Care	District Area	0609090911
			0609090911
CL. Ndlovu	Superintendent	uBuhlebezwe Traffic	0398347700
S. Chiya	Senior Traffic Officer	uBuhlebezwe Traffic	0398347700
			0826594405
P. Ramdev- Ashley	Vehicle Tower	Ashley Towing	0398341516
,			

			0715057156
Ettian	Vehicle Tower	Ixopo Towing	0398341351
			0822201948
E. Mlomo	Municipal Health Services	Harry Gwala District	0398348700
	Manager	Municipality	0781407357
T. Mahlaba	Director Social Services	Harry Gwala District	0398348700
		Municipality	0763180097
M. Mchunu	Municipal Health Services	Harry Gwala District	0398348700
	Manager	Municipality	0724210687
B. Mchunu	Manager	EDTEA	0398347600
			0722053441
S. Sosiba	Assistant Manager	EDTEA	0398347600
			0720850458
Charmaine Moses	Manager	World Vision	0398340053
			0612936040
Zama Mngadi Development Facilitator		World Vision	0398340053
			0829737770
Mrs. Ngcobo	Manager	Department of Social	0398341668
		Development	0828048720
F. Khanyile	Manager	SASSA	0398342985
			0732009834
Larry Smith	Manager	Eskom	0398342064
			0793166141
Nozipho Ndlovu	Manager	Home Affairs	0398348902
			0793409451
Cyril Vezi	Manager	South African Red	0315632914
		Cross	0839389966
Thembakazi Base	Manager uMzimkhulu Branch	South African Red Cross	0829315171

The members of the Disaster Management Advisory Forum are as follows:

### STATUS OF THE DISASTER AMANAGEMENT CAPACITY IN THE MUNICIPALITY

In line with the Disaster Management amendment Bill 2015, section 14, subsection 4, which indicates that, "local municipalities **may** establish a disaster management centre in consultation with the relevant district municipality in accordance with the terms set out in a service level agreement between the two parties in alignment with the national norms and standards".

In complying with the above legislation, uBuhlebezwe municipality established its disaster management centre which is situated in the municipal offices in 29 Margaret Street, Ixopo.

The Head of the Disaster Management Centre was appointed and currently running the centre accordingly

The disaster management unit is integrated with the fire section, and is within the Social Development Department in the municipality and its organogram is as follows:



Figure	6:	Organogram	for	Disaster	Manag	gement	and	Fire

DESIGNATION	NUMBER
Director Social Development	1
Manager Community Safety	1
Chief Disaster Management and Fire Officer	1
Disaster Management Officer	1
Shift Leaders	4
Fire Fighters	12
Trainee Fire Fighters	2
TOTAL	22



Fire Fighters on Parade

DISASTER RISK REDUCTION PROGRAMMES/ PROJECTS BY UBUHLEBEZWE MUNICIPALITY 2018/2019

NAME OF PROJECT	BUDGET	DEADLINE
Fire Safety Inspections	-	On-going
Coordination of Disaster Management Advisory Forum	R 22, 000	On-going
Burning of fire breaks	-	May 2019
Disaster Management Awareness Campaigns	-	On-going
Fire Hydrants Inspection	-	On-going
Procurement of Disaster Management Relief	R52, 800	June 2019
Proposed uBuhlebezwe Disaster Management Centre/	R14, 259,	June 2019
Fire Station	755	
Procurement of 2 Fire vehicle/Disaster bakkies	R 940, 000	June 2019
Disaster Management Promotional Material	R 30, 000	
Procurement of fire equipment	R 70, 000	June 2019
Coordination of construction of access roads in informal	-	-
settlements		
Recruitment of Fire Fighters (2 trainees & 2 Fire Fighters)	-	June 2019
Recovery and Rehabilitation	R 225, 000	June 2019

#### **ACHIEVEMENTS**

The Disaster Management Centre has achieved the following given its tight budget:

- Two fire/ Disaster bakkies are on order anticipating delivery sometime in August/ September 2019.
- Convinced the municipality to provide budget to procure more disaster management relief.
- Successfully conducting disaster management awareness campaigns, this has seen a reduction to mortalities related to human induced disaster risks specifically structural fires.
- Ensured continuity and sustainability of the Disaster Management Advisory Forums.
- Disaster Management Plan was successfully reviewed and approved by the municipality.
- Disaster Management Policy Framework is in place.
- Involvement of private sector on disaster management issues

### **CHALLENGES**

- The current Disaster Management Centre/ fire station is not ideally/ strategically located in terms of ensuring suffice emergency response without interference from traffic, hence a disaster management centre is required which will be situated in an ideal location, wherein the fire equipment can also be stored in-house.
- Inaccessible informal settlements in terms of access roads which currently pose a big threat to the informal settlement residents.
- Provision of emergency houses/ wendy houses to needy communities is still a challenge
- Inadequate financial muscle for the municipality to deal with disasters.
- Approved maximum R 50, 000.00 to assist towards procuring building material for people affected by disaster incidents

### REVIEWED AND UPDATED DISASTER MANAGEMENT PLAN

In line with section 52 of the Disaster Management Act (Act 57 of 2002) as amended from time to time, uBuhlebezwe municipality, reviewed and updated its disaster management plan in 2017.

Included in the plan is the ward-based disaster risk assessment for the area of jurisdiction of uBuhlebezwe municipality. Such risk assessment gave effect to disaster risk reduction projects which the municipality budget for, on annual basis as part of disaster risk prevention and mitigation. (see risk assessment below).

## DISASTER MANAGEMENT SECTOR PLAN

uBuhlebezwe municipality has since developed a Disaster Management Sector Plan for the financial year 2018/2019 for inclusion in the integrated development plan. The sector plan has since been submitted to COGTA, the district municipality and to our IDP section in the municipality. In line with such sector plan, the following projects will be implemented for the financial year 2018/2019.

## DISASTER RISK REDUCTION PROJECTS AND/ OR PROGRMMES FOR UBUHLEBEZWE MUNICIPALITY 2019/2020

PROJECT NAME	KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATOR	BUDGET	TARGET AREAS	RESPONSIBLE STAKEHOLDER	DEADLINE
Integrated Community Safety Awareness Campaigns	Conduct Awareness campaign per quarter	Four Awareness Campaigns Annually	R 50 000.00	All wards	Disaster Management stakeholders	On-going
Disaster Management Advisory Forum Meetings	Hold Disaster Management Advisory Forums	Four Disaster Management Advisory Forum Meetings Held Annually	R 22 000.00		All Disaster Management Relevant Stakeholders	June 2020
Burning of Fire Breaks	Burning of Fire Breaks	Three scheduled fire breaks conducted at high risk areas Annually	None	Ward 2 and 4	Disaster Management Fire and Rescue Services	May - June
Fire Safety Inspections	Conduct Fire safety Inspections	One Hundred and Eighty Fire Safety Inspections Conducted Annually	None	All wards	Disaster Management Fire and Rescue Services	On-going
Fire Hydrants Inspections	Conduct Fire Hydrants Inspections	Two hundred and Fourty Fire Hydrants Inspections Conducted annually	None	Ward 4	Disaster Management Fire and Rescue Services	On-going
Disaster Management Relief	Procurement of Disaster Management Relief	<ol> <li>Blankets</li> <li>Sponges</li> <li>Plastic Rolls</li> </ol>	R 90 000.00	All Wards	Disaster Management Fire and Rescue Services	Re-Currying
Disaster Management Promotional Material	Procurement of Disaster Management Pamphlets	10, 200 pamphlets- Zulu and English versions, Key holders	R 40 000.00	All Wards	Disaster Management Fire and Rescue Services	Re-Currying

Fire Breaks and prevention equipment	Procurement of Knapsack Tanks	20 Knapsack Tanks	R 40 000.00	All Wards	Disaster Management Fire and Rescue Services	June 2020
Lightning Conductors	Installation of Lightning Conductors	6 Lightning Conductors to be installed	R 240 000.00	Ward 13	Harry Gwala District Municipality	June 2020
Fire Emergency Vehicle	Procurement of 2 Fire (Bakkie-Sakkie)	As replacement of old Bakkie-Sakkies	R 90 000.00		Disaster Management Fire and Rescue Services	June 2020
Fire Station	Construction of a new fire station	Construction of one (1) new Fire Station	R 9 000 000.00	Ward 4	Infrastructure and Development Planning	January 2020
Study on Satellite Stations	Conduct a study on satellite stations positioning within area of jurisdiction	Report on study of positioning of satellite stations	None	All wards	Disaster Management and Fire Services	July 2020
Memorandum of Understanding	To forge and improve working relations with private sector	Memorandum of Understanding signed	None		Municipality and Private Sector	August 2020
Disaster Management Information and Communication System (DMICS)	Facilitate Procurement of the System	System procured	R 12 000.00	Ward 2	Disaster management and Fire Services	January 2020

### DISASTER MANAGEMENT POLICY FRAMEWORK

As required by section 53 of the Disaster Management Act (Act 57 of 2002), the municipality developed a Disaster Management Policy Framework, which is a document that spells out, how the municipality intends implementing issues of disaster management within its area of jurisdiction.

### STATUS OF READINESS TO DEAL WITH DISASTERS

As indicative above, in terms of personnel the municipality is currently ready to deal with any kind of a disaster that can be realized within its area of jurisdiction. Such can be augmented by the volunteers and other relevant stakeholders responsible for disaster management within uBuhlebezwe.

The municipality procured disaster management relief as part of ensuring that, communities can be assisted in case of need and such relief is as follows:

DISASTER MANAGEMENT RELIEF AVAILBLE 2019/2020				
NAME	AVAILABLE AS AT 11 July 2020			
BLANKETS	200			
SPONGES	150			
PLASTIC SHEETS	60			

### **Integrated Public Awareness Campaign**

The municipality also undertook the public awareness campaign to the ward community with the assistance of ward counsellor and relevant stakeholders; in order to educate the community to be aware about different types of hazards that affecting the community on how to respond on disasters in order to reduce disaster risk and vulnerability. Fire beaters were provided to the ward counsellors and traditional leaders



INTERGRATED COMMUNIYT SAFTEY AWARENESS CAMPAIGN



## **EMERGENCY SIMULATIONS**

As part of ensuring state of preparedness to deal with emergencies the municipality conducts emergency simulations. In the past financial year (2019/2020) the municipality had the following simulations: mass casualty multi cars accident, Fire emergency evacuation, bush fire simulation and structural fire simulation.



Mass casualty multi cars accident simulation at Ixopo cross roads section



Structural Fire emergency evacuation simulation inside the municipality (IPD)



 $Debriefing\ of\ the\ structural\ fire\ emergency\ simulation\ inside\ the\ municipality\ (IPD)\ section$ 

### **CLEARING OF STORM WATER DRAINS**

The technical department working in conjunction with the disaster management unit, as the summer season approaches makes sure that, storm water drains are cleared to allow free flow of access water, as part of risk reduction initiatives.



Clearing of storm water drains in preparation of the summer season

### **CONDUCTING OF FIRE BREAKS**

As per fire high risk areas, the municipality determined such areas to perform fire breaks, as means of mitigating the effects of runaway fires.



Fire break above little flower school



 ${\it Fire \ break \ towards \ the \ former \ incinerator \ site}$ 

### **RISK REDUCTION PROJECTS/ PROGRAMMES**

PROJECTS	QUANTITY
Fire safety inspections	180
Integrated awareness campaigns	4
Awareness campaigns at schools	302
Fire Hydrants Inspections	240
Knapsack Tanks	21
Fire Beaters	96
Emergency Simulations	4



Integrated awareness campaign



Schools awareness campaigns



Fire safety inspection



Fire hydrant test



**Fire Hydrant Inspection** 

### **DISASTER INCIDENTS**

The municipality did not experience any disasters in this financial year that warranted a declaration of a disaster. Only disaster incidents were experienced ranging from heavy rainfall, wind and structural fires. With drought one has noticed that, the area is currently not out of the woods as yet although one has noticed that water restrictions are no more implemented in town, whilst water is still sent to areas with drought.

### DISASTER INCIDENTS THAT OCCURRED DURING THE YEAR 2019/2020

NO OF HUMAN INDUCED INCIDENTS	NO OF NATURAL INCIDENTS	
42	241	

### MOTOR VEHICLE ACCIDENTS STATISTICS

MONTH	NO OF MVAs	INJURIES		FATALI	TIES
		CHILDREN	ADULTS	CHILDREN	ADULTS
July 2019	2	0	3	0	2
August 2019	1	0	0	0	0
September 2019	1	0	3	0	7
October 2019	7	0	36	1	1
November 2019	0	0	0	0	0
December 2019	5	0	16	0	0
January 2020	5	2	7	0	0
February 2020	2	2	4	0	0
March 2020	1	0	2	0	0
April 2020	6	0	12	1	1
May 2020	3	0	4	0	0
June 2020	6	0	15	0	0
TOTAL	39	4	102	2	11

Table 1- illustrate number of MVAs injuries and fatalities

MONTH	NO OF STRUCTURAL	INJURIES		FATA	LITIES
	FIRES	CHILDREN	ADULTS	CHILDREN	ADULTS
July 2019	4	0	0	0	0
Aug 2019	2	0	0	0	0

Sept 2019	3	0	0	0	0
Oct 2019	3	0	0	0	0
Nov 2019	3	0	0	0	0
Dec 2019	3	0	0	0	0
Jan 2020	3	0	0	0	0
Feb 2020	2	0	0	0	0
March 2020	4	0	0	0	0
April 2020	3	0	0	0	0
May 2020	3	0	0	0	0
June 2020	3	0	0	0	0
TOTAL	36	0	0	0	0

Table 2-Annual structural Fires stats

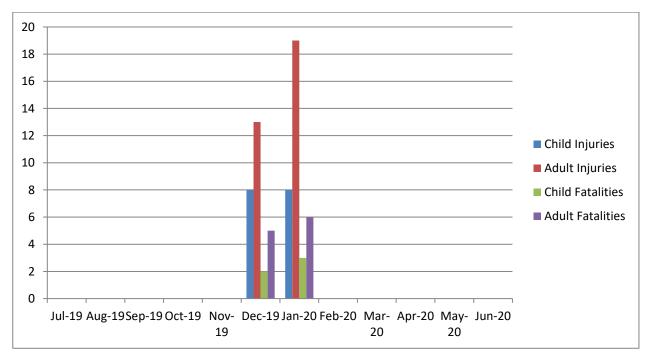


Table- Illustrate number of fire injuries and fatalities being zero

### **OTHER DISASTER INCIDENTS (NATURAL)**

MONTH	NAME OF INCIDENT	QUANTITY
July 2019	None	0
August 2019	Heavy Rain	1
September 2019	Heavy Wind	7
October 2019	Hail Storm	9
	Lightning	1
November 2019	Heavy Rain	2
	Hailstorm	1
	Heavy Rain	8
December 2019	Strong Wind	5
	Hail Storm	2
January 2020	Strong Wind	12
February 2020	Heavy Rain	9
	Strong wind	2
	Lightning	1
March 2020	Heavy Rain	1
April 2020	Lightning	1
	Heavy Rain	1
May 2020	Heavy Rain	69
June 2020	Heavy Rain	7



House on fire



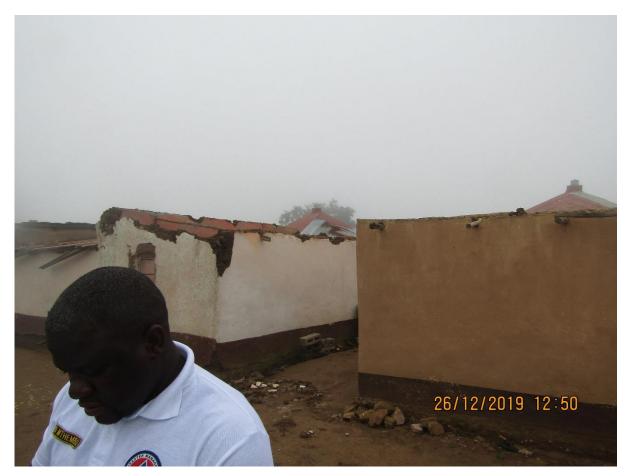
One of the houses destroyed by heavy rain



House on fire



House destroyed by heavy wind



House destroyed by heavy rain



House destroyed by heavy rain

### TRAFFIC AND LICENCING UNITS

### STATUS OF THE TRAFFIC AND LICENSING CAPACITY IN THE MUNICIPALITY

In line with the National Road Traffic Act 1993 of 96 and Section 44 of Criminal Procedure Act 51/1977, which indicates that, "local municipalities **may** establish a Traffic Station with Testing ground in consultation with the Provincial Department of Transport in accordance with the terms set out in a service level agreement between the two parties in alignment with the national norms and standards".

In complying with the above legislation, uBuhlebezwe municipality established its Traffic Unit with testing ground centre, which is situated in number 10 High Street, Ixopo.

The Traffic Department unit is integrated with the Examining of Drivers Licences, Examining of vehicles, Learners license, Traffic services, Registering Authority and Public Transport section, and is within the Social Development Department in the municipality and its organogram is as follows:

DESIGNATION	NUMBER
Director Social Development	1
Manager Community Safety	1
Chief Traffic Officer	1
Superintended	1
Senior Traffic Officer	1
Traffic Officers	8
Examiners of EDL and EOV	3
TOTAL	16

### **ACTIVITIES PERFOMED BY TRAFFIC OFFICERS DURING THE YEAR 2019/20**

During the execution of the planned activities Ubuhlebezwe Traffic Unit with other Law Enforcement Agencies aim to detect and prosecute all offenders by performing the following exercises:

- Speed timing exercise
- Execution and serving of warrants (physically)
- Drunken driving
- Conducting integrated roadblocks
- Moving violations/overtaking unsafely
- Driver fitness
- Public Transport
- Seatbelts
- Unroadworthiness of motor vehicles

In 2019/20 Traffic Unit had written notices 2 3470000,00, charged 2 1650000,00 offenders, written 372 suspension notices arrested 19 accused and revenue generated out of traffic fines collection was R2727469,84

### MOTOR VEHICLE ACCIDENTS STATISTICS



The above picture depicts the integrated roadblocks

### CONSOLIDATED MOTOR VEHICLE ACCIDENTS OCCURRED DURING THE YEAR 2019/20

MONTH	NO OF MVAs	INJURIES		FATALI	TIES
		CHILDREN	ADULTS	CHILDREN	ADULTS
July 2019	3	0	3	0	2
August 2019	2	0	0	0	0
September 2019	1	0	3	0	7
October 2019	7	0	36	1	1
November 2019	0	0	0	0	0
December 2019	5	1	16	0	0
January 2020	5	2	8	0	0
February 2020	2	2	4	0	0
March 2020	1	0	3	0	0
April 2020	6	0	12	1	1
May 2020	3	0	4	0	0
June 2020	6	0	15	0	0
TOTAL	41	5	104	2	11

Table 1- illustrate number of MVAs injuries and fatalities

### MOTOR LICENCING/REGISTERING AUTHORITY SRVICES



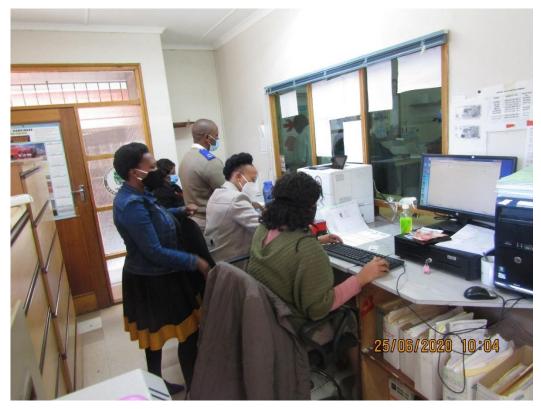
Motor Licensing Staff

Motor licensing Unit consist of three compliment number of staff, one Licensing Supervisor, one administration Clerk and one Cashier Clerk. The co-functions of Motor Licensing Staff are as follows:

- Renewal of motor vehicle licenses
- Registration of new vehicles.
- Process applications for duplicate registration certificates.
- Registration of used vehicles.
- De-registration of stolen and recovered vehicles.
- Registration of build-up vehicles.
- Registration of imported vehicles.
- Notifications of changes in respect of vehicle.
- Notifications in respect of change of registered own of title holder and deceased estates.
- Applications for introduction of persons, business, and close corporations.

For 2019/20financial year Registering Authority had generated revenue amount of R2 727,469,89

### TRAFFIC SEVICES AND ADMINISTRATION SECTION



**EDL** Administration staff

The Traffic Administration Clerical Staff is composed of seven staff and two Office Cleaners and their cofunctions are as follows:

- Processing applications and issuing of driver's licences.
- Processing applications and issuing of learner's licences.
- Processing applications for PRDPs.
- Performing eye test duties.
- Conversions of driver cards.
- Issuing of temporary driver's licenses.
- Renewal of driver's licenses.

The Traffic Administration Clerical Staff had issued 3906 driver's licences and 1147 learner's licences. Revenue generated from driver's licences was R1520082 and revenue generated from learners' licences was R285280

### **MOTOR TESING CENTRE (VTS) SECTION**



Motor testing exercise

The Vehicle Testing Centre consists of one Examiner of vehicles and one Pits Assistant, their daily tasks are as follows:

- Testing of roadworthiness from motor vehicles.
- Issuing of the Certificates of roadworthiness (COR).
- Checking defects from the Public Transport.
- Conducting the preliminary tests on motor vehicles.

The Vehicle Testing Centre Unit had tested 698 vehicles in 2019/20 financial year and revenue generated was R171930

### **EXAMINING OF DRIVER'S LICENCES SECTION**



illustrates the examining of driver's licenses

The driver's examining section is composed of four staff and their co-functions are as follows:

- Examining of driver's competences.
- Issuing driver's licenses.
- Issuing learners licenses.
- Examining Municipal new staff.
- Examining of learner's class.
- Examining of Municipal applicants for recruiting purposes.

# GRAND TOTAL OF REVENUE GENERATED BY COMMUNITY SAFETY DEPARTMENT IN 2019/20

The grand total of revenue generated by Community Safety Department was R2727469,84 in 2019/20, that grand total was generated from all Community Safety activities i.e driver's licences, learner's licences, vehicle examining, traffic fines and motor licensing.

#### **PUBLIC TRANSPORT SECTION**



transport rank facility

The Public Transport section is being managed by Community Safety Manager in conjunction with the Province Department of Transport, co-ordinating these following tasks:

- Co-ordinate Public Transport activities i.e. rank facilities, route descriptions and operating licenses permit in conjunction with the Province DoT.
- Ensuring compliance of the National Land Transport Act 22 of 2000 to Public Transport Operators i.e. Taxis, Meter Taxis, Minibus Taxis and Bus Operators.
- Approve route description to the Public Transport Operators to obtain Operating License Permit from DOT.
- Issuing official letters that require documents to Department of Transport to issue Operating License Permit to Public Transport Operators that are operating within the jurisdiction area of Ubuhlebezwe Municipality.
- Maintaining peace and stability to Public Transport Operators.
- Liaise with Province DOT Public Transport Monitoring and Compliance Team.
- Liaise with Taxi Association from different Taxi Associations to ensure peace and stability in Taxi Industry.

### THE NATIONAL DEPARTMENT OF TRANSPORT 2019/20 AUDIT FINDINGS

National department of transport had conducted inspection on entirely operational of the Ubuhlebezwe Driving Licence Testing Centre (DLTC) and undertaken intensive revenue auditing on the 03<sup>rd</sup> to the 04<sup>th</sup> of March 2020.

On the inspection, it was found that the Ubuhlebezwe Driving Licence Testing Centre complies with specifications in the manual of the Department "Maximum Requirements for Registration and Retention of Grading Driving Licence Testing Centre" published by the Minister by notice in the Government Gazette No 28446 of 7 April 2006.

On the auditing undertaken it was also found that no discrepancies, fraudulent or deficit identified on the revenue generated by Ubuhlebezwe DLTC.

### **INCUMBENTS EMPLOYED IN 2019/20**

Community Safety Unit has employed four incumbents to add on compliment number of staff, the additional of staff was for ensuring the quality service delivery and in enhancement of revenue.

### TRAININGS UNDERTAKEN BY COMMUNITY SAFETY UNIT IN 2019/20

Community Safety Unit had trained eleven incumbents aligning with skills development, the training was extremely informative and educational, and it equipped the incumbents to be an instrumental tool and to be effective and efficient in performing their tasks assigned to them.

### CAPACITATING THE MUNICIPAL WORKFORCE

### **HUMAN RESOURCE SERVICES**

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Municipal Systems Act 2000 Section 68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way. The municipality implements the Workplace Skills Plan (WSP) to give expression to the Act,

### TRAININGS AS PER THE WORKPLACE SKILLS PLAN: 01 JULY 2019-30 JUNE 2020

NO	NAME & SURNAME	DESIGNATION	QUARTER	TRAINING	DATES
1.	K. Moshubi	Messenger	1	Advanced Operational &	09 – 12 July 2019
	M. Ntaka	Fleet Officer		Strategic Fleet	
				Management	
2.	M. Zulu	PMU Technician	1	AutoCAD Advanced	26 – 27 August
	S. Mbutho	PMU Technician			2019
3.	B. Ndlovu	Shift Leader	1	Implement Disaster Risk	19 – 23 August
	L. Zondi			Management principles	2019
	G. Maphumulo				
4.	B. Dladla	Finance Trainee	1	Apply the Principles of	26 – 30 August
	N. Ngcongo	Payroll Officer		Budgeting within the	2019
	N. Tshazi	Payroll Clerk		Municipality	
	M. Tsengane	Senior Budget and			
		Reporting Clerk			
5.	IN Masondo	PA – Corporate	1	Strategic Planning &	16 – 20 September
	Z. Mbadu	IDP/PMS Officer		Policy Formulation	2019
	S. Sikhakhane	Performance Monitoring			
		and Evaluation Officer			
	M. Modi	HIV and Gender Officer			
6.	V. Tuswa	GIS Clerk	2	ArcGIS Basic	21 – 25 October
					2019
7.	M. Mbhele	Senior Admin Officer	2	Property Management	21 – 25 October
	N. Zondi	Admin Clerk Properties			2019
8.	ZR Memela	TLB Operator	2	TLB Operator	30 Oct – 01 Nov
					2019
9.	PMZ Dlamini	PA – IPD	2	Conflict Management	30 Oct – 01 Nov
	NF Mbasa	PA – SD			2019
	IN Masondo	PA – Corporate			
	C Kunene	PA - MM			
10	CL Ndlovu	Superintendent	2	Regulation 21 Firearm	05 – 07 November
	ML Nsindane	Traffic Officers		Training	
	Y Lwana				
	QM Cele				
	SA Xaba				
	VS Myende				
	ES Chiya				
	J John				
11	Z.B. Mthembu	Disaster Management	2	Introduction to	04 – 08 November
		Officer		SAMTRAC	2019

12	SC Shezi	Hall Attendant	2	Waste Management	06 – 08 November
	R. Nkabane	Supervisor – Refuse			2019
	BH. Mjwara	General Worker			
	M.C. Bhengu	Truck Driver			
	K.C. Mkhize	Horticulturalist			
13	N Sihlangu	Income Accountant	2	Customer Care	12 – 13 November
	N Chemane	AARTO Administrator			2019
	Z Zungu	Receptionist			
	S Manci	Cashier			
14	P. Ndamase	Internal Audit Manager	2	Risk Management	13 – 15 November
	A. Best	OHS Officer			2019
	S. Adams	Admin Manager			
	U. Dukada	ICT Manager			
15	N. Mohau	Director SD	2	Environmental	18 – 20 November
	V. Tuswa	GIS Clerk		Management	2019
	K.C. Mkhize	Horticulturalist			
	C. Ndlovu	Manager Community			
	N. Mcwabe	Services			
		Tourism Officer			
16	Z.B. Mthembu	Disaster Management	2	SAMTRAC	18 – 29 November
		Officer			2019
17	N. Mbanjwa	PA – Mayor	2	Report Writing and	20 – 22 November
	T. Mpanza	Procurement Clerk		Minute Taking	2019
	V. Miya	Committee Clerk			
	O. Hlongwane	Committee Clerk			
18	N. Mohau	Director SD	2	Change Management	25 – 26 November
	C. Ndlovu	Manager Community		and the second second	2019
	Z. Mthanti	Services			
	T. Hlangu	Manager Community			
	N. Mkhize	Safety			
	IV. IVIKIIIZC	Public Participation			
		Officer			
		Manager LED			
10	K. Moshubi	Messenger	2	Advanced Driving	10 – 12 December
1	Z.M. Ngcobo	Messenger		Advanced briving	2019
	M. Mnguni	Driver to the Mayor			2019
20	L. Makhaye	Manager Budget and	3	Risk Management	08 – 10 January
20	M. Mkhize		3	KISK Management	2020
		Reporting			2020
	L. Ndlovu	Assistant CFO			
	S. Hlophe	Supply Chain Manager			
34	N 7 1:1:	HR Manager	1 2	Advanced Committee	27 24 (
21	N.Z. Jili	Councillors	3	Advanced Computer	27 – 31 January
	N. Radebe			Training	2020
	M. Khuboni				
	C.N Ntabeni				
	T.T. Mkhize				
	M.C. Ndlovu				
	N. Mdunge				
	B. Mpungose				
	B. Nxumalo				
	S.P. Maluleka				
	N.C. Ngcongo				
22	T. Dludlu	Old Ward Committee	3	Community Diversity	03 – 05 February
	M.V. Madlala	Members			2020
	T. Ncama				
	N. Mchunu				
	Z. Phoswa				
	M. Dlamini				
		<u> </u>			1

	1	1		1	
	T.M. Hlengwa				
	B. Khumbule				
	M. Mbanjwa				
	T.V. Dlamini				
	M. Gamede				
	N. Nene				
	B. Jali				
	Z. Chiliza				
	B. Khanyase				
23	S. Nzimande	Fire Fighters	3	Driver Pump Operator	10 – 21 February
	N. Shoba				2020
	T. Mbatha				
	M.J. Latha				
	S. Mthembu				
	L. Zondi				
	L. Memela				
	M. Mngonyama				
	S. Mthembu	Chief Fire Fighter and			
		Disaster Management			
		Officer			
24	X. Nkone	Padfoot Roller Operator	3	Roller Training	17 – 19 February
27	A. INKOITE	radioot Noiler Operator	]	Roller Halling	2020
25	C AALL :	55.41	2		
25	S. Mkhwanazi	Manager PMU	3	Labour Relations &	04 – 06 March
				Effective Discipline	2020
26	M. Mbutho	Grader Operator	3	Grader Operator	16 – 18 March
				Training	2020
27	B. Bomela	IDP/PMS Intern	4	Local Governance &	06 – 09 May 2020
	Z. Mbadu	IDP/PMS Officer		Municipal	, , , , , ,
	Z. Dlamini	PA – Speaker		Administration	
	S. Skhakhane	Performance,		Administration	
	3. Skilakilalle				
		Monitoring and			
		Evaluation Officer			
28	Z. Dlamini	PA - to the speaker	4	Records and Registry	11 – 13 May 2020
	C. Kunene	PA – MM		Management	
	N. Mbasa	PA – SD			
	N. Mncwabe	PA – CFO			
	N. Masondo	PA – CSD			
	M. Dlamini	PA – IPD			
	N. Mbanjwa	PA – to the Mayor			
20	•	·	4	Company its	47 40 1 2020
29	T. Hlangu	Public Participation	4	Community	17 – 19 June 2020
	M. Modi	Officer		Development Training	
	T. Gumede	HIV and Gender Officer			
	Z. Radebe	Youth and Sport			
		Coordinator			
		Community			
		Development Officer			
30	L. Khoza	LED Officer	4	Local Economic	17 – 19 June 2020
	N. Mncwabe	Tourism Officer	•	Development Officer	1, 13 Julie 2020
				Development Officer	
1	T. Mbhele	LED and Tourism Clerk			
<u> </u>	N. Mkhize	Manager LED			
31	Z.B. Mthembu	Disaster Management	4	Peace Officer	29 June – 03 July
	V.E. Mnguni	Officer			2020
	M.R. Vezi	Driver to the Mayor			
	M.E. Msimango	Bodyguard to the Mayor			
	B.R. Mngqithi	Bodyguard to the Mayor			
	B. Mtungwa	Administration Clerk			
	L.I. Memela	Senior Access Controller			
	T.J. Mfusi	Fire Fighters			

M. Mngonyama			
L.S. Khumalo			
N.Z. Mjwaha			
M.S. Msomi			
T. Mbatha			
N.G. Shoba			
S. Nzimande			
J.M. Latha			

# EMPLOYEE TOTALS, TURNOVER AND VACANCIES

	Vacancy ra	te 2018/2019	
Designation	Total approved posts	Variances(total time that vacancies exist using fulltime equivalent) no.	Variances (as a proportion of total posts in each category) %
Municipal Manager	01	None	None
CFO	01	None	None
Other S57 Managers(excluding finance posts)	03	None	None
Other S57 Managers(Finance posts)	none	None	None
Municipal Police			
Fire Fighters	15	None	None
Senior management: levels 13-15 (excluding finance posts)	03	None	None
Senior management: levels 13-15 (finance posts)	04	None	None
Highly skilled supervision: levels 9-12 (excluding finance posts)	none	None	None
Highly skilled supervision: levels 9-12 (excluding finance posts)	none	None	None

# **TURNOVER RATE**

TURNOVER RATE				
Details	Total appointments as of beginning of financial year no.	Termination during the financial year no.	Turnover rate	
2011/12	17	9	53%	
2012/13	44	4	9%	
2013/14	34	20	59%	
2014/15	28	20	71%	
2016/17	24	16	67%	
2017/18	26	25	96%	

TURNOVER RATE				
Details	Total appointments as of beginning of financial year no.	Termination during the financial year no.	Turnover rate	
2019/20	44	36	82%	

### **COMMENT ON VACANCIES AND TURNOVER:**

The municipality has a turnover of 82%. Positions are filled as people resign as a result there is a small vacancy rate. The positions of Municipal Manager, Directors of Corporate Services, Chief Financial Officer and Director Social Development are filled while the recruitment processes in respect of the position of the Infrastructure, Planning and Development is at an advanced stage. All sections 54 and 57 positions will be filled by the end of December 2020.

### MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The municipality conducts personnel administration within the framework of the Collective Agreements, Basic Condition of Employment Act, Labour Relations Act and Equity Act, to mention but a few. Furthermore, the municipality has developed and adopted policies through which personnel administration is conducted.

All HR policies were developed, reviewed and adopted by council for 2019/20 financial year.

		HR Policies a	nd Plans	
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	100	N/A	Inbuilt in all recruitment related policies
2	Attraction and Retention	100	100	11 June 2020
3	Code of Conduct for employees	100	0	11 June 2020
4	Delegation, Authorisation & Responsibility	100	100	11 June 2020
5	Disciplinary Code and Procedures	100	100	11 June 2020
6	Essential Services	100	100	11 June 2020
7	Employee Assistance/Wellness	100	100	11 June 2020
8	Employment Equity	0	0	Policy(11 June 2020)
9	Exit Management	0	0	Resignation(11 June 2020
10	Grievance Procedures	100	100	11 June 2020
11	HIV/AIDS	100	100	11 June 2020
12	Human Resource and Development	100	100	WSP(April 2020), Training & Succession(11 June 2020)
13	Information Technology	100	100	11 June 2020
14	Job Evaluation	0	0	Salga Mandate Function

	Name of Policy	Completed	Reviewed	Date adopted by council or comment or failure to adopt
		%	%	•
15	Leave	100	100	11 June 2020
16	Occupational Health and Safety	100	100	11 June 2020
17	Official Housing	100	100	11 June 2020
18	Official Journeys	100	100	11 June 2020
19	Official transport to attend Funerals	100	100	11 June 2020
20	Official Working Hours and Overtime	100	100	11 June 2020
21	Organisational Rights	0	0	As per LRA
22	Payroll Deductions	0	0	Salga
23	Performance Management and Development	0	0	
24	Recruitment, Selection and Appointment	100	100	11 June 2020
25	Remuneration Scales and Allowances	40	40	Cellphone Allowance Salary Scales by Bargaining Council
26	Resettlement	0	0	11 June 2020
27	Sexual Harassment	100	100	11 June 2020
28	Skills Development	0	0	WSP(April 2020)
29	Smoking	100	100	11 June 2020
30	Special Skills	0	0	
31	Working Organisation	0	0	Organogram
32	Uniforms and Protective Clothing	100	100	11 June 2020

### INIURIES. SICKNESS AND SUSPENSIONS

<b>INJURIES, SICKNESS A</b>	ND SUSPENS	IONS			
	Nui	mber and Cost of	Injuries on Duty		
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees Using sick leave	Average injury Leave per employee	Total Estimated Cost R'000
	Days	No.	%	Days	
Required basic medical attention only	0	2	0.89%	0	0
Temporary total disablement					
Permanent disablement					
Fatal					
Total	0	2			
					T4.3.1

# COMMENT ON INJURY AND SICK LEAVE:

There are no injuries for 2019/ 2020 and sick leave is managed in terms of the policy and the Basic Conditions of Employment Act.

Designations	Total Sick Leave	Proportion of sick leave Without Medical Certification	Employees using sick leave	Total employees in post*	*Average sick leave per employees	Estimated cost
	Days	%	No.	No.	Davis	R'000
Lower skilled (Levels 1-2)	73	0	30	68	<b>Days</b> 2.00	2555.50
Skilled (Level 3-5)	99	0	52	16	9.5	44550.00
Highly skilled production (Level 6-8)	96	0	46	81	2.9	52800.00
Highly skilled supervision (Levels 13-15)	14	0	9	47	1.0	8400.00
Senior management (Levels 13-15)	16	0	13	14	7.0	24000.00
MM and S57	4	0	3	3	4.3	11200.00
Total	302	0	153	229	26.7	14350.55

# NUMBER AND PERIOD OF SUSPENSIONS

None during 2019/2020 Financial Year.

### DISCIPLINERY ACTIONS TAKEN ON CASES OF FINANCIAL MISCONDUCT

None during 2019/2020 Financial Year.

# PERFORMANCE REWARDS

			<b>Performance Rev</b>	vards by Gender	
Designations	Gender	Beneficiary profile			
		Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2019/20 R 509428.00	Proportion of beneficiaries with group %
Lower skilled (Levels 1-	Female				
2)	Male				
Skilled (Levels 1-2)	Female				
	Male				
Highly skilled	Female				
production (Levels 6-8)	Male				
Highly skilled	Female				
supervision (Levels 9- 12	Male				
Senior management	Female				
(Levels 13-15)	Male				
MM and S57	Female	3	1	R65854.68	33%
	Male	2	0	0	0
Total	•	5	1	R65854.68	33%

### INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

### **UPDATE ON REVIEWED POLICIES:**

The following policies were last reviewed at the policy strategic planning session in October 2020:

- ICT Operating System Security
- ICT Security Controls
- Service Level Agreement

### **FUTURE PLANS**

The major plans of the IT Unit are as follows:

- Virtualising the Municipalities environment and setting up DR (Disaster Recovery) site for IT
- Redrafting and implementing the ICT units Policies, Governances Specialists, migrating to Office 365 which is the latest mailbox.
- Upgrading the Municipal Financial Management System to be MSCOA compliant and to transact efficiently and effectively on MSCOA with no issues and to meet the national treasury requirements.

### ANY NEW CHALLENGES ON ICT SOLUTIONS

Telecommunications networks still remains challenge in the outskirts of Ixopo as well as in all the Ubuhlebezwe Municipality wards. Communication has been made with the telecommunications service providers to assist in improving the network in the aforementioned arears and plans are in place to carry the tasks.

### UPDATE ON TELECOMMUNICATIONS

The Municipality has already approved two wayleaves for fibre implementation in Ixopo town which will boost our telecommunications network significantly.

### **ADMINISTRATION**

The Ubuhlebezwe Municipality is supported by a Committee System, with Portfolio Committees. The Municipality has multi-party Portfolio Committees, being, the Administration, Human Resources and Finance; Community and Social Development; Planning and Infrastructure Committees. The aforementioned committees assist the Executive Committee in policy development and monitoring to accelerate service delivery, as well as the oversight of strategic programmes and projects.

# COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE COMMITTEES AND COMMITTEE PURPOSES:

The Ubuhlebezwe Municipality is supported by a Committee System, with Portfolio Committees. The Municipality has multi-party Portfolio Committees, being, the Administration, Human Resources and Finance; Community and Social Development; Planning and Infrastructure Committees. The aforementioned committees assist the Executive Committee in policy development and monitoring to accelerate service delivery, as well as the oversight of strategic programmes and projects.

### ATTENDANCE (2019/20 FINANCIAL YEAR)

### **COUNCIL**

DATES OF SCHEDULED MEETINGS	DATES OF SPECIAL MEETINGS HELD	ATTENDANCE	PERCENTAGE (%)
25 <sup>th</sup> July 2019		20/26	77
	29th August 2019	21/26	81
	10 <sup>th</sup> September 2019	23/25	92
19 <sup>th</sup> September 2019		20/25	80
	9 <sup>th</sup> October 2019	20/26	77
12 <sup>th</sup> December 2019		23/27	87
23 <sup>rd</sup> January 2020		23/27	87
20 <sup>th</sup> February 2020		17/27	63
26 <sup>th</sup> March 2020		19/27	70
23 <sup>rd</sup> April 2020			
	7 <sup>th</sup> May 2020	22/27	81
21st May 2020			
	28 <sup>th</sup> May 2020	24/27	89
11 <sup>th</sup> June 2020		21/27	78
Overall attend	lance for 2019/20 Financial	Year	133

# **EXECUTIVE COMMITTEE**

DATES OF SCHEDULED MEETINGS	DATES OF SPECIAL MEETINGS HELD	ATTENDANCE	PERCENTAGE (%)
16 <sup>th</sup> July 2019		5/5	100
3 <sup>rd</sup> September 2019		3/5	60
26 <sup>th</sup> November 2019		4/5	80
14 <sup>th</sup> January 2020		3/5	60
10 <sup>th</sup> March 2020		3/5	60
12 <sup>th</sup> April 2020			
	7 <sup>th</sup> May 2020	5/5	100
	12 <sup>th</sup> May 2020	4/5	80
	12 <sup>th</sup> June 2020	5/5	100
Overall attend	133		

### FINANCE COMMITTEE

DATES OF SCHEDULED MEETINGS	DATES OF SPECIAL MEETINGS	ATTENDANCE	PERCENTAGE (%)		
11 <sup>th</sup> July 2019		4/4	100		
13 <sup>th</sup> August 2019		4/4	100		
12 <sup>th</sup> September 2019		3/4	75		
10 <sup>th</sup> October 2019		3/4	75		
14 <sup>th</sup> November 2019		4/4	100		
10 <sup>th</sup> December 2019		3/4	75		
14 <sup>th</sup> January 2020		4/4	100		
11 <sup>th</sup> February 2020		4/4	100		
11 <sup>th</sup> March 2020		4/4	100		
14 <sup>th</sup> April 2020					
	17 <sup>th</sup> April 2020	4/4	100		
13 <sup>th</sup> May 2020		3/4	75		
12 <sup>th</sup> June 2020		4/4	100		
Overall attend	Overall attendance for 2019/20 Financial Year				

### ADMIN & HUMAN RESOURCES PORTFOLIO COMMITTEE

DATES OF SCHEDULED MEETINGS	DATES OF SPECIAL MEETINGS HELD	ATTENDANCE	PERCENTAGE (%)
20 <sup>th</sup> August 2019		4/6	67
	1st October 2019	4/6	67
5 <sup>th</sup> November 2019			
	11 <sup>th</sup> November 2019	4/6	67
4 <sup>th</sup> February 2020		5/6	83
7 <sup>th</sup> April 2020			
	28 <sup>th</sup> April 2020	5/6	83
23 <sup>rd</sup> June 2020		5/6	83
Overall attend	120		

### SOCIAL DEVELOPMENT PORTFOLIO COMMITTEE

DATES OF SCHEDULED MEETINGS	DATES OF SPECIAL MEETINGS HELD	ATTENDANCE	PERCENTAGE (%)
21st August 2019		4/6	67
	2 <sup>nd</sup> October 2019	6/6	100
6 <sup>th</sup> November 2019		5/6	83
5 <sup>th</sup> February 2020		5/6	83
8 <sup>th</sup> April 2020			
	29 <sup>th</sup> April 2020	6/6	100
24 <sup>th</sup> June 2020		6/6	100
Overall attendance for 2019/20 Financial Year			120

# INFRASTRUCTURE, PLANNING & DEVELOPMENT PORTFOLIO COMMITTEE

DATES OF SCHEDULED MEETINGS	DATES OF SPECIAL MEETINGS HELD	ATTENDANCE	PERCENTAGE (%)
22 <sup>nd</sup> August 2019		5/6	83
	3 <sup>rd</sup> October 2019	5/6	83
7 <sup>th</sup> November 2019		5/6	83
6 <sup>th</sup> February 2020		5/6	83
9 <sup>th</sup> April 2020			
	30 <sup>th</sup> April 2020	6/6	100
25 <sup>th</sup> June 2020		5/6	83
Overall attendance for 20	19/20 Financial Year		120

### MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

DATES OF SCHEDULED MEETINGS	DATES OF SPECIAL MEETINGS HELD	ATTENDANCE	PERCENTAGE (%)
	17 <sup>th</sup> July 2019	4/6	67
17 <sup>th</sup> August 2019			
16 <sup>th</sup> October 2019		5/6	83
	23 <sup>rd</sup> October 2019	5/6	83
12 <sup>th</sup> February 2020		4/6	67
15 <sup>th</sup> April 2020			
Overall attenda	100		

### LOCAL LABOUR FORUM

DATES OF SCHEDULED MEETINGS	DATES OF SPECIAL MEETINGS HELD	ATTENDANCE	PERCENTAGE (%)
26 <sup>th</sup> July 2019		2/2	100
27 <sup>th</sup> September 2019			
	1 <sup>st</sup> October 2019	2/2	100
15 <sup>th</sup> November 2019		2/2	100
	27 <sup>th</sup> November 2019	2/2	100
	2 <sup>nd</sup> December 2019	2/2	100

24 <sup>th</sup> January 2020		2/2	100
27 <sup>th</sup> March 2020			
	28 <sup>th</sup> April 2020	2/2	100
	8 <sup>th</sup> May 2020	2/2	100
22 <sup>nd</sup> May 2020			
	29 <sup>th</sup> May 2020	2/2	100
Overall attendance for 2019/20 Financial Year			150

PERFORMANCE OF COMMITTEES FOR 2019/2020 FINANCIAL YEAR					
COMMITTEE	SCHEDULED MEETINGS	SPECIAL MEETINGS	SCHEDULED MEETINGS THAT DID NOT SIT	TOTAL MEETINGS HELD	%
Council	9	5	1	14	93
Executive Committee	6	3	1	9	89
Finance Committee	12	0	1	12	92
Administration and Human Resources Portfolio	5	3	2	8	75
Social Development Portfolio	5	2	1	7	86
Infrastructure, Planning and Development Portfolio	5	2	1	7	86
Municipal Public Accounts	4	2	2	6	67
Local Labour Forum	6	6	3	12	50

MUNICIPAL COMMITTEES	PURPOSE OF THE COMMITTEE
FINANCE	The Finance Committee is responsible for the Management of:  → Financial Administration of all Grants  → Tax, Levies etc  → Income  → Debtor Management  → Expenditure  → Budget  → Payroll  → Insurance  → Loans and Investments  → Cash Flow  → Sourcing Management  → Procurement- Supply Chain Management  → Contracts  → Project Management  → Assets Management
ADMINISTRATION AND HUMAN RESOURCES	The Administration, and Human Resources Portfolio Committee's function is to oversee the following within the Municipality  → Provide Administrative and Secretarial functions → Council and Councillor Support → Policies and Procedures → Records Management → Municipal Building Management → Capacity Building → Human Resources → Occupational Health and Safety → Information Communications and

	Technology
	→ Legal
	→ Security
	→ Fleet
SOCIAL DEVELOPMENT PORTFOLIO	The Social Development Portfolio Committee is responsible for Management of the following:
	→ LED & Tourism
	→ Passenger Transport
	→ Cemeteries
	→ Parks, Gardens and Recreation
	→ Disaster Management
	→ Community and Safety Services
	→ Environment Management
	→ Fresh Produce and Markets
	→ Public Participation
	→ Business Planning and Licenses
	→ Sports, Youth, Arts and Culture, Gender
	→ Libraries
	→ Community Development
	→ Refuse Removal
	→ Solid Waste Sites
PLANNING, INFRASTRUCTURE	The Planning, Infrastructure and Development
AND DEVELOPMENT PORTFOLIO	Portfolio Committee's function is to oversee the following within the Municipality;
	→ Planning and Development
	→ Water
	→ Electricity
	→ Municipal Roads and Stormwater
	drainange
	→ Housing and Land Affairs
	→ Business Planning
	→ Project Management
	→ Contracts Management
	→ Sourcing Management

	<ul> <li>→ Regulator Monitoring</li> <li>→ Implementation Agent</li> <li>→ MIG</li> <li>→ Town Planning</li> <li>→ GIS</li> </ul>
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)	The role of MPAC is to review and analyze the Annual Report, gather input and prepare a draft Oversight Report for consideration by Council. Questions raised with the administration should, in writing, be forwarded to the Accounting Officer and subsequently provided to the committee. Questions should be responded to immediately during the committee meeting to avoid delays. The top management team may assist the Accounting Officer if needed.

# THIRD TIER ADMINISTRATIVE STRUCTURE:

THIRD TIER STRUCTURE			
DIRECTORATE	DIRECTOR / MANAGER (TITLE & NAME)		
Municipal Manager's office	Municipal Manager: Mr GM Sineke		
	Manager: IDP / PMS: Ms ZM Khumalo		
	Manager: Internal Audit: Mrs P Ndamase		
Budget & Treasury Office	Chief Financial Officer: Vacant		
	Assistant CFO: Mrs MP Mbatha		
	Budget & Reporting Manager: Mr LL Makhaye		
	SCM Manager: Mr FL Ndlovu		
Corporate Services	Director: Corporate Services		
	Manager Administration: Ms SR Adams		
	Manager Human Resources: Mr LS Hlophe		
	Manager ICT: Mr U Dukada		
Social Development	Director: Mrs NC Mohau		
	Manager LED/Tourism: Mr NH Mkhize		
	Manager Community Safety: Mr ZN Mthanti		
	Manager Community Services: Mr C Ndlovu		
Infrastructure Planning & Development	Director: Vacant		
	Manager PMU: Mr SB Mkhwanazi		
	Manager: Housing & Planning: Miss T Mthembu		

### CHAPTER 4 - FINANCIAL PERFORMANCE

### PERFOMANCE REPORT PART II

### STATEMENTS OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2020	2019
Revenue			
Revenue from exchange transactions			
nevenue nom exchange transactions			
Service charges	17	2 869 807	2 257 263
Rental of facilities and equipment	19	850 649	1 074 076
Agency services		733 045	884 998
Licences and permits		2 137 401	2 884 673
Other income	20	863 490	327 895
Interest received - investment	21	11 106 623	13 026 783
Total revenue from exchange transactions		18 561 016	20 455 688
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	22	24 943 816	21 886 399
Transfer revenue			
Government grants & subsidies	23	148 940 107	135 280 962
Fines, Penalties and Forfeits		446 450	901 062
Total revenue from non-exchange transactions		174 330 373	158 068 423
Total revenue	16	192 891 388	178 524 111
Expenditure			
Employee related costs	24	- 68 078 666	- 63 452 687
Remuneration of councilors	25	- 10 052 118	- 10 302 908
Depreciation and amortization	26	- 30 235 997	- 20 794 771

Surplus for the year			29 794 378		36 232 127
Loss on disposal/ transfer of assets		-	38 029	-	460 657
Operating surplus			29 832 407		36 692 784
Total expenditure		-	163 058 981	-	141 831 327
General Expenses	31	-	27 308 767	-	25 410 126
Contracted Services	30	-	16 189 167	-	13 940 477
Debt Impairment	29	-	7 068 107	-	4 743 403
Finance costs	28	-	5 770	-	2 395
Impairment loss/ Reversal of impairments	27	-	4 120 389	-	3 184 560

#### **GRANTS**

The municipality has received grant funding from the National Treasury, COGTA and Arts and Culture. These grants can be classified as follows:

#### **Non-Conditional Grants**

**Equitable Share** 

#### **Conditional Grants**

Municipal Infrastructure Grant

Finance Management Grant

Expanded Public works programme

**Sports Grant** 

Library Grant

COVID 19 -Disaster Management Relief Grant

**Building plan Grant** 

Sangcwaba Grant

**Municipal Disaster Grant** 

All conditional grants, both operational and capital grants were spent to 100% as at 30 June 2020 except for COVID-19 which was received at the end of May 2020, a rollover application was done and submitted to National Treasury. This is a huge improvement within the municipality. The 100% expenditure on the MIG grant specifically speaks directly to improved service delivery.

#### Below is a list of unspent grants:

Name of Grants	Name of organ of the state entity	Opening Bal. 2018/19	Total receipt	Total expenditure	Grants Balance 19/20
McKENZIE Farm	Cogta	-	-	-	-
Financial Management Grant	National Treasury	-	- 1,970,000	1,970,000	-
Building Plans Information Systems	Cogta	-	-500 000	498,807 -	-1,193
Electrification: DoE	DoE	-	13,000,000	13,000,000	-
Small Town Rehab Roads	Cogta	-	-	-	-
EPWP	Cogta	-	1,793,000	1,793,000	-
Ixopo Sportfields	Cogta	-8,278	-		- 8,278
Sangcwaba Grant	Cogta	-565,387	-	-	- 565,387
Ixopo Sportfields Maintenance	Cogta	-143,182		-	-143 ,182
Library- cyber	Art and culture		221,000	221,000	-
Mig Grant	Cogta	601	- 26,917,000	26,917,000	-601
Library Grant	Art and culture		- 880,000	880,000	-
COVID 19 – Disaster Management Relief Grant	Cogta	-	-655,000	280,523	-374,477
Municipal Disaster Grant	COGTA	-	-6 000 000	6 000 000	-
Gym park		-92,661	-	42,000	-50,661
Sport and Recreation		-28,777		28,777	0
Grants Balance as @ 30 June 2020		-838 886	-51 936 000	51,631,107	-1 143 778

#### **ASSET MANAGEMENT**

#### **FINANCIAL RATIOS**

**Asset Management** 

Capital Expenditure to Total Expenditure

Formula

Total Capital Expenditure / Total Expenditure X 100

=R 52 282 502 / R 163 830 581 x 100

= 31.91%

Impairment of Property Plant and Equipment and Investment Property and Intangible Assets

Formula

PPE + Investment Property + Intangible assets impairment / Total PPE + Investment Property + Intangible Assets X 100

= R4 120 389/ R 322 698 480 x100

= 1,28 %

Repairs and Maintenance as a percentage of PPE carrying values

Formula

Total repairs and maintenance / Total PPE

= R 2 199 726 / R 297 970 837

=0,74%

Debtors Management (Rates and Refuse)

Formula

Gross debtors opening balance + billed revenue – gross debtors closing balance – bad debts written off / billed revenue X 100

= R 49 518 818 + R 27 164 842.83 - R 38 073 107- R 7 068 107/ R 27 164 842.83 X 100

= 44.67%

Bad debts written off as a percentage of bad debts provision

Formula

Bad debts written off / provision for bad debts

= R 6 747 715 / R 7 068 107

= 95,47%

**Current Ratio** 

Formula

Current Assets / Current Liabilities

= R 196 309 888 / R 24 862 678

= 7,90: 1

**Net Operating Surplus** 

Formula

Total Operating Revenue – Total Operating Expenditure / Total Operating Revenue X 100

=R 198 129 865 -163 058 981/198 129 865 X 100

= 17.70 %

Remuneration of Employees and Councillors as a percentage of operating expenditure

Formula

Remuneration (Councillors and Employees) / Total Operating Expenditure X 100

= R 78 130 784 / 163 058 981

=47,92%

#### **DEBTORS**

Debtors have increased from the prior year; 2019. The total debt balance after considering provision for bad debts increased to R28 1 201 733 from R 20 240 575. The percentage increase on tariffs for the financial year under review was 5.0% across the board. Debt collection is still a problem within the municipality emanating from a general culture of non - payment within the South African Communities. A vast majority of the municipality's debtors are individual households, with businesses owing the municipality just over R11million. The municipal council also resolved to write off penalties during the financial year 2014/2015.

The debtor's book has therefore increased in proportion to the increase in billed revenue for the year.

	2020 R	2019 R
Rates	24 943 816	21 886 399
Fines	446 450	901 062
Housing Debtors (Self Help)	110 275	115 075

Refuse	2 869 807	2 257 263
Vat Debtors	10 917 824	5 300 118
Housing Rental	850 841	509 093
Sundry	362 158	362 158
Less Provision for bad debts	(7 068 107)	(4 743 403)
Total	33 390 198	26 509 072

#### ASSESSMENT BY THE ACCOUNTING OFFICER ON ANY ARREARS ON MUNICIPAL TAXES AND SERVICE CHARGES

The municipality levies rates to all properties that are reflected in the municipal valuation roll. A supplementary valuation roll was submitted to council in May 2017 and is being implemented. Policy viewed and adopted by the municipality in this regard. The municipality further ensured that a gazette is promulgated for the levying of property rates.

A tariff policy was also adopted by council and further gazette for the levying of property rates. Properties are charged a tariff based of the tariffs as approved by council.

It must also be further noted that the revenue that is derived from the property rates is R5 million which is very low compared to the budget of the municipality. A strategy was developed to somewhat increase revenue collected from rates. The municipality also appointed the services of a debt collector in order to increase revenue collection

#### Below is a reconciliation of debtors as at 30 June 2020 (USE AMOUNTS SHOWN IN THE AFS)

	2020 R	2019 R
Rates	24 943 816	21 886 399
Fines	446 450	901 062
Housing Debtors (Self Help)	110 275	115 075
Refuse	2 869 807	2 257 263
Vat Debtors	10 917 824	5 300 118
Housing Rental	850 841	509 093
Sundry	362 158	362 158
Less Provision for bad debts	(7 068 107)	(4 743 403)
Total	33 433 064	26 587 765

#### **SPENDING AGAINST CAPITAL BUDGET**

#### **CAPITAL EXPENDITURE**

Infrastructure	R18 325912
Community	R 6 333 091
Other Assets	R26 856 940

#### **SOURCE OF FINANCE**

Ubuhlebezwe municipality is still highly dependent on grant funding. The main grant being the Equitable Share.

The following table reflects the funding nature and by source.

2019/2020

	S 71(1) (f) ALLOCATION RECEIVED AND ACTUAL EXPENDITURE ON THOSE ALLOCATIONS						
Allocations	Original Budget 2019/2020	Adjusted Budget 2019/2020	Actual Received YTD	Actual Expenditure - June 2020	Expenditure YTD- 2020	Unspent YT D	% Expenditure Against allocation
				40.000.00	40.000.00		.=
Gym Park	92,661.00	92,661.00		42,000.00	42,000.00	50,661.00	45%
Financial Management Grant	1,970,000.00	1,970,000.00	1,970,000.00	666,470.14	1,970,000.00	-	100%
Electrification - DOE	13,000,000.00	13,000,000.00	13,000,000.00	1,764,661.09	13,000,000.00	-	100%
Library Grant and Library Grant - Cyber	197,000.00	221,000.00	221,000.00	•	221,000.00	·	100%
Community Library Services Grant	838,000.00	880,000.00	880,000.00	44,219.78	880,000.00	·	100%
MIG	26,917,000.00	26,917,000.00	26,917,000.00	5,417,041.00	26,917,000.00	·	100%
Building plans information systems	500,000.00	500,000.00	500,000.00	498,807.00	498,807.00	1,193.00	100%
EPWP	1,793,000.00	1,793,000.00	1,793,000.00	74,364.00	1,793,000.00	-	100%
Sportfield Maintanance	50,000.00	28,777.00	-	10,417.00	28,777.00	-	100%
Municipal Disaster Grant (covid 19)		655,000.00	655,000.00	280,523.00	280,523.00	374,477.00	43%
Disaster management grant	6,000,000.00	6,000,000.00	6,000,000.00	-	6,000,000.00	-	100%
TOTAL	51,265,000.00	51,964,777.00	51,936,000.00	8,756,503.01	51,589,107.00	375,670.00	101%

#### **CASH FLOW MANAGEMENT AND INVESTMENTS**

#### **CASH FLOW**

The municipality's cash flows can be regarded as stable. The cash and cash equivalents available as at 30 June 2020 were R148 839 937. The municipality can continue operating for the next 12 months with the estimated fixed cost of R7.4 million.

#### The following is a detailed list of cash and cash equivalents as of 30 June 2020:

Cash and cash equivalents consist of:

TOTAL	148 839 937	155 455 064
Short-term deposits	43 139 508	130 881 491
Bank balances	105 697 429	24 570 573
Cash on hand	3 000	3 000

#### **BORROWING AND INVESTMENTS**

The municipality does not have borrowings. Furthermore, there are no long-term investments. Funds are invested in short term investments and are disclosed in the Cash and Cash Equivalents note on the Financial Statements

#### **PUBLIC PRIVATE PARTNERSHIPS**

There are no Public Private Partnerships that the municipality has engaged with in the financial year under review.

#### **OTHER FINANCIAL MATTERS**

#### **SUPPLY CHAIN MANAGEMENT**

No procurements were made outside the Supply Chain Management Policy.

#### **GRAP COMPLIANCE**

The municipality complies with all relevant GRAP standards.

#### REVENUE COLLECTION BY VOTE AND BY SOURCE

			S 71(1) (a) ACTUAL REVENUE, PER REVENUE SOURCE					
Source	Original Budget 2019/2020	Adjusted Budget 2019/2020	Budget June 2020	Actual June 2020	Budget YTD 2019/2020	Actual YTD 2019/2020	Variance YTD	% Received To Date
Property Rates	23 023 060.08	23 023 060.08	1 918 588.34	1 907 093.97	23 023 060.08	23 531 434.56	-508 374.48	102%
Service Charges	2 100 000.00	2 100 000.00	175 000.00	266 870.26	2 100 000.00	3 084 893.93	-984 893.93	147%
Rent of facilities	1 000 000.00	1 000 000.00	83 333.33	64 411.66	1 000 000.00	1 194 328.14	-194 328.14	119%
Interest earned - Investments	16 000 000.00	13 000 000.00	1 083 333.33	662 932.22	13 000 000.00	11 219 971.33	1 780 028.67	86%
Fines - Traffic	1 000 000.00	1 000 000.00	83 333.33	25 250.00	1 000 000.00	402 370.00	597 630.00	40%
Licencing and Permits								
Hawkers Permits	11 109.12	30 000.00	2 500.00	3 652.32	30 000.00	36 192.56	-6 192.56	121%
Taxi Permits	55 545.60	55 545.60	4 628.80	521.74	55 545.60	47 099.20	8 446.40	85%
Drivers Licences	2 600 000.00	3 100 000.00	258 333.33	56 694.00	3 100 000.00	2 539 698.46	560 301.54	82%
Licence Commission	736 400.00	736 400.00	61 366.67	78 067.61	736 400.00	731 394.61	5 005.39	99%
Other Revenue	1 315 396.00	1 396 505.12	116 375.43	42 395.55	1 396 505.12	527 595.51	868 909.61	38%
TOTAL	47 844 666.80	45 444 666.80	3 787 055.57	3 107 889.33	45 444 666.80	43 314 978.30	2 129 688.50	95%

#### **REVENUE COLLECTION PERFORMANCE BY VOTE**

TOTAL	192 158 343	176 738 051
Fines	446 450	901 062
Government grants & subsidies	148 940 107	135 280 962
Property rates	24 943 816	21 886 399
Other income - Miscellaneous	863 490	327 895
Licences and permits	2 137 401	2 884 673
Interest received	11 106 623	13 026 783
Rental of facilities	850 649	1 074 076
Service Charges	2 869 807	2 257 263

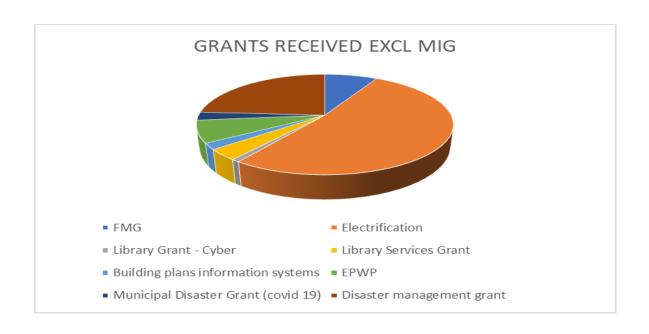
**REVENUE COLLECTION PERFORMANCE BY SOURCE** 

#### **CONDITIONAL GRANTS RECEIVED (EXCLUDING MIG)**

Conditional Grants Received for the 2019/2020 financial year

Finance Management Grant R 1 970 000 **Building Plans Information Systems** R 500 000 Library Grant R 221 000 Library Grant R 880 000 **EPWP Grant** R 1 793 000 Electrification - DoE R 13 000 000 Municipal Disaster Grant (COVID 19) R 655 000 R 6 000 000 Disaster Management Grant

The above can be reflected as follows:



CAPITAL EXPENDITURE - NEW & UPGRADE / RENEWAL PROGRAMME

	Capital Expenditure by Asset Class/Sub-class	DEPARTMENT	SOURCE OF FUNDING	FINAL BUDGET 2019/20	M.T.D ACTUAL	Retention	Year To Date 2019-2020 VAT EXCL	Year To Date 2019- 2020 VAT INCL	Percentage Spent VAT Excl	Percentage Spent VAT Incl
	Infrastructure Infrastructure Assets									
	Electricity, Roads, Pavements & B	ridges		23 139 580.68	1 876 750.46	2 000 546.15	18 116 718.42	21 022 051.78	78%	91%
	Infrastructure - Road transport MI			20 320 345.68	1 876 750.46	1 678 745.82	17 484 643.92	19 925 095.72	86%	98%
	Chapel Street W2 Shelembe Road W7	Technical Technical	MIG MIG	555 480.00 724 696.08	60 820.00	396 725.33 82 187.85	483 027.04 158 760.97	555 481.10 170 246.94	87% 22%	100% 23%
	Nxele Road W10	Technical	MIG	135 933.12	- 00 820.00	67 055.26	117 802.80	135 473.22	87%	100%
C0120-2/IA0013	Lower Valley View Road W2	Technical	MIG	2 629 662.84	658 974.32	154 391.78	2 615 383.37	2 984 532.11	99%	113%
	Esivandeni Road W14	Technical	MIG	3 807 692.04	939 410.13	234 184.60	3 471 284.67	3 956 849.68	91%	104%
C0040-3/IA0013	Sdungeni Rd W1 Masomini Road W7	Technical Technical	MIG MIG	3 141 457.44 3 443 349.12	187 843.26	208 114.36 248 114.61	2 426 585.82 3 408 657.17	2 759 356.54 3 882 738.55	77% 99%	88% 113%
	Magawula Road W13	Technical	MIG	2 070 285.36	29 702.75	119 232.20	1 545 458.29	1 759 392.20	75%	85%
C0040-6/IA0013	Khambule Road W 8	Technical	MIG	1 317 643.92	-	54 260.63	1 205 103.34	1 377 729.75	91%	105%
C0120-3/IA0013		Technical	MIG	2 494 145.76	-	114 479.20	2 052 580.45	2 343 295.64	82%	94%
C0177-8/IA0195	Golf Course Roads	Technical	Internal	388 193.40	-	321 800.33	-	370 070.38	83%	95%
	ELECTRIFICATION PROJECTS			2 431 041.60	-	-	632 074.50	726 885.68	26%	30%
C0015-1/IA07020	Golf course Electrification	Technical	internal	2 431 041.60	-	-	632 074.50	726 885.68	30%	30%
	Community Assets			7 547 455.08	2 234 350.34	601 175.02	6 514 860.71	7 880 159.79	86%	104%
	Sports Fields, Stadiums & Commu	nity halls		5 187 135.60	1 566 944.34	632 865.02	4 340 973.89	5 403 653.41	84%	104%
	Sports Fields & Stadiums - MIG			4 236 335.88	1 292 628.69	528 687.07	3 390 593.24	4 326 342.36	80%	102%
C0245-4/IA0003	Sqandulweni Sport field	Sport and Recreation	MIG	3 700 127.28 327 264.96	1 292 628.69	139 100.00	3 306 099.39	3 781 149.30	89%	102%
C0291-1/IA0003	Jeffrey Zungu Sportfield W2 Pass 4 Phungula Sportsfield W6	Sport and Recreation Sport and Recreation	MIG MIG	327 264.96 208 943.64	-	389 587.07	84 493.85	448 025.13 97 167.93	119% 40%	137% 47%
	KwaDladla Sportfield W11	Sport and Recreation	internal	950 799.72	274 315.65	104 177.95	950 380.65	1 077 311.06	100%	113%
	HALLS			2 360 319.48	-			-	0%	0%
Goods 17	Community halls MIG			2 360 319.48	667 406.00	- 31 690.00	2 173 886.82	2 476 506.38	92%	105%
	Mazabeko Hall W12 Nkweletsheni Hall W5	Community Halls Community Halls	MIG MIG	1 099 939.32 1 260 380.16	408 635.00 258 771.00	- 188 106.40 156 416.40	1 099 121.53 1 074 765.29	1 263 989.76 1 212 516.62	100% 85%	115% 96%
	Duonate plant & Fanisment			44 065 483.13	9 060 542.45	1 200 085.11	24 942 741.75	28 265 052.47	57%	64%
	Propety ,plant & Equipment Other Buildings		Internal	24 907 552.92	3 205 619.52	1 200 085.11	15 598 583.68	17 592 662.74	63%	71%
C0228-1/IA0003		Fire	Disaster grant	6 000 000.00		663 599.93	6 000 000.00	6 800 460.01	100%	113%
	Fire Station	Fire	Internal	7 512 546.96	2 649 990.54		3 804 558.33	4 375 242.08	51%	58%
	Revamping of Municipal Building	Technical	Internal	9 295 005.96	555 628.98	536 485.18	5 794 025.35	6 416 960.65	62%	69%
	Revamping of Thusong Centre CRU Sub station	SD Thusong Technical	Internal Internal	800 000.00	-	-		-	0% 0%	0% 0%
	Fibre Underground Traffic/SD	Traffic	Internal	1 300 000.00	-	-		-	0%	0%
	Transport Assets			3 164 000.00	1 257 791.31	-	2 227 118.31	2 561 186.06	70%	81%
	Mayor's Vehicle	Council	Internal	630 000.00	523 482.31	-	523 482.31	602 004.66	83%	96%
	Double Cap - Disaster Double Cap - Disaster	Disaster/Fire Disaster/Fire	Internal Internal	445 000.00 445 000.00	375 512.00	-	375 512.00	431 838.80	84% 0%	97% 0%
C0257-1/IA0009	Single Cab IPD *4	Technical	Internal	1 214 000.00		-	969 327.00	1 114 726.05	80%	92%
C0007-5/IA0136	Double Cab IPD *1	Technical	Internal	430 000.00 13 781 624.29	358 797.00 4 354 477.00	-	358 797.00	412 616.55 6 875 855.91	83% 44%	96% <b>50%</b>
C0006-10/IA062	Plant & Equipment Road Marking Machine	Roads	Internal Internal	52 716.49	4 334 477.00	_	<b>6 005 418.18</b> 52 716.49	60 623.96	100%	115%
	Jet Cleaner	Roads	Internal	145 000.00	-	-	145 000.00	145 000.00	100%	100%
	Concrete Mixture	Roads	Internal	19 893.16	-	-	19 893.16	22 877.13	100%	115%
C0006-12/IA062		Roads	Internal	1 600 000.00	1 010 250 00	-	1 010 250 00	-	0%	0%
C0006-14/IA062 C0006-16/IA062		Roads Roads	Internal Internal	2 200 000.00 3 000 000.00	1 818 268.00 2 536 209.00	-	1 818 268.00 2 536 209.00	2 091 008.20 2 916 640.35	83% 85%	95% 97%
	Lowbed (horse 30ton and trailer)	Roads	Internal	2 280 000.00	2 330 203.00	-	2 330 203.00	- 2 310 040.00	0%	0%
C0006-20/IA062	Generator(IPD)	Technical	Internal	57 500.00	-	-	57 500.00	57 500.00	100%	100%
C0006-21/IA062		Roads	Internal	1 370 000.00	-	-	1 178 266.89	1 355 006.92	86%	99%
	12/14 ton Truck ( breakdown ) Bomag hand roller	Roads	Internal	1 600 000.00 160 514.64	-	-	160 514.64	184 591.84	0% 100%	0% 115%
	Configuration of skip truck	Roads Refuse	Internal Internal	710 000.00	-	-	100 314.04	184 591.84	100%	115%
	13X Brush cutters	Refuse	Internal	86 000.00	-	-	37 050.00	42 607.50	43%	50%
C0006-8/IA0628	Generator (traffic)	Traffic	Internal	500 000.00	-	-	-	-	0%	0%
~~~~	Computer and IT Equipment	~	Internal	1 185 000.00	242 654.62	-	394 514.82	453 692.04	33%	38%
C0003-1/IA06193 O1550-2/IE00650	laptops and Other IT Equip	Corporate Corporate	Internal Internal	340 000.00 20 000.00	86 700.00	-	108 100.00	124 315.00	32% 0%	37% 0%
new	Air Conditioners	Corporate	Internal	75 000.00	-	-	65 234.00	75 019.10	87%	100%
C0004-1/IA0623	Biomestric Scan	Corporate	Internal	-	-	-	-	-	0%	0%
C0006-26/IA062 C0003-	Fire equipment	Fire	Internal	200 000.00	-	-	-	-	0%	0%
4/IA04957	Software licenses	Corporate	Internal	550 000.00	155 954.62	-	221 180.82	254 357.94	40%	46%
C0004-12/IA062	Office Furniture	SD Community	Internal	312 500.00	•	-	37 406.13		12%	0%
G0004 12 ~ : ° :	30 SD Boardroom Chairs	Development	Internal	25 000.00	-	-	-	-	0%	0%
C0004-13/IA062 C0004-21/IA062	25 Library Boardroom Chairs 2 Chairs Thusong centre	Library SD Thusong	Internal Internal	20 000.00	-	-		-	0% 0%	0% 0%
C0004-21/IA062 C0004-15/IA062	2 Chairs Thusong centre	SD Thusong SD Community	internat	2 000.00	-	-		-	υ%	0%
13/1/1002	Biult-ins SD Kitchen	Development	Internal	175 000.00	-	-	-	-	0%	0%
	Vaccuum Cleaner - SD PIH	SD	Internal	5 000.00	-	-	-	-	0%	0%
C0004-18/IA062	1	SD Community								
C0006-29/IA062	Steel trassels tables 15 Microwave ( SD Tusong )	Development SD Thusong	Internal	20 000.00 7 000.00	-	-	8 250.00 1 129.57	9 487.50 1 299.01	41% 16%	47% 19%
	6 Kids Tables and 24 Chairs for		Internal		-	-	1 129.57	1 299.01		
C0004-9/I A0623	Library Library Overhead Projector	Library Library	Internal Internal	15 000.00 5 000.00	-	-	-	-	0% 0%	0% 0%
C0004-9/IA0623	2x White Board - Library	Library	Internal	4 000.00	-		2 026.56	2 330.54	51%	58%
	Shredding Machine	Library	Internal	4 500.00	-	-			0%	0%
C0004-20/IA062	Office Chairs	Municipal Manager	Internal	30 000.00	-	-	26 000.00	29 900.00	87%	100%
C0006 27 10/2	Intangible Committee Commi		Internal	1 500 000.00	-	-	-	-	0%	0%
C0086-2/IA0495	Financial Management System (MSCC		Internal	1 100 000.00	-	-	-	-	0%	0%
C0080-4/1A0617	Building Plans Information Systems Other Assets	Town Planning	COGTA Internal	400 000.00 <b>714 805.92</b>	-	-	679 700.63	781 655.72	0% <b>109%</b>	0% <b>109%</b>
C0223-2/IA0003	Fencing Garden Refuse Dump Site	Refuse	Internal	300 000.00	-	-	264 894.81	304 629.03	88%	103%
C0004-8/IA0623	Kiosk	Corporate	Internal	414 805.92	-	-	414 805.82	477 026.69	100%	115%
	Total Assets			76 252 518.89	13 171 643.25	3 770 116.28	51 748 207.70	59 643 770.42	68%	78%
	MIG			26 917 001.04	3 836 785.15	2 175 742.89	23 049 123.98	26 916 999.91	86%	100%
	Internal Funded			42 935 517.85	9 334 858.10	962 463.46	20 525 196.90	23 638 859.57	48%	100% 55%
	Disaster Mana Centre			6 000 000.00	2 649 990.54	663 599.93	6 000 000.00	6 800 460.01	100%	113%
				400 000.00					0%	0%
	Total Capex			76 252 518.89	15 821 633.79	3 801 806.28	51 748 207.70	59 643 770.42	68%	78%

### CHAPTER 4 - ORGANISATIONAL PERFORMANCE

(PERFORMANCE REPORT PART II)

**Table 1: Comparative Target Achievement Information for three years:** 

Doufour or of Chahra	2017/2018	2018/2019	2019/2020
Performance Status	Performance	Performance	Performance
Total No of Targets	202	209	177
Performance targets exceeded	31	35	20
Performance targets met	163	159	135
Performance targets not met	8	15	22



The Department of Co-Operative Governance and Traditional Affairs defines PMS as "a strategic approach to management which equips leaders, managers, employees and stakeholders at different levels, with a set of tools and techniques to regularly plan, continuously monitor and periodically measure and review performance of the municipality in terms of indicators and targets for efficiency, effectiveness and impact."

A PMS is also intended to assist the Council to improve service delivery by channeling its resources to meet performance targets and in doing so, ensure that the municipality achieves its strategic objectives is contained in its IDP. A PMS should fulfill the following objectives:

- Facilitate increased accountability
- Facilitate learning and improvement
- Provide early warning signs
- Facilitate decision making
- Effective usage of resources

In the local government context, a comprehensive and elaborate system of monitoring performance of municipalities has been legislated. The system is intended to continuously monitor the performance of municipalities in fulfilling their developmental mandate. Central to the system is the development of key performance indicators as instruments to assess performance. The indicators help to translate complex socio-economic development challenges into quantifiable and measurable outputs. They are therefore crucial if a proper assessment is to be done of the impact of government in improving the quality of life of all.

**At UBuhlebezwe Municipality,** performance management is seen beyond adhering to legislation, but an integral part of the management system to monitor and improve service delivery and report back to National government and communities. It is also a process whereby the Integrated Development Plan (IDP) and Performance Contracts and agreements of managers are aligned to the strategic intent of the municipality to enhance commitment to deliver on the strategy of the municipality.

## 1. PERFORMANCE MANAGEMENT PROCESSES AND HIGHLIGHTS FOR 2019/20

#### 1.1. PREPARING FOR PERFORMANCE MANAGEMENT

In preparing for performance management and after extensive public participation to assess community needs, the developed an *organizational scorecard* representative of the various departments' strategic objectives, measurable outputs, performance measures and targets. Thereafter performance agreements were signed by all managers to which performance plans were attached.

In the 2019/2020 financial year we have also continuously ensured that the following elements, as required by the various legislative requirements and UBuhlebezwe Organizational Performance Management Framework are in place and functioning effectively. These elements include, but are not limited to, the following:

- Approved IDP, Scorecard and SDBIP which are aligned and containing annual performance indicators and targets in line with the national key performance areas and vision and mission of the municipality.
- Performance Audit Committee (same as the Audit Committee), which is properly constituted and has:
  - ✓ Terms of Reference;
  - ✓ Held the required number of meetings; and
  - Reviewed Performance Audit Reports.

#### 1.2.NATIONAL KEY PERFORMANCE INDICATORS

The municipality adopted the prescribed national key performance indicators/areas (NKPAs) and the strategic and operational key performance indicators were developed in the context of the national key performance indicators. The NKPAs are described hereunder:

- Basic Service Delivery and Infrastructure Development;
- Local Economic Development;
- Community and Social Services

- Good governance and public participation;
- Financial viability and management; and
- Institutional development and transformation

#### 1.3.MONITORING, EVALUATION AND REVIEW

At the end of every quarter, managers were expected to prepare and submit quarterly performance reports for monitoring and evaluation of actual performance against set targets (quarterly section 54A & 56 assessments). This occurred as follows:

Quarter	Assessment date	Venue
	13 August 2019	
Quarter 4 of 2018/2019	14 August 2019	Municipality
	16 August 2019	
Quarter 1 of 2019/2020	Informal	Municipality
	24 February 2020	
Quarter 2 of 2019/2020	25 February 2020	Municipality
	02 March 2020	-
Quarter 3 of 2019/2020	Informal	Municipality

#### **2. PERFORMANCE REPORT: 2019/2020**

The tables below record the information as required for the Annual Performance Report which is derived from the Integrated Development Plan and includes additional outputs developed as part of the IDP Review process.

# 2.1. ANNUAL ORGANIZATIONAL PERFORMANCE (ANNUAL TARGETS VS. ACTUAL ACTUALS)

The annual organization performance (depicted by strategic departments of UBuhlebezwe municipality) is encapsulated in the table below. These results are derived from the quarterly performance monitoring and evaluations performed during the 2019/20 financial year.

ANNUAL	ORGANISATIONA	L PERFORMANCE - 20	)19/2020												
IDP / SDBIP	Outcome 9	National Key Performance Areas	Objectives	Strategies	Indicators	Unit Of Measure	Comparison with Previous Year	Current Year				Status (Achieved/ Not	Blockage	Corrective Measure	Portfolio Of Evidence
NO.							2018/2019 ACTUAL	Demand	Backlog	2019/2020 Target	2019/2020 Actual	Achieved)			
OMM01			To improve performance and functioning of the municipality	performanc	Number of signed performance agreements for section 54A & 56 managers (MM,CFO,CORP, IPD & SD) by 31-Jul-19	Number	5 Performance agreements were signed (MM, CFO, Corporate, IPD & SD) on the 7th June 2018.	5 performance agreements for section 54A & 56 managers (MM,CFO,CORP, IPD & SD) signed by 31-Jul-19	none		4 Performance agreements were signed on the 6th June 2019 (MM, Corporate, IPD & SD.) Director Corporate Services was signed in August as she commenced on the 1st of August 2019.	Not Achieved	The CFO position is vacant and undergoing Human Resources processes.	The CFO position will be filled in the First quarter of 2020/21 Financial Year.	Signed performance agreements
	Differentiated Approach To Municipal Financing, Planning And Support		To improve performance and functioning of the municipality	Signing of operational plans	Number of signed operational plans for Line managers (ACFO, SCM, Assets, Internal Audit, IDP/PMS, Administration, Human Resources, Information Technology, PMU, Housing & Planning, LED/Tourism, Community Safety, Community Services, Budget and Reporting)by 31-Jul-19	Number	12 operational plans fo section 55 managers were signed (SCM, Budget and reporting, Assets, Internal Audit, IDP/PMS, Administration, Human Resources, Information Technology, PMU, Housing & Planning, LED/Tourism, Community Safety, Community Services) on the 7th June 2018.	(ACFO, SCM, Assets, Internal Audit, IDP/PMS, Administration, Human Resources,Informa	none	Assets, Internal Audit, IDP/PMS, Administration, Human Resources,Informati on Technology, PMU, Housing & Planning, LED/Tourism,	14 operational plans for Line managers were signed on the 6th June 2019 for (ACFO, SCM, Budget and reporting, Assets, Internal Audit, IDP/PMS, Administration, Human Resources, Information Technology, PMU, Housing & Planning, LED/Tourism, Community Safety, Community Services)	Achieved	n/a	n/a	Signed operational plans
OMM03			To improve performance and functioning of the municipality	Submission of performanc e agreements	signing by section	Turnaround time		COGTA within 10 working days of signing by section	none	Submission of Performance Agreements to COGTA within 10 working days of signing by section 54A & 56 managers	Performance Agreements were signed on the 6th July 2019 and submitted to GOGTA on the 14 June 2019 which was within 10 days of signing by section 54A & 56 managers.		n/a	n/a	Proof of submission
0MM04			To improve performance and functioning of the municipality	Submission of reports to APAC	Number of reports submitted to APAC on performance by 30-Jun-20	Mumber	4 reports were submitted to APAC on performance on the 17th August 2018, 2nd November 2018, 15th February 2019 and 17th May 2019.	performance by	none	to APAC on	4 reports were submitted to APAC on performance on 16th August 2019, 1st November 2019, 21st February 2020 and 10th June 2020.		n/a	n/a	A report, signed minutes and signed attendance register
CORP01			To develop staff to ensure	Awarding Staff	Date by which Staff members are	Date	The bursary was awarded to staff that	Award bursaries to Staff members	none	Award bursaries to Staff members that		Achieved	n/a	n/a	Signed memo with

	l le	effective	members awarded with			that would have	/	would have applied	members that applied				the names of
		service delivery			selection criteria on the			and met selection	and met selection criteria				the bursary
		=	bursaries			selection criteria		criteria by 31-Mar-	on the 15 January 2020				recipients
		trainings	but suries			by 31-Mar-20		20	on the 15 sandary 2020				i corpients
		0-											
					22 Trainings were				29 Trainings were				
					conducted as per				conducted as per				
					(2018/2019) WSP as				(2019/2019) WSP as follows: 1. Advanced				
					follows:				Operational and Strategic				
					1. First Aid Level 1				Fleet Management.				
					2. Examiner of Driving				2. Advanced AutoCAD .				
					Licence				3. Disaster Management.				
									4. Budget Preparation				
					3. Contract Admin				and VAT training.				
					4. Chainsaw Operating				5. Strategic Planning and				
					5. Public Admin 6.				Policy Formulation.				
					Monitoring &				6.Regulation 21 Firearm				
					Evaluation				Training 7. Property Management.				
					7. SDP				8.Introduction to				
									SAMTRAC				
					8. Microsoft Excel				9.Operate waste disposal				
					9. Customer Care				facilities				
					10. Training & shooting				10.SAMTRAC. 11.				
					range				Environmental				
		To develop	Number of			Monitor that 16		Monitor that 16	Management				
		staff to ensure	Monitoring		Firefighter1 and 2.	trainings are		trainings are	12.Customer Care				Signed
CORP02			of trainings conducted as per	Number		conducted as per	none	conducted as per	13.Conflict Management 14.Recertification of a	Achieved	n/a	n/a	attendance
		service delivery through	las ner WSP (2019/20) by	,	13. MSCOA	(2019/20) WSP by		(2019/20) WSP by	backhoe loader				registers
		trainings	30-Jun-20		14. Advanced Project	30-Jun-20		30-Jun-20	15.ArcGIS Basic				
		0-			Management.				16.Risk Management				
					15. Firefighter 2				from				
					and Hazmat Operations				17.Change Management				
					-				18.Padfoot Training				
					16. Electronic Records				19. Risk management 20.				
					Management.				Driver Pump Operator				
					17. Conflict				21. Advanced Computer Training				
					Management.				22. Community Diversity				
					18. Introduction:				23.Labour Relations and				
					Building the Foundation				Effective Discipline.				
					(TM1)				24. Grader Operator .25.				
					19. FA1				Local government				
									administration				
					20. Design and				26. Manage				
					Implementation of server infrastructure				Administration Records.				
									27. Advocate & Local				
					21. CPMD Training.				Community Issues 28. LED: National				
					22. Firefighter1 and				Strategies & Int Trends				
					Hazmat Awareness.				29. Peace Officer.				
												<u> </u>	

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OMM05 BTO01 IPD01 CORP03 SD01		To improve performance and functioning of the municipality	performanc e reports to the office of	Number of performance reports submitted to the office of the MM within the turnaround time	Number	4th April 2019& 05 July	5 performance reports submitted by each department to the office of the MM within 5 working days of the end of each quarter	none	to the office of the MM within 5 working days of the	5 performance reports submitted per department, per quarter to the office of the MM within 5 working days of the end of each quarter as follows:Quarter1 on the 7th October 2019. Quarter 2 on the 8th January 2020. Quarter 3 on the 7th of April 2020. Quarter 4 on the 7th July 2020. OMM, BTO, IPD, CORP,SD	Achieved	n/a	n/a	Proof of submission & quarterly performance report
OMM06 BTO02 IPD02 CORP04 SD02		To improve performance and functioning of the municipality	Submission of the risk register reports to the office of the MM	register reports submitted to the	Number	October 2018,7th January 2019, 5th April 2019,5th July 2019. IPD: 5th October 2018,	5 updated risk register reports submitted by each department to the office of the MM within 5 working days of the end of each quarter		5 updated risk register reports submitted by each department to the office of the MM within 5 working days of the end of each quarter	5 updated risk register reports submitted per department, per quarter to the office of the MM within 5 working days of the end of each quarter as follows: Quarter 1 on the 7th October 2019. Quarter 2 on the 8th January 2020. Quarter 3 7th April 2020. Quarter 4 on the 7th July 2020. OMM, BTO, IPD, CORP,SD		n/a	n/a	Proof of submission & quarterly updated risk register report
CORP05		To improve performance and functioning	or aprodus	Number of uploads on the municipal	Number	Municipal website was updated 135 times by 30 June 2019.	Monitor that Uploads on Municipal Website	none	Monitor that Uploads on Municipal Website	Municipal website was updated 75 times by 30 June 2020.	Achieved	n/a	n/a	Dated Screen shots

	of the municipality	municipal website	website by 30-Jun- 20			are done 64 times by 30-Jun-20	, =	are done 64 times by 30-Jun-20					
CORP06	To improve performance and functioning of the municipality	Monitor verification of user acccess rights on all municipal ICT systems	is verified	Date	ICT systems on the 30th of September 2018, 31st of December 2019, 29th of March 2019 &	Monitor verification of user access rights on all municipal ICT systems by 30- Jun-20	none	of user access rights on all municipal ICT	User access rights verified on all municipal ICT systems on the 30th of September 2019, 24th of December 2019, 31st of March 2020 and 30th of June 2020.	Achieved	n/a	n/a	Signed user access rights forms
CORP07	To improve performance and functioning of the municipality		Date by which the	Date	policies were conducted on the 28-	Monitor the conduction of trainings as per ICT policies by 30-Jun-20	none	Monitor the conduction of trainings as per ICT policies by 30-Jun-20	2 ICT trainings were conducted as follows: ESS and Office 365 training on 11 & 15 October 2019 and Teams and Zoom Training in June 2020.	Δchieved	n/a	n/a	Signed attendance register and presentation slides
CORP08	To improve performance and functioning of the municipality	conduction of ICT	conducted by 30-	Number	October 2018, 12th of	campaigns by 30-	none	Monitor the conduction of 4 ICT Awareness campaigns by 30-Jun-20	10 ICT awareness campaigns were conducted on the:15-July-19, 16-Aug-19, 12-Sept-19, 24-Oct-19,22-Nov-19, 24-Jan-20, 17-Feb-20,28-Mar-20, 21-May-20 and 29-Jun20.	Achieved	n/a	n/a	Signed Circular by Director Corporate Services and proof of distribution to users
CORP09	To improve performance and functioning of the municipality	conduction	conducted on ICT systems by 30-Jun-	Number	SAMRAS) backups were conducted 485 times by 31 March 2019. 120	for 2 ICT systems (SAGE & SAGE300) are conducted by	none	Monitor that weekly backups for 2 ICT systems(SAGE & SAGE300) are conducted by 30- Jun-20	A total of 571 backups were conducted on ICT systems by 30 Jun-20. Backups were conducted 165 times in Quarter 1, 88 times in Quarter 2, 236 times in Quarter 3 and 82 times in Quarter 4.	Achieved	n/a	n/a	Backup Register signed by Director Corporate Services
CORP10	To improve performance and functioning of the municipality	Monitor the reviewal of ICT Policies and Procedures	policies and procedures are	Date	procedures were reviewed and approved by Council on the 27th	Monitor the reviewal of all ICT Policies and procedures by 30- Jun-20	none	Monitor the reviewal of all ICT Policies and procedures by 30-Jun-20	Policies and procedures were reviewed, presented at policy strategic plan session and adopted by Council on the 9th of October 2019.	Achieved	n/a	n/a	Council Resolution
CORP11	To improve performance and functioning	the soft	Date by which the Software Licenses for laptops and computer within	Date	Renewed antivirus licence was purchased and installed on the	Renewal of Software Licenses for laptops and computer users	none	Renewal of Software Licenses for laptops and computer users	Software Licenses for laptops was renewed on the 4th of June 2019	Achieved	n/a	n/a	Licence certificate

		of the municipality	ware licenses	the municipality is renewed		12th of November 2018.	within the municipality by 31-Dec-19		within the municipality by 31- Dec-19					
CORP11. 1		To improve performance and functioning of the municipality	Testing of the Disaster recovery site	Date by which the functionality of the Disaster recovery site is tested	Date	New indicator	Monitor the testing of the functionality of the Disaster recovery site by 30-Jun-20	none	Monitor the testing of the functionality of the Disaster recovery site by 30-Jun-20	Disaster Recovery site Functionality was tested on the 22nd of November 2019.	Achieved	n/a	n/a	Dated screenshots, sign off from the IT Manager and Director Corporate Services
CORP12		To develop staf to ensure effective service delivery through trainings	Submission and	Date by which the	Date	2019/20 WSP was submitted to Council for adoption on the 24- April-19	Submission of the 2020/21 WSP to Council for adoption by 30- Apr-20	none	Submission of the 2020/21 WSP to Council for adoption by 30-Apr-20	The 2020/21 WSP was adopted on the 7th of May 2020 by council	Achieved	The slight delay was caused by the National Lockdown announced by the President in March 2020.	n/a	WSP, Council resolution & council signed minutes
CORP13		To develop staf to ensure effective service delivery through trainings	Monitor the Reviewal of	Date by which the Recruitment and Selection Policy will be reviewed	Date	New indicator	Monitor the Reviewal of all HR Policies by 30-Jun- 20	none	Monitor the Reviewal of all HR Policies by 30-Jun- 20	All HR Policies were reviewed and submitted to Council on the 11th of June 2020.	Achieved	n/a	n/a	Council Resolution
CORP14		To improve safety and security within the municipal environment	Monitor that evacuation drills are conducted	Number of evacuation drills conducted by 30- Jun-20	Number	4 evacuation drills were conducted on the following dates: 24/08/18, 30/11/18,18/01/19 and 31/05/19.	evacuation drills are conducted by	none	Monitor that 4 evacuation drills are conducted by 30-Jun-20	4 evacuation drills were conducted on the following dates: 06-Sep-19, 29-Nov-19, 14-Feb-20 and 28-May-20.	Achieved	n/a	n/a	Dated photos
CORP15		To improve performance and functioning of the municipality	1	Date by which the Employee Assistance Programme is cordinated	Date	Employee Assistance Programme was conducted on the 14th February 2019.	Monitor the cordination of Employee Assistance Programme by 31-Mar-20	none	Monitor the cordination of Employee Assistance Programme by 31-Mar-20	Employee Assistance Programme (Health and Wellness campaign) was implemented on the 26th February 2020	Achieved	n/a	n/a	signed attendance register and dated photos
OMMO7 I .	Basic Service Delivery & Infrastructure Development	To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	f of the prioritised capital projects	Number of MANCO meetings whereby there will be monitoring of delivery/achievem ent of prioritised capital projects budgeted for (2019/20)		5 MANCO meetings where there was monitoring of delivery/achievement of prioritized capital projects budgeted for 2018/19 were held on the 18 July 2018,19 September 2018, 17 October 2018, 12 February 2019 and 11 April 2019	4 MANCO meetings whereby there will be monitoring of delivery/achievem ent of prioritised capital projects budgeted for (2019/20)		-	monitoring of delivery/ achievement of	Achieved	n/a	n/a	Manco Minutes

OMM08	To ensure provision, upgrading maintenar infrastruct and service that enhar socio-econ developme	re prioritized Capital es Projects mic	Number of inspections conducted for 2019/20 prioritized Capital Projects by 30-Jun-20		17 Inspections were conducted for 2018/19 prioritized capital projects on the 27 September 2018,18 September 2018,18 September 2018,10 October 2018, 11 October 2018, 14 November 2018,15 November 2018, 12 February 2019, 26 February 2019, 29 January 2019, 7 March 2019,12 January 2019, 19 March 2019, 31 May 2019, 04 June 2019 & 31 May 2019	4 Inspections conducted for 2019/20 prioritized Capital Projects by 30- Jun-20	none	4 Inspections conducted for 2019/20 prioritized Capital Projects by 30-Jun-20	14 Inspections were conducted for 2019/20 prioritized capital projects on the 01/10/2019,02/10/2019, 03/10/2019, 29/11/2019, 29/11/2019, 30/01/2020,30/01/2020, 03/02/2020,03/02/2020, 03/02/2020, 22/05/2020, 01/07/2020,10/07/2020.	Achieved	n/a	n/a	Dated photos
SD03		e of halls and sport fields mic	Number of maintained halls c and municipal facility by brush cutting and cleaning by 30-Jun- 20	Number	2 HALLS (Peace and Highflats hall) and 1 municipal facility were maintained by doing brush cutting and cleaning throughout the 4 quarters by 30-Jun-19.	Monitor Maintenance of 3 halls(Peace Initiative Hall, Soweto Hall and Highflats hall) and 1 Municipal facility by doing brush cutting and cleaning by 30- Jun-20	none	Initiative Hall, Soweto Hall and Highflats hall) and 1 Municipal facility	doing brush cutting and cleaning throughout the	Achieved	n/a	n/a	Signed report by HOD & Manager Community Services
SD04		municipal es parks mic	Number of C Maintained municipal parks by 30-Jun-20	Number	• •	Monitor Maintenance of 5 municipal parks by grass cutting by 30-Jun-20	none	Monitor Maintenance of 5 municipal parks by grass cutting by 30- Jun-20	i -	Achieved	n/a	n/a	Signed quarterly report by manager community services and HOD
SD05	To ensure provision, upgrading maintenar infrastruct and service that enhar socio-econ developme	e of Monitor collection of waste.	Number of days within which refuse is collected by 30-Jun-20	Number	The weekly schedule was followed on refuse collection and the waste was removed in the following areas as scheduled:  • Mondays - High School down to Stuart Street up to Grant	Monitor six days of refuse collection per week by 30-Jun-20. • Monday Ixopo High school down to Stuart street up-to Chapel to Testing ground • Tuesday	none	per week by 30-Jun- 20. • Monday Ixopo High school down to Stuart street up-to Chapel	collection was done per	Achieved	n/a	n/a	Signed weekly schedule by Truck Driver, Refuse Supervisor and Manager Community Services

					testing ground  Tuesdays - Morning view - High street, Mary Street and centenary road  Wednesdays - Morning Side and Highflats  Thursdays - Little flower and	Morning view High street, Mary street and	, 2020		view - High street, Mary Street and centenary road •Wednesdays - Morning Side and Highflats •Thursdays - Little flower and Hospital. Umngeni, Sisonke •Fridays - Fairview •Saturdays - Highflats Ixopo				
SD06	To ensure provision, upgrading and maintenance of	of refuse in households within Ubuhlebez we jurisdiction	Number of Households with access to refuse removal within the jurisdiction Ubuhlebezwe by 30-Jun-20	Number	collecting refuse in 1035 households receiving refuse collection services in Ixopo, (ward 2), Fairview (ward 4) and	1262 households with access to refuse removal within the jurisdiction of UBuhlebezwe Municipality by 30-Jun-20	none	1 318 households with access to refuse removal within the jurisdiction of UBuhlebezwe Municipality by 30-Jun-20	The municipality has collected refuse in 1318 households receiving refuse collection services in Ixopo, (ward 2), Fairview and Morning Side (ward 4) by 30-Jun-20	Achieved	n/a	n/a	Valuation roll and Signed quarterly report by manager community services and HOD
SD06.1	infrastructure and services that enhances socio-econom development	C Monitor the coordination of clean up campaigns	up campaigns coordinated by 30-	Number	4 Clean-up campaigns were conducted on the 31st of August 2018, 19th of March 2019, 6th of May 2019 and the 9th of May 2019.	coordination of 8	none		8 clean- up campaigns were conducted on the: 31st of July 2019, 5th of September 2019, 15th of October 2019, 3rd of February 2020,18th of February 2020, 16th of June 2020 and 23rd of June 2020.	Achieved	n/a	n/a	Signed attendance register, date photos
CORP16	To improve the performance and functioning of the municipality		Turnaround time for distributing agenda to the members of Infrastructure Planning & Development portfolio before the meeting	Turnaround time	meeting was distributed 10 days prior to the meeting. Date of the meeting	Distribute the agenda of the IPD Portfolio	none	Distribute the agenda of the IPD Portfolio committee meeting 5 days prior to meeting	4 Agendas of the IPD Portfolio committee meeting were distributed 5 and more days prior to meeting as follows:  Agenda distributed on the 19 <sup>th</sup> August 2019, the meeting was held on the 22 <sup>nd</sup> August 2019.	Achieved	n/a	n/a	Dated proof of agenda distribution and date of the meeting

					Portfolio distributed on the 2nd November 2018 for a meeting scheduled for the 6th November 2018.  Translates to 5 days prior to the meeting. Q3: Agenda distributed on the 29th of January 2019 for the meeting scheduled for 7th February 2019.  Which translates to 9 days prior to the meeting. Q4: Agenda of Infrastructure planning and Development portfolio was distributed on the 13-June-2019 for the meeting scheduled for 20-June-2019.  Translates to 7 days prior to the meeting			Agenda Distributed on the 1st of Nov 2019, the meeting held on 7th of Nov 2019. 6 days prior to the meeting  Agenda Distributed on the 30th Jan 2020, meeting held on the 6th February 2020. 6 days, prior to the meeting.  Agenda Distributed on the 21st of April 2020. Meeting was held on the 30th of April 2020, 9 days prior the meeting				
втоо	3		Bid processing turn around time	Turnaround time for bid processing not more than specified timeframes (bids R200000+ to be finalised) from the closing date of the tender to date of appointment	advert was on the	120 Days turnaround time for the bids R200000+ to be finalised from the closing date of the tender to appointment date	120 Days turnaround time for the bids R200000+ to be finalised from the closing date of	36 Bids were finalised	Not Achieved	Delays were caused by the lockdown period where Bid Committees could not be convened.	the sitting of the Bid Committes	

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					service provider was on the 23/05/2019.  1.Closing date for guestation was								
ВТОО4			Turnaround time for bid processing not more than specified timeframes (bids 30000 to R19999 from closing date of advert to the date of purchase order,	time	was issued on the 09/11/2018. 3. Closing date for quotation 25/02/2019 and order	turnaround time for bids 30000 to R199999 from closing date of advert to the date of purchase order	none	60 days turnaround time for bids 30000 to R199999 ) from closing date of advert to the date	44 Bids were finalised for bids R30 000 to R 199 999 40 Bids were finalised within 60 days 4 bids were finalised after 60 day	Not Achieved	Delays were caused by the lockdown period where Bid Committees could not be convened.	As soon as the Lockdown was eased, Meetings for the sitting of the Bid Committes were scheduled and Bids were finalised.	
BTO05			Turnaround time for bid processing not more than specified timeframes (quotations less than R30000) requisition date to date of purchase order	time	received by SCM on the	6 days turnaround time for quotations less than R30000 from requisition date to date of purchase order	none	6 days turnaround time for quotations less than R30000 requisition date to date of purchase order	1360 Quotations were finalised for quotations less than R30 000. 1034 were finalised within 6 days 326 were finalised after 6 days	Not Achieved	Bids exceeding 6 days were due to various reasons: budgets exceeded, some required briefing sessions and site inspections, some specifications had to be amended. Taxis had to undergo testing before appointment.	Matters that were causing delays were immediately attended to and resolved and	requisitions, orders & request for
втоо6		To ensure Updating provision, and upgrading and approval of	Date by which indigent register is	Date	apaatea ana approved	Update and approve Indigent	none	Indigent register by	Indigent register was approved and updated by 30 June 2020.	Achieved	n/a	n/a	Updated indigent register

Г				1		Annual Performa		/ 2020						
	i a t s	maintenance of infrastructure and services that enhances socio-economic development		updated and approved			register by 30-Jun- 20							
IPD03	r i a t	infrastructure and services that enhances	gravel	Kilometres of gravel roads constructed by 30- Jun-20	Kilometers	percentage achieved is at 86%, Shelembe at 71% and Nxele Access road is 100% was completed	7.2km of new Gravel roads to be constructed (Esidungeni 2km, Khambula 1.1km, Magawula 1.6km, Masomini 2.5km) by 30-Jun-20	none	constructed (Esidungeni 2km, Khambula 1.1km, Magawula 1.6km,	7.2km of new gravel road achieved by 30th June 2020. Esidungeni road achieved 2km of new gravel road completed on the 19th June 2020.2. Khambula road achieved 1.1km of new gravel road completed on the 30th January 2020.3. Magawula road achieved '1.6km of new gravel road completed on the 25th March 20204. Masomini road achieved 2.5km of new gravel road completed on the 17th March 2020.	Achieved	n/a	n/a	Signed consultant's progress report and completion certificates
IPD04	r i a t		n of new gravel	gravel roads constructed by 30-	Kilometers	The progress on site is	4km of Esivandeni road constructed by 30-Jun-20	none	4km of Esivandeni road constructed by 30-Jun-20	4km of Esivandeni Road constructed by 30-Jan-20	Achieved	n/a	n/a	Signed consultant's Progress Report and Completion certificate
IPD05	r i a t	infrastructure	Municipal Infrastructu re Grants	Date by which 2020/2021 Business Plans on MIS system are recommended	Date	were resubmitted on the 14 January 2019 on the MIS system	Recommendation for 2020/2021 Business Plan on MIS system by 30- Nov-19	none	Recommendation for 2020/2021 Business Plan on MIS system by 30- Nov-19	2020/2021 business plans were recommended by the 27th November 2019	Achieved	n/a	n/a	System generated Business Plans and workflow history
IPD06	F L I	1	Infrastructu re Grants	Date by which 2020/2021 FY projects are advertised	Date	signed on the 2nd May 2019.Design reports	Signing of	none	requisition for	Requisition for advertisement of 2020/21 FY was not signed by 31-March-20	Not Achieved	experienced due to the Covid pandemic lockdown. There	lockdown conditions	Final design report & Signed Requisition

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	that enhances					advertisement by		advertisement by		F	requisition	
	socio-					31-March-20		31-March-20		gatherings which		
	economic									•	and we	
	development									•	reduced the	
										Requisition was	number of	
										signed on 14 <sup>th</sup>	attendees	
										May 2020	for briefing	
										IVIAY 2020	meetings, in	
											order to	
											comply with	
											the	
											regulations,	
											whilst we	
											continued	
											with work.	
											(advert	
											limiting	
											numbers in	
											briefings is	
											attached)	
											Meetings	-
	To ensure										took place to	
	provision,									Delays were	address the	
	upgrading and									experienced due	underperfor Completi	tion
	maintenance of	Construction	Number of		Progress on site for	1 community hall		1 community hall	Construction of 1	to the under	mance of the Certificat	
		n of	constructed		Amazabeko Hall is at	(Nkweletsheni)		(Nkweletsheni)	community hall	performance of	contractor. signed	
IPD07		community	•	Number	75% complete by 30-			construction	(Nkweletsheni) complete	tne service	Which consulta	ant's
		halls	completed by 31-		Jun-19	completed by 31-		completed by 31-	by 30-June-20.	provider.	resulted in progress	
	socio-	iidiis	Mar-20		Juli 13	Mar-20		Mar-20	by 50 June 20.			´
	economic									completed by 30	completion	
	development									111111 A 711711	of the	
	development										project .	
											project.	
											The	
											Municipality	
											intervened	
										Dela ys were	by convening	
	To ensure									experienced due	Meetings to	
	provision,									to stoppages by	resolve the	
	upgrading and									the local	matter of signed	
	maintenance of	Constructio	Date by which			Construction		Construction	Construction of fire	husiness forum	stoppages, consulta	
IPD08	infrastructure	n of a fire	construction of a	Date	new indicator	completion of a	nono	completion of a fire	station not completed by	basiness for ann,	where it was progress	s
17000	and services	station	fire station is	Date	new mulcator	fire station by 31-	none	station by 31-Mar-	31 Mar 20.	contracting.	agreed that report &	k
	that enhances	Station	completed			Mar-20		20	SI Wai Zu.	contracting.	there must   Complet	tion
	socio-									construction of	be sub Certificat	ite
	economic											
	development									completed by 30	smaller	
										August ZUZU.	jobs,which	
											led to	
											project	
											completion	
				<u> </u>		1		<u> </u>			completion	

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												of the project.	
IPD09		of Municipal	Expansion of Municipal Building completed by 30- Jun-20	Date	Progress on site is at 7% complete by 30-Jun 19	Expansion of Municipal Building completed by 30- Jun-20	none	Municipal Building	Expansion of Municipal Building not completed by 30-Jun-20.	Not Achieved	The project experienced challenges which included the lack of cashflow to run the project and lack of proper supervision. The engineer on the 16th March 2020 issued the certificate of termination. To date the project is not completed.	regulations to address the issues relating to the delays on the project and the contractor has indicated that the project will	signed consultant's progress report & Completion Certificate
IPD10	To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	n of black top roads-	gravel roads	Kilometers	Progress on site for Golf Course Road is at 89% complete, Progres on for Pass4 Phungula sports site is at 96% complete by 30-Jun-19	road constructed by 30-Sept-19	none	road constructed by	1.5km of Fairview road constructed by 13th December 2019.	Not Achieved		Project has been	signed consultant's progress report & Completion Certificate

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IPD11	To ensure provision, upgrading and maintenance of infrastructure and services that enhances socioeconomic development	Ungrado of	Number of sport fields constructed by 30-Jun-20	Number	60% Completion of upgrading of KwaDladla sports field by 30-Jun- 19	1 Sportsfield a (esiqandulweni ) constructed by 30- Jun-20	none	1 Sportsfield (esiqandulweni ) constructed by 30- Jun-20	0 Sportsfields Constructed by 30 Jun-20	Not Achieved	The project technical handover was on the 28th February 2020 and contractor was given access on the 2nd March 2020. The president of the republic on the 22nd March 2020 announced that the country will be on lockdown. The project	A letter was written to the contractor to return to site on the 4 <sup>th</sup> of May 2020 and for them to ensure that they meet the requirement s of the regulations before resuming	signed consultant's progress treport and completion certificates
IPD12	and services	Maintenanc e of blacktop roads	Square meters of blacktop roads maintained (potholes) by 30- Jun-20	Square meters	5 593.52m2 blacktop roads maintained by 30-Jun-19	400m2 of blacktop roads maintained (potholes) by 30- Jun-20	none	400m2 of blacktop roads maintained (potholes) by 30- Jun-20	445.54m2 blacktop roads maintained by 30- Jun-20	Achieved	n/a	n/a	Signed report with dated photos before & after
IPD13	and services	Maintenanc e of community facilities	directed by	Number	6 community facilities were maintained: Welfare House Fairviev Hall, Peace Initiative Hall, Soweto hall, Highflats Hall and Testing grounds.	Maintained as directed by	none	1 Community Facility maintained as directed by prescripts from Social Development Services by 30-Jun- 20	3 community facilities maintained. Minor repairs received from corporate services for Red cross Building, Soweto Hall and Ixobho Bus Rank Toilets were maintained.	Achieved	n/a	n/a	Requisition, Signed report with dated photos before & after, memo from SD & Technical Assessment report

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IPD14	pr up m in ar th sc	nd services	Maintenanc e of access roads	Kilometres of gravel roads maintained as per maintenance plan by 30-Jun-20		13.98KM of gravel roads maintained by 30-Jun-19	80KM of gravel roads maintained as per maintenance plan by 30-Jun-20	none	iner maintenance	24.20 KM of gravel roads were maintained by 30th June 2020		also time off due	road maintenance and as soon as the	signed report & dated
IPD15	pr up m in ar th sc	CVCIOPITICITE		progress of housing projects by 30-Jun-20		27 meetings on progress of Housing projects were co-ordinated by 30-Jun-19	progress of	none	Monitor coordination of 4 meetings on progress of Housing projects by 30-Jun- 20	9 meetings on progress of Housing projects were held by 30-Jun-20	Achieved	n/a	n/a	Signed attendance register, minutes
IPD16	pr up m in ar th sc		with DoHS	Number of meetings coordinated on progress on 150 Units - Phase 1 Community Residential Units by 30-Jun-20		8 meetings on progress on 150 Units - Phase 1 Community Residential Units were held by 30- Jun-19.	meetings on progress on 150	none	progress on 150 Units - Phase 1	6 meetings on progress on 150 Units - Phase 1 Community Residential Units were held by 30- Jun-20.	Achieved	n/a	n/a	Signed attendance register, minutes
IPD17	pr up m in ar th sc	nfrastructure nd services hat enhances	submission of the Housing	Date by which the Final Housing Sector plan is submitted to IDP unit	Date	The final Housing Sector plan was submitted on the 10th May 2019 to the IDP unit.	monitor the submission of the final Housing sector plan to IDP unit by 10-May-20		nlan to IDP unit by	The final Housing sector plan was submitted to IDP unit on the 7th May 2020.	Achieved	n/a	n/a	Proof of submission, Draft & Final Housing Sector plan

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IPD18		infrastructure and services	Processing of Building and alteration	alteration plans	Turnaround	Q1: The Building plan has not yet been approved because the building lines and dermacated parking bays were not reflected. They have since resubmitted on the 01/10/18 for further processing. The 30 day will be met accordingly. 2) Erf 1642 from the Morning-view area for a new building, the plans were accepted on the 09/07/18 - payment of building fees is not applicable because it is a Municipal Project. The building plan was processed accordingly got approved on the 16/07/18. 3) Erf 1669 from the Morning-view Area accepted on the 09/07/18 - payment of building and alteration plans within 30 days	none	Processing of building and alteration plans within 30 days after	7 building & alteration plans were received. 5 Plans were approved within 30 days	Not Achieved		were ease, building	Register of received building plans with dates,
IPD18		provision, upgrading and maintenance of infrastructure and services that enhances	of Building and alteration	for processing of building and		reflected. They have since resubmitted on the 01/10/18 for further processing. The 30 day will be met accordingly. 2) Erf 1642 from the Morning-view area for a new building, the plans were accepted on the 09/07/18 - payment of building fees is not applicable because it is a Municipal Project. The building plan was processed accordingly got approved on the 16/07/18. 3) Erf 1669 from the Morning-view Area accepted on the	none	building and alteration plans	plans were received. 5 Plans were approved	Not Achieved	experiences in approval of 2 plans received in March 2020 due to the National Lockdown, these	lockdown regulations were ease, building	received building plans with

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						Portion 6 of ERF 419 which was submitted on the 25th March 2019 which is still within the 30days period. Q4: Two plans were received and approved by the Municipality(Malanda payment received on the 6 June 2019 and approved on the 7 June 2019 and Gudlucingo Housing project as its municipal project no payment was received but the plan were received on the 7 June 2019 and approved on the 7 June 2019 and approved on the 13th June 2019)								
=	PD19	To ensure provision, upgrading and maintenance of infrastructure and services that enhances socioeconomic development		Number of electrified households completed by 31- Mar-20	Number	Golf Course housing	483 households electrified in (Blackstore) by 31- Mar-20		electrified in	678 household electrified in blackstore electrification project by 31-Mar-20		n/a	n/a	Signed consultant's progress report with a list of households electrified & completion certificate
1	PD19.1	To ensure provision, upgrading and maintenance of infrastructure and services that enhances socioeconomic development		Number of electrified households completed by 30- Jun-20	Number	new indicator	50 households electrified (Bethal) by 30-Jun-20	none	IDIACTRITIAN (RATES)	0 households electrified by 30-Jun-20	Not Achieved	Processes of appointment of the contractor delayed due to lockdown and project appointed was on the 10th June 2020, sod turning also conducted in June 2020.	country went on lockdown on the 26 <sup>th</sup> March 2020.	Signed consultant's progress report with a list of households electrified & completion certificate

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											were lifted, Bid committees sat on the 19 <sup>th</sup> May 2020 and contractor was appointed on the 10 <sup>th</sup> of June 2020.	
IPD19.2	To ensure provision, upgrading and maintenance of infrastructure and services that enhances socioeconomic development	Date by which requisition for advertising Ndonyane electrification project is signed	Date	new indicator	Signing of requisition for advertising Ndonyane eletrification project by 30-Apr-20	none	advertising	Requisition for advertising Ndonyane electrification not signed by 30 April 20	Not Achieved	Eskom took over this project, it is no longer done by Ubuhlebezwe.	n/a	Signed requisition
IPD19.3	To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Date by which requisition for advertising Fairview electrification project is signed	Date	new indicator	Signing of requisition for advertising Fairview electrification project by 30-Apr-20	none	advertising Fairview electrification	Requisition for advertising Fairview electrification was not signed by 30 April 20	Not Achieved	Delays were experienced due to the fact that the project is dependant on the completion of the Fairview Housing Project which is currently infested by informal settlements. To date requisiton has not been signed.	The electrical engineers were appointed on the 26th	Signed requisition
IPD19.4	To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Number of households electrified by 30- Jun-20	Number	new indicator	300 households electrified (Mandilini) by 30- Jun-20		(Mandilini) by 30-	A total of 207 households electrified by 30th June 2020.	Not Achieved	acquiring outage dates due to national lockdown. Two outages conducted in the month of June 2020 and achieved 207 hh	outages could only be done in June 2020.	certificate

							Aimuai i criorina	ince Report 2019	72020					to take place.	
SDO	07		To improve safety and security within the municipal environment	Monitor maintenanc e of law and order	Number of Multi- Disciplinary roadblocks conducted by 30- Jun-20	Number	13 multi-disciplinary roadblocks were conducted on the following dates: 4th of September 2018, 27th of September 2018, 31st of October 2018, 16th of November 2018, 7th of December 2018, 14th of December 2018, 7th of January 2019, 21st of March 2019, 28th of April 2019, 1st of May 2019, 20th of May 2019, 26th of June 2019 and on the 27th June 2019.	Monitor that 8 multi disciplinary roadblocks are conducted by 30- Jun-20	none	Monitor that 8 multi disciplinary roadblocks are conducted by 30- Jun-20	11 multi-disciplinary road blocks were conducted on the following dates: 12th July 2019,9th September 2019, 15th October 2019, 22nd December 2019, 21st January 2020,27th February 2020, 10th April 2020, 17th April 2020, 17th April 2020, 1st April 2020,1st May 2020 and 12th June 2020.	Achieved	n/a	n/a	Dated photos
IPD2	20		To improve the performance and functioning of the municipality	Untractructu	Development Portfolio items to	time	1. Circular date: 13th August 2018, submission date:16th August 2018. 2. Circular date: 29th October 2018, submission date: 2nd November 2018. 3. Circular date: 29th January 2019, submission date: 1st February 2019. 4. Circular date: 25th March 2019, submission date: 2nd April 2019 for Circular date: 5th June 2019, submission date: 12th June 2019.	Submission of Infrastructure Planning & Development Portfolio items to Corporate Services within 7 working days after receiving circular	none	Submission of Infrastructure Planning & Development Portfolio items to Corporate Services within 7 working days after receiving circular	Items of infrastructure Planning & Development portfolio to corporate services were submitted within 7 working days of receiving circular as follows: Circular received on the 13th August 2019 and items were submitted on the 16th August 2019, within 3 working days. Circular was received on 16 April 2020 and items submitted on the 21 April 2020, 5 working days. Circular received on the 10th June, items submitted on the 17th June 2020. 7 working days.	Achieved	n/a	n/a	Proof of submission & circular
				Culamissian			4 progress reports on			Submit 4 progress	4 progress reports on				Cignod
SD0	Community Work Programme Implemented and Cooperatives Supported	Social and Local	To improve sustainable economic growth and development	Submission of progress reports on small farmers programme	progress report on small farmers programme submitted to the	Number	small farmers programme was submitted to the SD portfolio committee	Submit 4 progress report on small farmers programme to the portfolio	none	reports on small farmers programme to the portfolio committee by 30- Jun-20	small farmers programme were submitted to the SD portfolio committee that was hed on the 21st August 2019,6th	Achieved	n/a	n/a	Signed portfolio minutes & signed attendance register

SD09	s e g	economic erowth and	Renewal of informal traders	Turnaround time for renewal of informal traders licenses in Ixopo and Highflats	Turnaround	February 2019 and 19th June 2019.  Renewal of informal traders licenses in Ixopo and Highflats were processed within one day after the submission of renewal form. The following	committee by 30- Jun-20 Renewal of informal traders licenses in Ixopo	none	traders licenses in Ixopo and Highflats within 2 days after	November 2019,5th February 2020 and 24th June 2020.  Informal traders licenses renewal was done on the 03rd ,09th , 12th , 13th ,17th ,18th ,and 19th of December 2019 which is one day turnaround time after receiving application.	Achieved	n/a	n/a	Hawkers licenses and register with date
SD10	s e g	economic prowth and	v of LED	Number of LED projects monitored by 30-Jun-20	Number	Mwelase Block	sustainability of	none		28 LED projects were monitored by 30-Jun-20. (Amadunge Sewing, Ikhabalethu, Sthembiso Khumalo, Syethemba Coop, Stoneville project, Scottvile co-op, Dynamo Duck trading, ungakwenza, mntambo farming, movement cooperative, ezokulima fica and mkhulisi supplier, Mhlandla, Zamandla enterprise, Sakha izicathulo, Mandaluhla co-op, Ekuthuleni co-op, Gijima co-op, Mvoti coop, Khuthala project, Siyasutha trading, Nhlamvini co-op, Hluthankungu fashion, Qhawekazi fashion, Mvelase blockmaking, ward 4 community, Mvithi project and Bambanani project	Achieved	n/a	n/a	Signed report by manager LED and HOD and dated photos
SD11	s e g	sustainable economic growth and	ordination of a	Date by which workshop for caterers is co- ordinated	Date	new indicator	Co-ordinate a workshop for cateres by 30- Sept-19	none		Workshop for caterers was coordinated and held on the 27th of August 2019.	Achieved	n/a	n/a	Attendance register and Dated photos

SD12	To improve sustainable economic growth and development	Turnaround time for submitting business license applications upon the receipt of applications to the office of the Municipal Manager for approval	1. Business licence applications submitted within 1 day upon the receipt of applications to the office of the municipal Manager for approval. Ixopo Tops received on the 09th of July 2018 and submitted on the 09th of July 2018, Tops Memori received on the 13th of July 2018 and submitted on the 13th of July 2018. 2. 3 business license applications were processed this quarter. Benmore Lodge was received and submitted on the 4th of October 2018. Amble Inn BnB was received and submitted on the 4th of October 2018. Imbali Tavern was received	Monitor the submission of business license applications within 3 days upon the receipt of applications to the office of the Municipal Manager for approval	Monitor the submission of business license applications within 3 days upon the receipt of	Business licence applications submitted within 1 day upon the receipt of applications to the office of the municipal Manager for approval: Thuthukani Bottle store was received on the 17th of July 2019 and submitted on the 17th of July 2019. Ethafeni Lifestyle was received on the 18th of July 2019 and submitted on the 19th of July 2019. Checksave was received on the 29th of July 2019 and submitted on the 29th of July 2019. Zwanani was received on the 16th of September 2019 and submitted on the 16th of September 2019.2. Business license applications were submitted on the following dates: 20,29 May 2020 and 26 June 2020 which is one day turnaround time	Achieved	n/a	n/a	Business license register with date
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SD13	To improve sustainable economic growth and doublenment.	Ponalit Forum meetings held by 30-Jun-20	Number	submitted on the 28 March 2019. 4. Two Business licence applications received. Ntango Bottle Store on the 09th of May 2019 and submitted on the 09th of May 2019, Highflats and Ixopo Association received on the 18th of June 2019 and submitted on the 18th of June 2019 which was one day turnaround time.  2 LED Forum meetings were held on the 14th of December 2018 and 26th of June 2019	2 LED Forum	none	2 LED Forum meetings held by 30-Jun-20	2 LED Forum meetings were held on the 5th of December 2019 and 18th of June 2020.	Achieved	n/a	n/a	Signed Minutes and signed attendance
SD14	To improve Monit sustainable creatic economic jobs growth and throug development EPWP	on of Number of jobs created through	Number 0	49 Jobs created though EPWP by 30 June 2019	Monitor the creation of 20 jobs through EPWP by 30-Jun-20	none	Monitor the creation of 20 jobs through EPWP by 30-Jun-20	56 Jobs were created through EPWP by 30-Jun- 20	Achieved	n/a	n/a	registers  Signed Attendance register with names of the people and Signed report by Manager CS and HOD
SD15	To improve sustainable economic growth and development	orum meetings	Number -	4 CWP Rep Forum meetings were coordinated on the 23rd July 2018, 27th August 2018, 26th March 2019 and 30th May 2019.	Coordinate 6 CWP Rep Forum meetings by 30- Jun-20	Tourism awareness	Rep Forum meetings by 30-Jun-	7 CWP Rep Forums were coordinated on the 15th July 2019, 16th July 2019, 25th July 2019, 2nd August 2019,30th October 2019 4th December 2019 and 25th February 2020.	Achieved	n/a	n/a	Proof of Invitations and signed attendance registers
SD16	learning and impler enhance social development (illiteracy skills	Date by which one or the youth programme nenta emanating from the adopted Youth Development mme Strategy is implemented		Two Youth Programme emanating from the adopted Youth Development Strategy National Certificate Building and Civil Construction NQF Level 3 started in March 2018 and ended in December 2018. National Certificate: Supervision of Construction Processes NQF Level 4	Monitor implementation of one Youth Programme emanating from the adopted Youth Development Strategy by 30-	none	Monitor implementation of one Youth Programme emanating from the adopted Youth Development Strategy by 30-Jun- 20	Two Youth programmes emanating from the Youth Development Strategy: Plumbing were implemented by 30-Jun-20	Achieved	n/a	n/a	Signed report by manager community services and HOD

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SD17	To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Date by which the recommendations for External bursaries are sent to the Office of the MM	Date	was implemented during the month of September 2018.  Recommendations for External bursaries sent to the Office of the MM on the 21st of February 2019.	for External bursaries sent to	none	for External bursaries sent to the Office of the	Recommendations for External bursaries was sent to the Office of the MM on the 28th of February 2020.	Achieved	n/a	n/a	Proof of submission to the Office of the MM and report signed by the panel and HOD
SD18	To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Date by which Back to school campaign is conducted	Date	campaign conduct on the 16th of January	Monitor Back to school campaign to be conducted by 31-Jan-20	none	Monitor Back to school campaign to be conducted by 31- Jan-20	Back to school campaign was held on the 21st of January 2020.	Achieved	n/a	n/a	Signed attendance register and report signed by manager community services and HOD
CORP17	To improve the performance and functioning of the municipality	Turnaround time for distributing agenda to the members of Social Development portfolio before the meeting	turnaround time	2018. 3. Agenda distributed on the 28th of January 2019 for the	Distribute the agenda of the SD Portfolio committee	none	Distribute the agenda of the SD Portfolio committee meeting 5 days prior to meeting	1. The agenda of the SD Portfolio committee meeting was distributed on the 15th of August 2019. The meeting was on the 21st of August 2019 which translates to 6 days prior to meeting.  2. The agenda of the SD Portfolio committee meeting was distributed on the 1st of November 2019. The meeting was on the 6th of November 2019 which translates to 5 days prior to meeting.  3. Meeting held on the 5th February 2020, agenda distributed on the 28th January 2020. Translates to 7 days prior. 4. Meeting held on the 29th of April 2020, distributed on the 21st of April 2020. Translates to 9 days prior Meeting was held on the 24th of June 2020, distributed on the 18th of June 2020.	Achieved	n/a	n/a	Dated proof of agenda distribution and date of the meeting

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										Translates to 7 days prior.				
CORP18		To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Train unemploye d youth	Number of trained unemployed youth in welding by 30- Jun-20	Number	28 unemployed youth were trained in plumbing from the 1st of April 2019 until the 31st of April 2019.	Train unemployed youth in welding by 30-Jun-20	none	Train unemployed youth in welding by 30-Jun-20	Due to COVID-19 Lockdown regulations, the trainings of unemployed youth were not conducted.	Not Achieved	The National Lockdown due to COVID 19.	Trainings wil be conducted in the next financial year.	Attendance
IPD21		To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	lich craation	created through	Number	60 Jobs were created through EPWP maintenance projects by 30-Jun-19	60 Jobs created through EPWP maintenance projects by 30- Jun-20	none	60 Jobs created through EPWP maintenance projects by 30-Jun- 20	69 jobs created through EPWP maintenance projects by 30 June 2020	Achieved	n/a	n/a	Signed Attendance register & time sheets
SD19		To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Monitor Library services awareness campaign	Number of Library services awareness campaign conducted by 30- Jun-20	Number	2018, 31st of August 2018, 6th to 9th of November 2018, 12th	Monitor 4 Library services awareness campaign conducted by 30- Jun-20	none	Monitor 4 Library services awareness campaigns conducted by 30- Jun-20	3 Library services awareness campaigns were conducted on: 29th September 2019, 19th September 2019 and 5th February 2020.	Not Achieved	Librarian )end of Q1 and the National Lockdown due to COVID 19 which	services awareness campaigns will be conducted in	Signed report by community services manager and HOD and dated pictures
SD19.1		To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	n of career	Date by which career exhibition is coordinated	Date	Career exhibition was coordinated and held on Friday, the 24th of August 2018 at Peace Initiative Hall.	Coordination of career exhibition by 31-Dec-19	none	Coordination of career exhibition by 31-Dec-20	Career exhibition was coordinated and held on the 25th of July 2019 at Peace Initiative Hall.	Achieved	n/a	n/a	Signed report by community services manager and HOD and dated pictures
ОММ09		To improve sustainable economic growth and development	social portfolio committee	Number of social portfolio committee meetings set by 30-Jun-20	Number	4 Social portfolio committee meetings were held on the 22nd August 2018, 7th November 2018, 6th February 2019 and 10th April 2019.	committee meetings by 30-	none	portfolio committee	4 Social portfolio committee meetings were held on the 19th June 2019, 6th November 2019, 5th February 2020 and 29th April 2020.	Achieved	n/a	n/a	Signed attendance register and a signed minutes

OMM10	enhance social development	sexual	Date by which HIV and sexual assault campaign is conducted	Date		sexual assault	none	sexual assault	HIV and Sexual Assault campaign was conducted on the 3rd March 2020.	Achieved	n/a	n/a	Report,Date d Photos and attendance registers
OMM11	enhance social	of health and fitness campaigns	IPI WHIVIPANIA	Date	IWAS DEID OD THE 3 I	Conduct health and fitness campaign for PLWHIV by 31- Dec-19	none	fitness campaign for PLWHIV by 31-Dec-	The Health and Fitness campaign for PLWHIV was conducted on the 28th November 2019.	Achieved	n/a		Report,Date d Photos and attendance registers
OMM12	learning and enhance social development (illiteracy, skills, talent, education)	world aids day and awarding of best performing	Date by which the world aids day is commemmorated and best performing support groups are awarded	Date	world Aids Day and awards for the best performing support group was held on the 4th December 2018	Commemoration of World Aids Day and award ceremony for best performing support group by 31-Dec-19	none	World Aids Day and award ceremony for best performing support group by	The Commemoration of World Aids Day and award ceremony for best performing support was on the 3rd December 2019.	Achieved	n/a		Report,Date d Photos and attendance registers
OMM13	enhance social development	oration of a national	Date by which national Men's day is commemmorated		Ithe 24th July 2018 at	Commemoration of national Men's Day by 30-Sept-19	none	national Men's Day	National Men's Day was commemorated on the 22nd August 2019.	Achieved	n/a		Report,Date d Photos and attendance registers
OMM14	enhance social development	national Women's	inational Women's	Date	Ithe 18th August 2018	Commemoration National Women's Day by 30-Sept-19	none		National Women's Day was commemorated on the 24th August 2019.	Achieved	n/a		Report,Date d Photos and attendance registers
OMM15	culture of learning and enhance social development (illiteracy, skills, talent.	Aids committee Thuma	Date by which Ward Aids committee Thuma mina campaigns is coordinated	Date	New indicator	Coordination of Ward Aids committee-Thuma mina campaign by 30-Jun-20	none	Coordination of Ward Aids committee-Thuma mina campaign by 30-Jun-20	Ward Aids committee Thuma mina campaign was not held by 30-Jun- 20	Not Achieved	was not co- ordinated due to National Lockdown of COVID 19	will be conducted in	Report,Date d Photos and attendance registers

OMM16	To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	n ot teenage	Date by which teenage pregnancy campaigns are coordinated	Date	campaign was coordinated and took	Coordination of teenage pregnancy campaign by 30-Jun-20	none	Coordination of teenage pregnancy campaign by 30- Jun-20	Teenage pregnancy campaign was not coordinated by 30-Jun-20	Not Achieved	was not co- ordinated due to National Lockdown of COVID 19	This campaign will be conducted ir the next financial year.	Report,Date d Photos and attendance registers
SD20	To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	n of child	Date by which Child protection week campaign is coordinated	Date	Child protection week was coordinated and held on the 27th of May 2019 at Bayempini Hall.	Monitor coordination of child protection week by 30-Jun-20	none	Monitor coordination of child protection week by 30-Jun-20	child protection week campaign was coordinated and held on the 30 May 2020.	Achieved	n/a	n/a	Signed Attendance register and dated photos
SD21	To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	commemor ation of a national disability	Date by which National Disability Day for disabled people is commemorated	Date	National Disability Day was commemorated on the 28th of November 2018 at Morningside Stadium	lof National	none	Monitor commemoration of National Disability Day for disabled people by 31-Dec- 19	Commemoration of National Disability Day for disabled people was coordinated on the 20th of November 2019.	Achieved	n/a	n/a	Signed Attendance register and dated photos
SD22	enhance social	local golden	Date by which Local Golden Games Selections for elderly people is coordinated	Date	Selections for elderly people were coordinated on the 25th of July 2018 at	Monitor the coordination of Local Golden Games Selections for elderly people by 30-Sep-19	none	Selections for	Local Golden Games Selections for elderly people were coordinated on the 25th of July 2019	Achieved	n/a	n/a	Signed Attendance register and dated photos
SD23	(illiteracy, skills, talent,	day celebration	Date by which World Heritage Day Celebration and Art and Culture Programme is coordinated	Date	O1st of September 2018 through a Tourism launch at Hluthangungu , 15th of September	Monitor coordination of World Heritage Day Celebration and Art and Culture Programme by 30- Sep-19	none	Monitor coordination of World Heritage Day Celebration and Art and Culture Programme by 30- Sep-19	World Heritage Day Celebration and Art and Culture Programme was coordinated on the 14th, 27th and 28th of September 2019	Achieved	n/a	n/a	Signed Attendance register and dated photos
SD24	To promote culture of learning and enhance social	coordinatio	Date by which participation of Ubuhlebezwe Maidens in	Date		the participation	none	Monitor coordination of the participation of Ubuhlebezwe	Participation of Ubuhlebezwe Maidens in Umkhosi Womhlanga was coordinated on the	Achieved	n/a	n/a	Signed Attendance register and

		development (illiteracy, skills talent, education)	umkhosi , womhlanga	Umkhosi Womhlanga is coordinated		was done on the 7th to the 9th of September 2018 at Kwa-Nongoma	Maidens in Umkhosi Womhlanga by 30-Sep-19		Maidens in Umkhos Womhlanga by 30- Sep-19					dated photos
SD25		To promote culture of learning and enhance social development (illiteracy, skills talent, education)	Monitor coordinatio n of commemor ation of the activist programme	Fight against children and women abuse) is commemorated	Date	Commemoration of 16 days of Activism ( Fight against children and women abuse) was coordinated on the 30th of November 2018	of 16 days of Activism ( Fight against children	none	Monitor coordination of commemoration of 16 days of Activism Fight against children and womer abuse) by 31-Dec-19	coordinated on the 27th	Achieved	n/a	n/a	Signed Attendance register and dated photos
SD26		To improve sustainable economic growth and development	Creation of jobs through LED projects	Number of jobs created through LED projects	Number	through LED funded projects by 30 June	Number of jobs created through LED projects by 30-Jun-20	none	Creation of 40 jobs through LED projects by 30-Jun- 20	45 jobs created through LED projects by 30 June 2020	Achieved	n/a	n/a	Signed report by Manager LED and HOD with the names of the people
OMM17		To improve performance and functioning of the municipality	Publishing of Section 54 & 56 employees performanc e agreements	agreements within	Turnaround time	agreements were signed on the 7th June 2018 and published on the 15th June 2018	Publish Section 54 & 56 employees performance agreements within 14 days after signing	none	56 employees performance agreements within	S54A & 56 employees performance agreements were published on Ilanga newspaper on the 13 June 2019 and on the website which was within 14 days after signing.	Achieved	n/a	n/a	Public notice & signed performance agreements
OMM18	Deepen Democracy Through A Refined Ward Committee System Good Governanc and Public Participation	To improve performance and functioning of the municipality	Conducting performanc e reviews	Treviews conducted	INliimhar	20th February 2019 for Section 54/56 Managers	4 performance reviews conducted for HOD's and Line Managers by 31- Mar-20	none	4 performance reviews conducted for HOD's and Line Managers by 31- Mar-20	5 performance reviews were conducted on the 16th August 2019,13th and 14th August 2019, 25th February 2020, and 2nd March 2020.		n/a	n/a	Signed attendance register with signed minutes
OMM19		To improve performance and functioning of the municipality	and submission of a mid- year	Date by which Mid-year Performance Report is Prepared and submitted to the Mayor, & COGTA	Date	I( ( )(-1 A on the 25th	submit the Mid- vear Performance	none	the Mid-year	Mid-year Performance Report was prepared and submitted to the Mayor & COGTA on the 24th January 2020.		n/a	n/a	Council signed minutes; proof of submissions

OMM20	accour to the of	intability mer e citizens com con:	mmence ent of the mmunity nsultatio	Number of community consultation meetings held for 2020/21 IDP by 30-Jun-20		8 community consultation meetings were held for 2019/20 IDP: 16th October 2018 at Bhobhobho Hall, 17th October 2018 at KwaThathani Hall, 18th October 2018 at Chibini Hall and 1 Ratepayers at Soweto Hall on the 18th October 2018, 15th April 2019 at	8 community consultation meetings held for	none	8 community consultation meetings held for 2020/21 IDP (6 Clustered & 2 Ratepayers) by 30- Jun-20	8 community consultation meetings were held for 2020/21 on the 15th October 2019 at Bhobhobho Hall, 16th October 2019 at Kwathathani Hall,17,th October 2019 and Rate Payers on the 23rd October 2019 at Chibini Hall, 11,12, May 2020, 20 May 2020 at KZN FM and 27 May 2020 at 1KZN TV.	Achieved	n/a	n/a	Signed attendance register
OMM21	perfori and fui of the	of the prove ann report of the prove ann report of the proving Ann performality.	nual 2 port with Finual Frormanc report to 2	Date by which the 2018/19 Annual Report and Annual performance report will be submitted to AG	Date	Performance report were submitted to AG on the 31st August	Submit 2018/19Annual Report and Annual performance report to AG by 31-Aug-19	none	Annual Report and Annual	2018/19 Annual Report and Annual Performance report were submitted to AG on the 31 August 2019.	Achieved	n/a	n/a	Proof of submission
OMM22	perform and fun of the	rmance of the unctioning ann repo	the draft anual anort to	Date by which the 2018/19 Draft annual report will be submitted to council	Date	The Draft 2017/18 annual report was submitted to council for	Submission of the Draft 2018/19 annual report to council for approval by 31- Jan-20	none	annual report to	The Draft 2018/19 annual report was submitted to council for approval on the 23rd January 2020.	Achieved	n/a	n/a	Council signed minutes, signed attendance register and council resolution
OMM23	nerfor	rmance unctioning ove	option of rersight	Date by which the 2018/19 oversight report is submitted to Council for adoption (MFMA section 129(1))	Date	report was submitted to Council for adoption (MFMA section 129(1) on the 28th March 2019.	Submit the 2018/19 oversight report to Council for adoption (MFMA section 129(1)) by 31- Mar-20	none	oversight report to Council for adoption (MFMA section 129(1)) by 31-Mar-	report was submitted to	Achieved	n/a	n/a	Council signed minutes, signed attendance register and council resolution
OMM24	accour to the of	of tl	blishing f the a ersight o port a	Furnaround time for publishing of an oversight report on newspapers and website after adoption		2019 and Published on the 04th April 2019. Within 14 days	Publishing of 2018/19 Oversight report on newspapers and website within 14 days after adoption	none	2018/19 Oversight report on newspapers and website within 14	2018/2019 oversight report was placed on the notice boards and on the municipal website on the 3rd April 2020.  Newspaper could not be	Achieved	n/a	n/a	public notice & council resolution

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OMM25	To improve the performance and functioning of the municipality	of the oversight	Date by which an Oversight Report is submitted to COGTA	Date	The Oversight report was submitted to COGTA on the 05th April 2019	Submission of 2018/19 Oversight Report to COGTA by 07-Apr-20	none	Submission of 2018/19 Oversight Report to COGTA by 07-Apr-20	2018/19 Oversight Report was submitted to Cogta on the 7th April 2020.	Achieved	n/a	n/a	Proof of submission
OMM26	To improve the performance and functioning of the municipality	nt and approval of the risk based internal	Date by which a risk-based internal audit plan for 2019/20 is developed and approved	Date	Risk-based internal audit plan for 2018/19 was developed and approved on the 17th August 2018	Develop and approve risk- based Internal Audit plan for 2019/20 by 30- Sep-19	none	Develop and approve risk-based Internal Audit plan for 2019/20 by 30- Sep-19	The Risk based internal audit- plan was developed and approved on the 16th August 2019.		n/a	n/a	Risk based internal audit plan and signed APAC minutes
OMM27	To improve the performance and functioning of the municipality	of internal audit	Number of internal audit reports submitted to the APAC by 30-Jun-20	Number	4 Internal Audit reports were submitted to the APAC on: 17th August 2018, 2nd November 2018, 1st February 2019, 17th May 2019.	4 Internal Audit reports submitted to the APAC by 30- Jun-20	none	4 Internal Audit reports submitted to the APAC by 30- Jun-20	7 Internal Audit reports were submitted to the APAC as follows:5 submitted on the 16th August 2019.Q2: 1 submitted on the 1st November 2019. Q3: 1 submitted on the 21st February 2020.Q4: There was a Special APAC that was only for Annual Financial Statements and COVID 19. No internal audit reports were submitted.		n/a	n/a	Internal audit report, signed APAC minutes
OMM28	and functioning	audit	Number of APAC meetings held by 30-Jun-20	Number	6 APAC meetings were held on: 17th August 2018, 2nd November 2018, 1st February 2019,15th February 2019, 17th May 2019 and 7th June 2019	Holding of 4 APAC	none	_	4 APAC meetings were held on the 16th August 2019, 1st November 2019,21st February 2020 and 10th June 2020		n/a	n/a	APAC agenda; signed attendance register
OMM29	To improve the performance and functioning of the municipality	manageme nt	Number of risk management committee meetings held by 30-Jun-20	Number	4 Risk Management committee meetings were held on the: 21st September 2018, 7th December 2018, 25th January 2019 and 3rd May 2019.	4 Risk Management committee meetings by 30- Jun-20	none	4 risk management committee meetings by 30-Jun- 20	3 risk management committee meetings were held on the 2nd August 2019, 25th October 2019 and 31st January 2020.	Not Achieved	amended to include the COVID-19 risk	The next risk managemen t committee meeting will be held in July 2020.	Signed minutes and signed attendance register
OMM30	To improve the performance	Tabling of the IDP	Date by which the 2019/20 IDP	Date	2019/20 IDP framework and process	Submit a 2019/20 IDP framework	none	submit a 2019/20 IDP framework and	2020/21 IDP framework and process plan was	Achieved	n/a	n/a	Council signed

	of the	d functioning the unicipality	plan	framework and process plan is submitted to council for approval		=	1		council for approval	submitted to council for approval on the 25th July 2019.				minutes, signed attendance register and council resolution
OMM31	accc to the	countability the citizens	Publishing of 2020/21 draft annual budget and draft IDP	annual budget and	Turnaround time	March 2019. Draft IDP was published on the 4th April 2019 in Ilanga Newspaper, and the Draft Budget published on the 18th April 2019	draft annual budget and draft IDP on newspapers and website for public	none	Publish 2020/21 draft annual budget and draft IDP on newspapers and website for public comments 21 days before final adoption	2020,Drfat IDP was	Achieved	n/a	n/a	Council resolution and public notice
OMM32	acco to the of	promote countability the citizens	the 2020/21 annual budget and	Turnaround time for publishing of the final annual budget and IDP for 2020/21 after its adoption	Turnaround time	IDP was made public on the 27th May 2019 in Ilanga Newspaper and Final Budget made	for 2020/21 made public within 14	none	and IDP for 2020/21 made public within	Final annual budget and IDP for 2020/2021 was made public on the 4th June 2020 on Ilanga and 20th March 2020 on Fever which was within 14 days of its adoption.	Achieved	n/a	n/a	Council resolution and public notice
OMM33	of the	the	staff	Number of general staff meetings held by 31-Mar-20	Number	Ithe Tith December	Holding of 2 general staff meetings by 31- Mar-20	none	staff meetings by	1 general staff Meeting was held on the 17th December 2019.	Not Achieved	Staff meeting did not take place during the 3rd Quarter due to the COVID-19 National Lockdown.	Due to the COVID-19 National Lockdown, the staff meeting could not take place and had been postponed till further notice.	Signed attendance registers
OMM34	pert and of ti	d functioning the	nt of an	Date by which the Action Plan to address AG queries is developed	II 12ta	address AG queries was developed on the 21st	Develop Action Plan to address AG queries by 28- Feb-20	none	queries by 28-Feb-	Action Plan to address AG queries was developed and reviewed by the 7th February 2020.	Achieved	n/a	n/a	Action plan and signed council minutes

OMM35	To improve t performance and function of the municipality	and approval of fraud	Date by which the fraud prevention plan is reviewed and approved	Date	Fraud Prevention plan was reviewed however not submitted to Council for approval.		none	Inlan hy 30-lun-20	The Fraud Prevention Plan was reviewed and approved on the 9th October 2019.	Achieved	n/a		Fraud prevention plan and Council resolution
OMM36	To improve t performance and function of the municipality	of Service	Date by which Service Delivery Charter is reviewed and submitted to Council for approval	Date	The Service Delivery Charter was finalised and submitted to council for approval on the 13th December 2018.	Review Service Delivery Charter and submit to Council for approval by 30- Jun-20	none	Delivery Charter and submit to Council for approval	The Service Delivery Charter was reviewed and submitted to Council for approval on the 11th June 2020.	Achieved	n/a	n/a	Service Delivery charter and Council Resolution
OMM37	To improve to performance and functions of the municipality	Conducting	Date by which Batho Pele campaign to staff is conducted	Date	Batho Pele workshop was conducted to staff on the 10th December 2018.	Conducting of Batho Pele campaign to staff by 31-Mar-20	none	Pele campaign to	Batho Pele campaign was conducted for staff on the 17th December 2019.	Achieved	n/a	n/a	Dated photos and attendence register
SD27	To promote accountabilit to the citizen of Ubuhlebezwa	centralised ward	centralised ward	Number	4 centralised ward committee meetings were coordinated and held on the 5th September 2018, 5th December 2018, 6th March 2019 and 5th June 2019	Coordinate a sitting of 4 centralised ward committees meetings by 30-Jun-20	none	of 4 centralised ward committees	3 centralised ward committee meetings were held on the 4th of September 2019, 5th of December 2019, 6th of March 2020.	Not Achieved	Due to Covid 19 regulations , the central ward committee could not sit in Quarter 4.	for it to sit at a ward level.	Signed Attendance register and minutes
SD28	To promote accountabilit to the citizen of Ubuhlebezwe	of OSS y progress report to Social	Number of OSS progress reports submitted to Socia Development Portfolio tcommittee by 30-Jun-20	l Number	7th of November 2018,	progress reports of OSS to Social Development	none	Development portfolio committee	4 progress reports on OSS were submitted to SD portfolio committees on the 21st of August 2019, 6th of November 2019, 5th of February 2020 and 29 April 2020.	Achieved	n/a	n/a	Signed minutes and Progress report
SD29	To promote accountabilit to the citizen of Ubuhlebezwe	ward committee	Number of visits to ward committees meetings by Public Participation Officer co- ordinated by 30- Jun-20		4 Public Participation Officer visits to ward committee meetings were coordinated and held on the 6th of August 2018 at ward 2, 12th of October 2018 at ward 13, 10th of February 2019 at ward 4 and 22nd of May 2019 at Ward 5	ward committee meetings by by	none	Co-ordinate 8 Public Participation Officer visits to ward committee meetings by 30-Jun- 20	12 Public Participation Officer visits to ward committee meetings were coordinated on the 29th of July 2019 at Ward 13, 24th of September 2019 at Ward 2,17th of November 2019 at Ward 02, 06 November 2019 at ward 4, 11th of February 2020 at ward 12, 13th of February 2020 at ward 10, 13th February 2020 at ward 5, 21st of February 2020 at ward 9, 27th of February 2020 at	Achieved	n/a		Signed Attendance register

					Ailliuai Feriorilla		72020		would desired and the 2011				
									ward 11 and on the 28th of February 2020 at ward 3,4th of June 2020 KwaThathane Hall Ward 10 and 08 June 2020 Ntarashishi Nokweja Ward 11.				
SD30		To promote accountability to the citizens of Ubuhlebezwe	participation	Number	8 IDP public participation meetings coordinated (6 clustered on the 16th of October 2018 at Bhobhobho hall, on the 17th of October 2018 at Kwathathani hall and on the 18th of October 2018 at Chibini hall, 15th of April 2019 at Jolivet Hall, on the 16th of April 2019 at Ntapha Hall, on the 17th of April 2019 at Webbstown Hall and (2 ratepayers on the 18th of October 2018 at Soweto hall and 17th of April 2019 at Soweto Hall).	8 IDP public participation meetings coordinated (6 clustered and 2 ratepayers)) by 30-Apr-20	none	8 IDP public participation meetings coordinated (6 clustered and 2 ratepayers) by 30-Apr-20	8 IDP public participation meetings coordinated on the following dates: 15 October 2019 Bhobhobho Hall, 16 October KwaThathani Hall, 17 October Chibini Hall and Ratepayers Meeting on the 23 of October 2019. 2. IDP public Participation were coordinated through media platforms: KZN FM 11-13th May 2020 and KZN TV on the 26th May 2020.	Achieved	n/a	n/a	Signed attendance registers
IPD22 BT007 CORP1 SD31		To improve the performance and functioning of the al meeting municipality	nt departmental	Number	SD= 6 departmental meetings were held on the 6/08/18,15/08/18, 31/10/18,1203/19, 14/03/19,14/06/19. IPD= 8 departmental meetings were held as follows: 31/07/18,10/09/18,24/08/18,18/12/18, 21/01/19, 23/01/19,27/05/19, 30/05/19. CORP= 7 departmental meetings were held as follows:30/09/18, 23/07/18, 06/08/18, 06/09/18, 18/12/18,20/03/19,20/06/19 . BTO= 4 departmental meeting were held as follows: 19/09/2018,05/10/2018,		none	Holding of 4 departmental meetings by 30-Jun- 20	IPD= 6 departmental meetings were held as follows: 26/09/2019, 03/10/2019, 25/02/2020, 02/03 2020,16/03/2020, 04/06/2020.SD=7 departmental meetings were held as follows: 09/07/2019,29/08/2019, 23/09/2019,26/0/2019,20/12/2019,24/03/2020, 04/06/2020.CORP=4 departmental meetings were held as follows: 28/08/2019,11/12/2019, 09/01/2020,23/03/2020. BTO=6 departmental meetings were held as follows: 02/09/2019,03/10/2019, 25/02/2020,02/03/2020, 16/03/2020, 01/06/2020.	Achieved	n/a	n/a	Signed attendance register & signed minutes

					28/02/2019,07/05/201 9. IPD= 5 Public participation meetings	nee Report 2017	72020						
IPD2 BTO08 CORP2 SD32	3	to the citizens	nding public participation meetings attended 30-Apr-20	Number	meetings attended. (4 clustered: 17th October 2018,15th of April 2019 at Jolivet Hall, 16th April 2019 at Hall 17th April 2019 at	meetings attended (2 Clustered and 2 Ratepayers) by 30- Apr-20		Apr-20	CORP: 3 IDP Public Participation meetings attended: 16 October kwaThathani Hall, 17 October Chibini Hall and 1 ratepayers meeting on the 23 of October 2019 at Soweto Hall.SD: 2 public participation attended on the 16th October 2019 (KwaThathani Hall)and on the 23rd October 2019 Soweto Hall Rate payers meeting.IPD: 2 IDP public participation meetings were attended (1 Clustered on the 17th October 2019 and 1 Ratepayers on the 23rd October 2019). BTO: 2 IDP public participation meetings were attended (1 Clustered on the 17th October 2019 and 1 Ratepayers on the 23rd October 2019 and 1 Ratepayers on the 23rd October 2019 and 1 Ratepayers on the 23rd October 2019 and 1	Achieved	Due to Covid 19, no IDP public Participation meetings were attended, however all the information was given to the IDP office for the preparation of media presentation by the Mayor.	for 2020/21 IDP on KZN FM radio station. There was also a	register

		•			Allitual Feriorillalice Report 201	7/2020			V			
IPD24 BT009 CORP21 SD33	performance and functioning of the	council committee	Number of council committee meetings attended by 30-Jun-20	Number	SD=(4 MANCO:15/08/18, 19/09/18,17/10/18,8/1 1/18. 5 Portfolio: 22/08/18,7/11/18, 6/02/19,10/04/19 and 19/06/19. 6 EXCO:17/07/18, 4/09/18, 27/11/18, 15/01/19, 12/03/19 and 14/05/19. 10 Council: 18/07/18, 26/07/18, 20/09/18, 07/11/18 & 13/12/18, 24/01/19, 21/02/19, 28/03/19, 24/04/19 and 23/05/19.IPD= 6 Portfolio Committee 27/08/18, 06/11/18, 07/02/19,11/04/19, 14/05/19 and 13/07/2019. 5 EXCO: 17/07/18, 17/07/18 ,04/09/18, 15/01/19 and 12/03/19. 9 Council: MANCO, 4 18/08/18,26/08/18,05/ 09/18, 20/09/18, 07/11/18,13/12/18,24/ 04/19,23/05/19 and 06/06/19. BTO= 10 MANCO: 18/07/2018, 19/09/2018, 15/08/2018,17/10/201 8, 08/11/2019, 11/04/2019, 18/06/2019, 13/03/19, 9 Portfolio: 14/08/2018, 11/07/2018, 13/09/2018,12/12/201 8, 11/10/2019, 14/05/2019, 13/07/2019.	none	Attend 16 council committee meetings (4 MANCO, 4 Portfolio 4 EXCO, 4 Council meetings by 30-Jun-20	CORP: Attended 29 council committee meetings as follows: 3 MANCO: 18/09/19, 03/10/19, 04/03/20. 5 Extended Manco: 07/08/19, 04/11/19, 14/01/20,15/04/20, 25/06/20. 4 AHR Portfolio:20/08/19, 04/02/20, 28/04/20, 23/06/20. 3 LLF: 01/10/19, 24/01/20, 08/05/20. 5 EXCO: 16/07/19,03/09/19, 09/10/19, 07/05/20,12/05/20. 9 Council:25/07/19, 29/08/19,10/09/19, 09/10/19,31/10/19, 26/03/20, 07/05/20,28/05/20,11/0 6/20. SD: 28 council committee, meetings 5 MANCO: 07/08/19,18/09/19, 03/10/19, 04/03/20, 27/05/20. 6 Portfolio: 21/08/19, 02/10/19,06/11/19, 05/02/20, 29/04/20, 24/06/20. 6 EXCO: 16/07/19, 26/11/19, 14/01/20, 10/03/20, 07/05/20,11/06/20. 11 Council: 25/07/19, 29/08/19,10/09/19,19/0 9/19, 03/10/19, 03/10/19, 09/10/19, 31/10/19,12/12/19, 15/01/20, 23/01/20,20/02/20.IPD:3 2 Council committees attended: 9 Manco:	Achieved	n/a	n/a	Signed attendance register and signed minutes
					14/05/2019,			2 Council committees attended:				
					17/07/2018,27/11/201 8,14/05/2019, 05/06/2019,			9/19, 03/10/19,04/11/19, 15/04/20,28/04/20,27/0				

			Timiaari eriormanee Report 201	- /			
			15/01/19,12/03/19. 9		5/20,25/06/20.		
			Council: 05/09/2018,		6 IPD Portfolio: 22/08/19,		
			26/07/2018,		03/10/19,07/11/19,06/0		
			18/07/2018,07/11/201		3/20,30/04/20,25/06/20.		
					5 EXCO: 03/09/19,		
			8,24/01/19,08/02/19,		26/11/19,		
			21/02/19, 23/05/2019		14/01/20,10/03/20,		
			and 24/04/2019.		12/05/20.		
			CORP=		12 Council: 25/07/19,		
			6 Exco :		29/08/19,19/09/19,		
			27/11/18,17/07/18,		09/10/19,31/10/19,12/1		
			15/01/2019,14/05/19,		2/19,		
			15/01/ 19 & 12/03/19,		23/02/20,20/02/20,25/0		
			9 Council		3/20,		
			18/07/18,26/07/18,07/		07/05/20,28/05/20,11/0		
			11/18, 13/12/18,		6/20.BTO: 34 Council		
			20/09/18, 05/09/18,		committees attended: 6		
			24/01/19, 21/02/19 &		Manco: 18/09/2019,		
			28/03/19		07/08/2019, 03/10/2019,		
					14/01/20, 14/04/2020,		
			3 Portfolios :		15/04/2020		
			23/08/18,07/11/18,05/		12 Finance Portfolio:		
			02/19,		12/09/2019, 13/08/2019,		
			5 MANCO : 15/08/18,		11/07/2019,		
			19/09/18,17/10/18,		10/12//2019,		
			12/02/19,11/04/19.		14/11/2019, 10/10/2019,		
			12,02,13,11,04,13.		11/02/20,12/03/20,10/0		
					4/20, 13/05/2020,		
					17/04/20, 12/06/2020		
					11 Council: 19/09/2019,		
					29/08/2019, 10/09/2019,		
					25/07/2019, 09/10/2019, 25/07/2019, 09/10/2019,		
					31/10/2019, 09/10/2019, 31/10/2019, 10/09/2019,		
					24/01/20, 20/02/20,		
					11/06/ 2020 ,28/05/2020		
					5 EXCO: 3/09/2019,		
					16/07/2019, 26/12/2019,		
					07/05/2020, 12/05/2020		
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SD34			To improve the performance and functioning of the municipality	of Social  Developme nt Portfolio items	Turnaround time for submission of Social Development Portfolio items to Corporate Services after receiving circular.	Turnaround	after receiving circular on the 29th of October 2018 and submitted on the 1st of November 2018. 3. Submission of	Submission of Social Development Portfolio items to Corporate Services within 7 working days after receiving circular	none	Submission of Social Development Portfolio items to Corporate Services within 7 working days after receiving circular	1. Social Development Portfolio items were submitted on the 14th of August to Corporate Services within 7 working days after receiving circular on the 8th of August 2019. 2. Social Development Portfolio items were submitted on the 28th of October 2019 to Corporate Services within 7 working days after receiving circular on the 24th of October 2019.3. Social Development Portfolio items were submitted to Corporate Services on the 17th of January 2020 and items were submitted on the 24th of January 2020 which was within 7 days after receiving circular.4. Social Development Portfolio items were submitted to Corporate Services on the 17th June 2020 after receiving the Circular on the 10th June 2020.	Achieved	n/a	n/a	Proof of submission and Circular
IPD25 BTO10 CORP22 SD35			To improve the performance and functioning of the municipality	manageme nt	Number of risk management committee meetings attended by 30-Jun-20	Number	21st of September 2018, 7th of December	Attend 4 risk management committee meetings by 30- Jun-20	none	Attend 4 risk management committee meetings by 30-Jun- 20	4 risk management committee meetings were attended on the 2nd of August 2019, 25th of October 2019, 31st January 2020 and Quarter 4 Risk Management Committee was not held due to COVID 19 Lockdown. (CORP,SD,IPD,BTO)	Achieved	n/a	n/a	Signed minutes and signed attendance register
OMM38.	Financial And	Financial Viability and Financial Management	To practice sound financial management principles	staff on the Draft	Date by which inputs on the 2020/2021 Draft annual budget is solicited from staff	Date			none	internal staff on the 2020/2021 Draft annual budget by 31-Mar-20	Due to the COVID-19 National Lockdown, the staff meeting could not take place and had been postponed till further notice.	Achieved	n/a	n/a	Agenda, Attendance Register

					nee Report 2017							
OMM38 BTO11	To practice 2 sound financial management principles	2020/2021 draft annual oudget to	Date by which the 2020/2021 Draft annual budget is tabled to council for approval	Date			2020/2021 Draft annual budget to council for approval	The 2020/2021 Draft annual budget was tabled to council for approval on the 26th March 2020	Achieved	n/a	n/a	Signed council minutes and resolution
OMM39 BTO12	To practice of sound financial 2 management disprinciples b	of the 2020/2021 draft annual oudget to	Date by which the 2020/2021 Draft Annual Budget is submitted to PT & NT after approval by Council	Date		none			Achieved	n/a	n/a	Proof of submission
BTO13	To practice sound financial management financial principles p	section 71 reports to finance portfolio	Number of section 71 reports' tabled to finance portfolio committee within 7 working days of the end of each month	)		new	Solicit inputs from internal staff on the 2020/2021 Draft annual budget by 31-Mar-20	12 section 71 reports were submitted to finance portfolio committee on the following dates: 12/09/2019, 13/08/2019, 11/07/2019,10/12/2019, 14/11/2019, 10/10/2019, 11/02/2020, 12/03/2020, 17/04/2020, 12/06/2020 13/05/2020 17/04/2020.		n/a	n/a	Signed portfolio minutes and section 71 reports
BTO14	To practice o sound financial in management in principles	Submission of Debt manageme nt report to inance committee	Number of debt management reports tabled to finance portfolio committee within 5 working days of the end of each month	Number		2019/2020 Draft annual budget was tabled to Council for approval on the 28th March 2019	Tabling of 2020/2021 Draft annual budget to council for approval by 31-Mar-20	Debt management reports were tabled to finance committee on the following dates: 13/08/2019, 11/07/2019, 12/09/2019, 10/12/2019, 14/11/2019,10/10/2019, 11/02/2020, 12/03/2020, 17/04/2020, 12/06/2020 13/05/2020 17/04/2020		n/a	n/a	Signed portfolio minutes
BTO15	sound financial management	oroviders	Turnaround time for paying service providers	Turnaround time		approved on the 28th March 2019	Submission of 2020/2021 Draft Annual Budget to PT & NT after approval by Council (03-Apr- 20)	First invoice received on the 05/08/2019 and payment date was on 03/09/2019. Second invoice received 13/08/2019 and payment date 16/08/2018. Third invoice received on the 08/07/2019 and payment date 12/07/2019.Fourth invoice received on the 18/12/2019 and payment date was on 20/12/2019. Fifth invoice received 01/112019 and payment date 19/11/2018.	Achieved	n/a	n/a	Invoices, proof of payments and creditors reconciliatio n statement

Г	ſ						linee Report 2013		Sixth invoice received on				
									the 11/10/2019 and				
									payment date				
									29/10/2019.Seventh				
									invoice received on the				
									13 January 2020 and				
									payment date was on 17				
									January 2020.				
									Eighth invoice received				
									20 February 2020 and				
									payment date 28				
									February 2020.				
									Ninth invoice received on				
									the 10 March 2020 and				
									payment date 16 March				
									2020. Tenth invoice				
									received on the				
									12/04/2020 and payment				
									date was on 17/04/2020.				
									Eleventh invoice received				
									12/05/ 2020 and				
									payment date				
									26/05/2020.				
									Twelveth invoice				
									received on the				
									18/06/2020 and payment				
									date 26/06/2020.				
								12 Section					
								71 reports					
								were					
								submitted to					
								finance					
								portfolio					
									12 Assest management				
					Number of asset			on the	reconciliations, updated				Updated
					management			following	asset register and a list of				assets
				Reviewal of	reconciliations,			dates: 11th Tabling of 12	all insure assets were				register and
			To practice		updated asset			July section 71 reports'	reviewed on the				a list of all
	TO 1.6		ISOLING TINANCIAL	monthly	register and a list	NIla a		2018,14th to finance portfolio	04/10/2019, 07/08/2019,	A =  = 1 = 1 = = =	/-	/ -	
B	ГО16		management	reconciliati	of all insured	Number		August 2018, committee within 7	04/10/2019, 05/12/2019,	Achieved	n/a	n/a	insured
			nrinciples	ons of	assets reviewed			13th working days of the					assets and
			i i	12CCPTC	within 7 working				04/10/2019, 7/02/2020				signed
					days of the end of			2018, 11th	,09/03/2020,10/04/2020,				reconcilliatio
					each month				05/06/2020 05/05/2020.				ns
					Cacii illollul				06/07/2020				
									00/07/2020				
								November					
								2018, 12th					
								December					
								2018, 10th					
								January					
								2019,					
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							14th February 2019, 14th Mai 2019, 11 April 201 14 May2 and 07 Ju 2019	rch .9, 019						
ВТ	TO17	To practice sound financial management principles	newly barcoded	Date by which newly barcoded assets are reviewed	Date		14/08/20 13/09/20 12/12/20 13/11/20	as  0  ee  019, 018, 018, 018, 018, 019, 019, 019, 019, 019,	portfolio committee	The list of newly barcoded assets was reviewed on the 11th May 2020.	Achieved	n/a	n/a	Reviewed list of newly barcoded assets
ВТ	TO18	To practice sound financial management principles	Budget and Treasury	Date by which the Budget and Treasury policies are adopted	Date		First invireceived the 03/09/20 payment date 14/09/20 Second invoice d 25/07/20 payment date 31/07/20 third invitation of the 30/08/20 Fourth invoice received the 02/11/20	on  D18  D18  D18  D18  D18  D18  D18  D1	providers within 30	Budget and Treasury policies were adopted by council on the 28th May 2020.	Achieved	n/a	n/a	Council resolution

		_	Annual Performance Report 2019	7/2020				
				payment		T	T	
				date				
				28/11/2018				
				Fifth invoice				
				date				
				05/09/2018				
				payment				
				date				
				23/10/2018				
				Sixth invoice				
				30/11/2018				
				payment				
				date				
				13/12/2018.				
				Sevent				
				Invoice				
				received on				
				the				
				26/01/2019				
				payment				
				date				
				28/02/2019.				
				Eighth				
				invoice date				
				14/01/2019				
				payment				
				date				
				28/01/2019.				
				Nineth				
				invoice				
				27/02/2019				
				payment				
				date				
				08/03/2019.				
				Tenth Invoice				
				was received				
				on the 28nd				
				March 2019				
				and payment				
				was made on				
				the 18th				
				April 2019.				
				Eleventh				
				Invoice was				
				received on				
				the 10 May				
				2019 and				
				payment was				
				made on the				
				made on the				

		-1		Allitual Periorilia	nce Report 2019/2020			li de la companya de		ı	
					29 May						
					2019.						
					Twelveth						
					Invoice was						
					received on						
					the 17 May						
					2019 and						
					payment was	;					
					made on the						
					05 June 2019						
					03 34.112 2013						
					1. Asset						
					recons were						
					signed on the						
					06/08/2018						
					11/09/2018						
					02/10/2018						
					asset were						
					insured on						
					the						
					08/08/2018						
					asset register	-					
					was signed						
					on the						
					03/10/2018.						
					2. 3 Asset						
					recons						
					reviewed and						
					were signed	Review 12 asset					
	Reviewal				on the	management					
	To practice and signing	Date by which Asset Verification			07/01/2019		Assat Varification plan				Cianad asset
27040	sound financial signing	Asset Verification	<b>.</b> .		21/11/2018	reconciliations,	Asset Verification plan		,	,	Signed asset
BTO19			Date		06/12//2018	updated asset	was reviewed and signed	Achieved	n/a	n/a	verification
	principles Verification	plan is reviewed and signed			06/12//2018	register and a list of	on the 01/06/2020.				plan
	principles	una signea			asset were	all insured assets by					
					insured on	30-Jun-20					
					the						
					15/11/2018,						
					30/11/2018,						
					02/10/2018						
					asset register	-					
					was signed						
					on the						
					07/01/2019.						
					3. 3 Asset						
					recons						
					reviewed and	<del>I</del>					
					were signed						
					on the						
					06/03/2019						
					05/02/2019						
					OE /04 /2010						
					05/04/2019.						
					4. 3 Asset						

				Allitual Fertor Illance Report 201	72020					ı	
					recons reviewed and were reviewed on the 05/07/2019 15/052019 07/05/2019 The list of						
вто20	To practice sound financial management principles	of Asset	Date by which Asset Verification report is reviewed and signed	Date	assets was			Achieved	n/a	n/a	Signed asset verification report
BTO21	To practice sound financial management principles	approval of annual	Date by which annual disposal report is reviewed and approved	Date	ľ	nolicies by 30-lun-	Annual disposal report was not reviewed by 30- Jun-20	Not Achieved	appointment of the Asset Manager who needed to satisfy herself on the	The Annual disposal report will be made available by the 31 July 2020.	Signed
OMM40	management	2020/21	Date by which the 2020/21 final annual budget is adopted by Council	Date	reviewed and	Signing of Asset	2020/2021 Final Budget was adopted by Council on the 28th May 2020.	Achieved	n/a	n/a	Council signed minutes and resolution
OMM41	To practice sound financial management principles	adopted annual	Turnaround time for submission of 2019/20 adopted Final Budget to NT & PT after Council adoption		Report was reviewed and	signing of Asset Verification Report	2020/2021 Final Budget was submitted to NT & PT on the 9th June 2020 which was within 10 days of council adoption.		n/a	n/a	Proof of submission

OMM42	To practice sound financial management principles	of section 71 reports to finance portfolio	Number of section 71 reports submitted to finance portfolio committee by 30- Jun-20	Number		The Report 2017	Annual disposal report was		2019, 10th October 2019,	Acnieved	n/a	n/a	Signed portfolio minutes and section 71 reports
OMM43	To practice sound financial management principles	2020/2021 SDBIP and annual performanc e agreements	Turnaround time for submission of 2020/2021 SDBIP and annual performance agreements to Mayor after budget adoption	Turnaround time	The 2019/2020 SDBIP and Annual performance agreements were submitted to the Mayo on the 23rd May 2019 which was within 14 days of Budget Adoption	and annual	was adopted	2020/2021 Final annual budget adopted by Council (31-May-20)	2020/2021 SDBIP and Annual performance agreements were submitted to the Mayor on the 28th May 2020 which was within 14 days of budget adoption, budget adopted on(28 May 2020).		n/a	n/a	Signed council minutes and resolution
OMM44	To practice sound financial management principles	of the 2020/2021 draft SDBIP to COGTA	Turnaround time for submission of Draft 2020/2021 SDBIP to COGTA after council approval	Turnaround time	The 2019/2020 Draft SDBIP was submitted to COGTA on the 29 March 2019 which was within 10 days after council approval.	Draft 2020/2021 SDBIP to COGTA	2019 and submitted to NT & PT on the 05 June		was submitted to COGTA	Achieved	n/a	n/a	Proof of submission
OMM45	To practice sound financial management principles	2020/2021 SDBIP to Council	Turnaround time for submission of 2020/2021 SDBIP to Council for adoption after budget adoption	Turnaround time	2019/2020 SDBIP was submitted to Council for adoption on the 23rd May 2019 which was within 28 days after budget adoption	Submit 2020/2021 SDBIP to Council for adoption within 28 days after budget adoption	committee on the following	to finance portfolio committee by 30- Jun-20	2020/2021 SDBIP was adopted by council on the 28th May 2020 which was within 28 days after budget adoption (28th May 2020).	Achieved	n/a	n/a	Signed council minutes, signed attendance register & Council resolution

1				1		Annual Performa	ince Report 2019	1	1	1				
								11/18, 12/12/18, 10/01/19,						
								14/02/19,						
								14/03/19, 11/04/19,						
								14/05/19 and						
								07/06/19.						
OM	M46	To practice sound financial management principles	Publication of adjusted 2019/20 SDBIP and IDP	Turnaround time for which the 2019/20 adjusted SDBIP and IDP is published after the approval of adjusted budget	Turnaround time	Adjusted 2018/19 SDBIP and IDP was approved on the 21st February 2019 and published on the 25th February 2019 on the Witness Newspaper, which was within 10 days after approval of the adjusted budget	Publication of adjusted 2019/20 SDBIP and IDP in newspapers and website within 10 days after approval of adjusted budget		newspapers and website within 10 days after approval	The Adjusted 2019/20 SDBIP and IDP was published on the 21st February 2020 on Fever Newspaper and 24th March 2020 on I langa which was within 10 days after the approval of Adjusted Budget.		n/a	n/a	Public notice and a council resolution
col	RP23	To improve performance and functioning of the municipality	Distribution of agendas	Turnaround time for distributing agenda to the members of Finance portfolio committee before the meeting	Turnaround time	1. Agendas for 2 Finance Committee Meetings were submitted 4 days prior to the meetings.  Date of Meeting: 13/09/2018  Date of Distribution: 10/09/2018  Date of Meeting: 06/07/18  Date of Distribution: 02/07/18. 2. Agenda for Finance Portfolio Committee distributed on the 9th Oct 2018 for a meeting scheduled for the11th Oct 2018.  Translates to 2 days prior to the meeting. Agenda distributed on the 12th Nov 2018 for a meeting scheduled for the12th Nov 2018.  Translates to 1 day prior to the meeting. 3. Agenda distributed on	meeting 2 days prior to meeting	none	Distribute the agenda of the Finance Portfolio committee meeting	Distributed the agenda of the Finance Portfolio committee meeting 2 days prior to the meeting as follows: 1.Date of Distribution: 09.07.19Date of the meeting: 11.07.19 which translates to 3 days prior to the meeting2.Date of Distribution: 12.08.19Date of the meeting: 13.08.19 which translates to 1 day prior to the meeting3.Date of the Distribution: 11.09.19Date of the meeting: 12.09.19 which translate to 1 day prior to the meeting. 4.Date of Distribution: 08.10.19Date of the meeting: 10.10.19 which translates to 2 days prior to the meetings 10.10.19 which translates to 2 days prior to the meeting: 14.11.19 which translates to 2 day prior to the meeting: 14.11.19 which translates to 2 day prior to the meeting: 0.Date of the meeting: 14.11.19 which translates to 2 day prior to the meeting6.Date of the Distribution:	Achieved	n/a	n/a	Dated proof of agenda distribution and date of the meeting

					the 9th of January 2019 for the meeting scheduled for the 10th of January 2019.  Translates to 1 day prior to the meeting.  11th February for a meeting on the 14th February 2019, translates to 3 days.  12th March for a meeting on the 14th March 2019, translates to 2 days prior, respectively. 4. Agenda for Finance Portfolio was distributed on the following dates:  10th April for a meeting on the 11th of April 2019, translate to 1 day prior to the meeting.				09.12.19Date of the meeting: 10.12.19 which translate to 1 day prior to the meeting. 7. Agenda was distributed on the 13th Jan for meeting on the 14th Jan 2020 translates to 1 day prior.8. 7th Feb for a meeting on the 11th Feb 2020 translates to 5 days.9. 10th March for a meeting on the 11th March 2020 translates to 1 days prior. 10. Agenda was distributed on the 16th April for meeting on the 17th April 2020 translates to 1 day prior.11. 13th May for a meeting on the 11th May 2020 translates to 3 days.12.11h June for a meeting on the 12th June 2020 translates to 1 days prior.				
BTO22	To practice sound financial management principles	capital commitmen	commitment	Date	register was approved on the 5th July 2019	Approve capital	none	Approve capital commitment register by 30-Jun-	Capital commitment register was approved on the 5th May 2020.	Achieved	n/a	n/a	Approved Capital commitment register
вто23	sound financial	Approval of operational and capital grants reconciliati ons	operational and	Number	approved on the 11/09/2018,06/08/201 8, 02/10/2018,07/12/201	within 7 working days of the end of	none	Approve 12 operational and capital grants reconciliations within 7 working days of the end of each month	12 Capital grant approved on the: 07/08/2019, 04/10/2019, 05/09/2019, 05/12/2019, 06/11/2019, 05/09/2019, 07/02/2020, 06/03/2020,10/04/2020, 05/06/2020, 04/06/ 2020 and 06/072020.		n/a	n/a	Reviewed and signed Monthly operational and capital grants reconciliatio ns

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							05/02/2019,06/03/201 9, 05/04/2019,05/06//20 19,07/05/2019 and 05/04/2019								
BTO24			To practice sound financial management principles	retention registers	Number of approved retention registers within 5 working days of the end of each month	Number	12 Retention registers were approved on the 03/10/2018,11/09/201 8, 03/08/2018,06/12/201 8, 06/11/2018,17/01/201 8, 05/02/2019,06/03/201 9, 03/04/2019,06/06/201 9, 07/05/2019,03/04/201 9	retention registers	none	Approve 12 retention registers within 7 working days of the end of each month	12 Retention registers were approved on the:07/09/2019, 04/09/2019, 04/10/2019, 05/12/2019, 06/112019, 04/10/2019, 07/02/2020, 06/03/2020,10/04/2020, 07/05/ 2020, 05/06/ 2020 and 06/072020	Achieved	n/a	n/a	Reviewed and signed Monthly retention register
BTO25					Date by which 2019/20 conditional assessment report is reviewed and approved	Date	The 2018/19 conditional assessment report was reviewed on the 24th June 2019	Review and approve 2019/20 conditional assessment report by 30-Jun-20	none	assessment report	Conditional assessment report was not reviewed by 30 June 2020.	Achieved	n/a	n/a	Reviewed and signed Conditional assessment report
вто26			To practice sound financial management principles	the 2020/21 final annual	2020/21 final		2019/20 final annual budget was adopted on the 23/05/2019	2020/21 final annual budget adopted by Council (31-May- 20)	none	annual budget adopted by Council	The 2020/21 Final annual budget was adopted by council on the 28th May 2020.	Achieved	n/a	n/a	Council signed minutes and resolution
вто27			To practice sound financial management principles	annual	for submission of	Turnaround time	2019/20 Final Budget was adopted on the 23/05/2019 and submitted to NT & PT on the 05/06/2019 which was within 10 days of Council adoption	2020/21 adopted Final Budget submitted to NT & PT within 10 days of council adoption	none	submitted to NT & PT within 10 days of	The 2020/21 Final annual budget was submitted to NT & PT on the 9th June 2020.	Achieved	n/a	n/a	Proof of submission
BTO28			To practice sound financial management principles	ltho.	2019/20 Adjustments		2018/19 Adjustments budget was adopted on the 15/02/2019	Adopt 2019/20 Adjustments budget by 28-Feb- 20	none	Adjustments budget	2019/2020 Adjustments budget was adopted on the 20th January 2020.	Achieved	n/a	n/a	Council resolution
вто29			To practice sound financial	of the 2019/20	Turnaround time for submission of 2019/20 adjustments	unie	Adjustments Budget for 2018/19 was submitted to NT on the	Submission of Adjustments Budget for 2019/20 to NT &	none	Submission of Adjustments Budget for 2019/20 to NT &	2019/2020 Adjustments Budget was submitted to	Achieved	n/a	n/a	Proof of submission

		_	_	budget to NT & PT after the adoption			PT within 10 days after adoption		·	NT & PT on the 3rd of March 2020.				
втозо	sou ma	und financial	Submission of the AFS to AG	Date by which 2018/19 Annual financial statements (with annual report) is Submitted to AG	Date	Statements(with annua	Submit 2018/19 Annual financial statements (with annual report) to AG by 31-Aug-19	none	Annual financial statements (with annual report) to	2018/19 Annual financial statements were submitted to AG on the 30th August 2019.	Achieved	n/a	n/a	Proof of submission
BTO31	sou ma	und financial anagement inciples	2019/20 Mid-Term	Date by which 2019/20 Mid-Term budget review is tabled to Council – section 72	Date	2018/19 Mid-Term budget review was tabled to Council on the 24/01/2019	Tabling of 2019/20 Mid- Term budget review to Council– section 72 by 25- Jan-20	none	Mid-Term budget review to Council—	2019/20 Mid-Term budget review was tabled to Council on the 20th January 2020.	Achieved	n/a	n/a	Council resolution
втоз2	sou ma	o practice und financial anagement inciples	of the 2019/20 Mid-Term	Date by which 2019/20 Mid- Term budget review is Submitted to NT& PT	Date	2018/19 Mid-Term budget review was submitted to NT& PT on the 24/01/2019	Submission of the 2019/20 Mid- Term budget review to NT& PT by 25-Jan-20	none	Submission of the 2019/20 Mid-Term budget review to NT& PT by 25-Jan- 20	2019/20 Mid-Term budget review was submitted to NT& PT on the 24-Jan-20	Achieved	n/a	n/a	Proof of submission
IPD26	sou ma	practice und financial anagement inciples	projects, small town rehabilitatio n projects.	CAPITAL PROJECTS identified in the	Percentage	Overall percentage is at 90% where 100% has been spent on MIG Grant , 100% has been spent on INEP Grant,72% has been spent on internal funding and 100 % has been spent on cogta	Percentage of a municipality's CAPITAL BUDGET actually spent on CAPITAL PROJECTS identified in the IDP at 100% by 30-Jun-20	none	municipality's CAPITAL BUDGET actually spent on CAPITAL PROJECTS identified in the IDP at 100% by 30-Jun-	Overall Capital expenditure is 89.49% (1. Internal 73.96% 2. DOE 100%, 3. MIG 100%, 4. Disaster 100%)	Not Achieved	The underperforman ce in the capital expenditure was due to none performance on the internal funded projects such as the Municipal building which has most of the internal funding. The municipal building is estimated to b completed in the second quarter of 2020/2021 FY.	n/a	Signed expenditure report
втозз	sou ma	o practice und financial anagement inciples	the annual	Date by which Annual procurement plan is developed and adopted	Date	Annual procurement plan was developed and adopted on the 23/05/2019	Develop and adopt an Annual procurement plan by 31-May-20	none	an Annual procurement plan	Annual Procurement plan was developed and adopted by council on the 28th May 2020.		n/a	n/a	Council resolution
втоз4	sou ma	anagament	Carrent	Percentage of current debt over total debt	Percentage	Current debtors are at 16.22%	Current Debtors not above 40% of the total debtors by 30-Jun-20 (% of	none	Current Debtors not above 40% of the total debtors by 30- Jun-20 (% of current	Current Debtors is 4,05%	Achieved	n/a	n/a	Summary Debtor age analysis

				1	1	Annual Performa	1	<i>f</i>	1	<u></u>			1	
			of the total debtors				current debt over total debt)		debt over total debt)					report and calculations
втоз5	<u> </u>	sound financial management	Approval of Bank Reconciliati ons	Number of approved Bank reconciliations within 7 working days after the end of each month		05/10/2018,09/01/201	month	none	Approval of bank reconciliations within 7 working days after the end of each month	12 Bank reconciliations were reviewed and approved on the following dates: 04/10/2019, 06/09/2019, 08/08/2019, 31/10/2019, 06/09/2019, 08/08/2019, 07/02/2020, 09/03/2020,08/04/2020, 30/04/2020, 29/05/2020 and 30/06/2020.		n/a		Reviewed and signed Bank reconciliatio ns
втоз6	9	sound financial management	Interim Annual Financial	Date by which Interim Annual Financial Statements(AFS) are approved	Date	approved on 22	Approval of the Interim AFS by 28- Feb-20		Interim AFS by 28-	Interim AFS were approved on the 28-Feb- 2020.	Achieved	n/a	n/a	Approved Interim Annual Financial Statements
ВТОЗ7	 	sound financial management	Approval of VAT Reconciliati ons	Number of VAT Reconciliations approved within 7 working days after the end of each month	Number	8, 08/10/2018, 12/102018, 09/11/2018,09/01/201	Approval of 3 VAT Reconciliations within 7 working days after the end of each month		Approval of 3 VAT Reconciliations within 7 working days after the end of each month	12 VAT reconciliations were approved on the following dates: 06/09/2019, 06/09/2019, 18/10/2019, 07/02/ 2020,09/03/2020, 08/04/2020, 08/05/2020, 05/06/2020 and 08/07/2020.		n/a		Reviewed and signed VAT Reconciliatio ns
втоз8	<u> </u>	sound financial management	Financial viability in terms of ratios	(Financial viability in terms of cost coverage ratio quarterly) Ratio: Available cash plus investments divided by monthly fixed operating expenditure		Financial viability in terms of cost coverage is at 8.72:1 by 30-Jun-	(Financial viability in terms of cost coverage at 7: 1 ratio quarterly) Ratio: Available cash plus investments divided by monthly fixed operating expenditure	none	Ratio: Available cash	Financial viability in terms of cost coverage is at: 7.07:1 by 30-Jun-20.	Achieved	n/a	n/a	Detailed Calculation

BTO39	performance and functioning of the	Submission of Finance portfolio committee items	Turnaround time for submission of Finance portfolio committee items to Corporate Services after receiving circular.	Turnaround	Finance items were submitted to Finance portfolio committee as follows: Circular date 2/07/2018 submission date 05/07/2018.Circular date 31/07/2018 submission date 07/08/2018. Circular date 03/09/2018 submission date 05/08/2018, Circular date 06/11/2018 submission date 06/11/2018. Circular date 01/10/2018 submission date 04/10/2018, Circular date 6th February 2019, submission date. Circular date 6th February 2019, submission date. Circular date 05/03/19,submission date 08/04/2019, Circular date 02/04/2019 submission date 03/04/2019, Circular date 04/07/2019 submission date 06/06/2019.	Services within 7 working days after receiving circular		Submission of Finance portfolio committee items to Corporate Services within 7 working days after receiving circular	05/12/2019, Submission 04/12/2019. 3.	Achieved	n/a	n/a	Proof of submission and circular
SD36	development of the municipal area to enhance	revenue through	Amount / Revenue collected through Community Safety Services	Amount /	Revenue of R4 518 912.77 was collected through community safety services by 30- Sep-17	Monitor revenue collection of R2,600 000 through Community Safety Services by 30- Jun-20	none	collection of R2,600 000 through	Revenue of R2 722 417.41 was collected through community safety services by 30-Jun- 20		n/a	ln/a	E-Natis report
IPD27	To practice sound financial			Number	5 progress reports were submitted to IPD Portfolio Committee on	Sabilited to 11 B	none	5 progress reports	6 progress reports were submitted to IPD Portfolio Committee on	Achieved	n/a	n/a	Signed portfolio minutes with

			management principles	Portfolio Committee by 30- Jun-20		the: 27th August 2018, 2nd November 2018, 1st February 2019, 15th April 2019 and 20 June 2019.	Committee by 30- Jun-20		Portfolio Committee by 30-Jun-20	the: 22nd August 2019,3rd October 2019, 7th November 2019, 7th February 2020, 30th April 2020 and 25th of June 2020.				signed attendance register
IPD28			To facilitate spatial development in the entire area of submission Ubuhlebezwe of annual and at the same time achieve economic social and environmental sustainability  Reviewal and submission Developmental Framework	Framework is reviewed and submitted to IDP	Date	The submission of the SDF to the office of IDP was on the May 10th 2019			Final review and submission of Spatial Development Framework to IDP unit by 10-May-20	Final Spatial Development Framework was submitted to the IDP office on the 07th May 2020		n/a	n/a	Proof of submission, Draft & Final SDF
IPD29	Differentiated Approach To Municipal Financing, Planning And	Cross Cutting Interventions	To facilitate spatial development in the entire area of Ubuhlebezwe and at the same time achieve economic social and environmental sustainability	Integrated	Date	New indicator	Development and Submission of final Integrated Transport Plan to Council by 30- June-20	none	Development and Submission of final Integrated Transport Plan to Council by 30-June- 20	No Transport plan was developed by 30th June 2020.	Not Achieved	of sourcing funds to implement the development	be fully implemente	Council Resolution
IPD30	Support		To facilitate spatial development in the entire area of Monitor th Ubuhlebezwe facilitation and at the same of building time achieve economic social and environmental sustainability	e Date by which the facilitation of building plans is monitored	Date	New indicator.	Monitor the facilitation of building plans (23 sites & Golf course) by 30-Jun-20	none	Monitor the facilitation of building plans (23 sites & Golf course) by 30-Jun-20	The service provider was appointed on 10th June 2020.	Not Achieved	to the National	facilitation of building plans will be finalised on	and Inception
IPD31			To facilitate spatial development in the entire area of Ubuhlebezwe and at the same	Date by which Data Sets for GIS is updated	Date	April 2019 and also	Monitor the Updating of Data Sets for GIS by 30- Apr-20	none	Monitor the updating of data sets for GIS by 30-Apr-20	Updated GIS data submitted together with the final ward profile report reflecting information for all wards within Ubuhlebezwe was	Achieved	n/a	n/a	Spread sheet of collected data and mapping of the collected sets

	time achieve economic social and environmental sustainability					ance Report 2019	, 1010		submitted to IDP office on the 30th May 2020.				
IPD32	development in the entire area of Ubuhlebezwe and at the same time achieve	wards within	Date by which the final ward profiles reflecting information for all	Date	final ward profiles reflecting information for all wards within Ubuhlebezwe jurisdiction has been completed on the 30 May 2019	Monitor the submission of final ward profiles reflecting information for all wards within Ubuhlebezwe juristiction by 30-May-20	none	ward profiles reflecting information for all wards within Ubuhlebezwe	Final ward profile report reflecting information for all wards within Ubuhlebezwe was monitored and submitted to the IDP office on the 30th May 2020.	Achieved	n/a	n/a	Ward profile report on focus areas , draft ward profiles reports and final ward profiles report and applicable mapping
IPD33	of Ubuhlebezwe and at the same	subdivision and registration of	Date by which terms of reference are approved	Date	new indicator	Approval of terms of reference by 30-Jun-20	none	Approval of terms of reference by 30- Jun-20	The project is currently on tender	Not Achieved	the project. The last submitted TOR tender price	to be fully implemente d in the 20/21	Terms of reference, Service Level Agreement, Inception report and Approval letter from MPT
IPD34	the entire area of Ubuhlebezwe and at the same time achieve economic social and	sive report of Profiling of land for a	Date by which	Date	new indicator	Review Final Basic Assessment Report by 30-Jun- 20	none	Review Final Basic Assessment Report by 30-Jun-20	Project was put on hold during the 3rd quarter due to land issue on the most suitable site.	Not Achieved	for the identified land for cemeteries.	the 20/21 financial year.	Proof of review of the comprehensi ve report
OMM47	land functioning	Adoption of the 2020/21 IDP	Date by which the 2020/21 IDP is submitted to Council for adoption	Date	2019/2020 IDP was submitted to council fo adoption on the 23rd May 2019	Submit 2020/21 IDP to Council for adoption by 31- May-20	none	to Council for adoption by 31-	2020/2021 IDP was submitted to Council for adoption on the 28th May 2020.	Achieved	n/a	n/a	Council resolution

OMM48	To imp perforr and fur of the munici	mance nctioning	IDP	Number of IDP Stakeholder meetings held by 30-Jun-20	Number	the 14th November	2 IDP Stakeholders meetings held by 30-Jun-20	none	2 IDP Stakeholders meetings held by 30-Jun-20	2 IDP Stakeholders meeting was held on the 10th October 2019 and 13th May 2020.	Achieved	n/a	n/a	Signed Attendance register
SD37	To imp safety is security the mu environ	and ty within unicipal	safety awareness	Number of fire safety awareness campaigns conducted by 30-Jun-20	Number	28 fire safety awareness campaign were conducted on the 18th of July 2018 at Magidigidi primary, on the 30th of July 2018 at Inkosi Umdibaniso High school, on the 31st of July 2018 at Amazabeko High school, on the 8th of August 2018 at Highflats primary, on the 24th of August 2018 at Ubuhlebezwe Municipality, on the 27th of August 2018 at Sizanani crèche, on the 10th of September 2018 at Mantulela primary, on the 12th of September 2018 at Ixopo village, and on the 21st of September 2018 at Kwamashumi clinic, 10th of October 2018 at Endwebu cp school, on the 11th of October 2018 at Carisbrooke primary school, on the 19th of October 2018 at Vuleka pre-school, on the 29th of October 2018 at Mgodi Primary school, on the 30th of October 2018 at Ubuhlebezwe Municipality Social Development offices, 10th of January 2019 at Ixopo Village, on the 23rd of January 2019 at Cekazi Primary, on the 14th of February 2019 at Skeyi primary, on the 26th of February	Monitor 12 fire safety awareness campaigns conducted by 30-Jun-20	none	Monitor 12 fire safety awareness campaigns conducted by 30-Jun-20	21 fire safety awareness campaign were conducted on the following dates: 19th of July 2019 at Mehlomane Primary, 29th of July 2019 at Umhlabashane SP school, 24th of July 2019 at Hopewell community hall, 23rd of July 2019 at Umhlabashane JP school,22nd of August 2019 at Mahehle primary school, 6th of September 2019 at Ubuhlebezwe municipal offices, 10th of September 2019 at Sethabile primary, 13th of September 2019 at Phumobala primary, 23rd of October 2019 at Webstown hall, 31st of October 2019 at Webstown hall, 31st of October 2019 at Umgodi primary, 29th of October 2019 at Umgodi primary, 18th of November 2019 at Emazizini primary, 6th of November 2019 at Emazizini primary, 6th of November 2019 at Isulethu primary, 3rd of January, 10 March 2020, 17th of January 2020 at Ixopo village and on the 17th of March 2020 at Mazizini primary.	Achieved	n/a	n/a	Letter signed by the head of the institution visited.

					2019 at Ixopo nursing institute, and on the 19th of March at Themba Mnguni hall, 8th of April 2019 at Snethemba Daycare, on the 11th of April 2019 at Luswazi Secondary, on the 7th of May 2019 at Lusiba Primary School, on the 10th of May 2019 at Highflats Primary, on the 14th of May 2019 at Nomandla Primary, on the 21st of May 2019 at Sizisizwe Secondary, on the 7th of June 2019 at Mntungwana clinic, and on the 17th of June 2019 at Dabulamanzi hall.								
SD38	To improve safety and security within the municipal environment	y of M Disaster	dvisory Forum	Number	held on the 19th of September 2018,5th of	Monitor 4 Disaster Management Advisory Forum meetings held by 30-Jun-20	none	Monitor 4 Disaster Management Advisory Forum meetings held by 30-Jun-20	4 Disaster Management Advisory Forum meetings were held on the 18th of September 2019, 27th of November 2019, 6th of February 2020 and 14th May 2020.	Achieved	n/a	n/a	Signed Attendance register and signed minutes
SD39	To improve safety and security within the municipal environment	implementa so	rebreaks at three reas conducted	Number	2018 behind Ixopo high 45 Fire inspections conducted in buildings	Monitor 2 scheduled firebreaks conducted by 30- Jun-20	none	Monitor 2 scheduled firebreaks conducted by 30- Jun-20	6 scheduled firebreaks were conducted at three areas: 18th of July 2019 at Little flower, on the 19th of July 2019 behind Mariathal, 24th of July 2019 behind Ixopo high school,20/05/2020, 25/05/2020 and 22/06/2020.	Achieved	n/a	n/a	Dated pictures

					June 2019 and at Littleflower to insenarator on the 21st of June 2019	The Report 2013							
SD40	To improve safety and security within the municipal environment	inspections conducted in buildings	conducted in buildings within Ubuhlebezwe by	Number	180 Fire inspections conducted in buildings within Ubuhlebezwe (120 businesses & 60 public institutions) Fire inspection in buildings within Ubuhlebezwe	Monitor 180 Fire inspections conducted in buildings within Ubuhlebezwe (120 businesses & 60 public institutions) Fire inspection in buildings within Ubuhlebezwe by 30-Jun-20		Monitor 180 Fire inspections conducted in buildings within Ubuhlebezwe (120 businesses & 60 public institutions) Fire inspection in buildings within Ubuhlebezwe by 30 Jun-20	Institutions) from the 11th of October 2019 to the 11th of December	Achieved	n/a	n/a	Inspection
SD41		monthly inspections	Number of inspections for fire hydrants conducted by 30- Jun-20	Number	12 inspections for 20 fire hydrants conducted by 30-Jun-19	Monitor 12 inspections for 20 fire hydrants conducted by 30- Jun-20	none	Monitor 12 inspections for 20 fire hydrants conducted by 30- Jun-20	12 inspections for 20 fire hydrants conducted by 30-Jun-20		n/a	n/a	Inspection reports
SD42	of	commemor ation of Arbor Day	Number of trees planted within Ubuhlebezwe by 30-Sep-19	Number	Arbor Day commemoration by planting 10 trees within Ubuhlebezwe was coordinated on the 7th and 8th of September 2018.	by planting 10	none	Monitor Arbor Day commemoration by planting 10 trees within Ubuhlebezwe by 30 Sep-19	10 trees within		n/a	n/a	Dated Pictures

				1	Allitual Fel Iol Illa	nee Report 2017	/2020	1	ı	V.		1	
		environmenta sustainability.											
SD4	43	To facilitate spatial development in the entire era of Ubuhlebezwe and at the same time achieve economic and environmental sustainability.	Geo referencing funded LED projects are submitted to Infrastructure, Planning and Development Department	Date	Submission of LED projects to Infrastructure, Planning and Development was done on the 20th of May 2019.	Monitor submission of LED projects to Infrastructure, Planning and Development Department for reflection on municipal spatial plans by 30-Jun-20	none	Planning and Development Department for reflection on	LED Projects were submitted to IPD Department for reflection on municipal spatial plans by 30 June 2020	Achieved	n/a	n/a	Proof of submission to IPD Department.
BT0 SD4	D35; O40; 44; RP24	To improve the performance and functioning of the municipality	Submission of the back to basics template to the office of the Municipal Manager after Manager receiving template	time	on the 7th of September 2018 and submitted on the 11th of September 2018. September template was received on the 2nd of October 2018 and submitted on the 5th of October 2018.(IPD,BTO,SD,CORP	submit the required information at a monthly back to basics meeting within five working days after receiving the template from the office of the Municipal Manager	none	submit the required information at a monthly back to basics meeting within five working days after receiving the template from the office of the Municipal Manager	The required information was submitted at a monthly back to basics meeting within 5 working days after receiving the template from office of the Municipal Manager. July Template received on 1st August 2019 information submitted on the 6th August 2019 August Template received on 6th September 2019, information submitted on the 10th September 2019 September Template received on 2nd October, information submitted on the 7th October 2019. October Template received on 1st November 2019 information submitted on the 6th November 2019 November Template received on 4th December 2019; information submitted on the 6th November 2019 November Template received on 4th December 2019; information submitted on the 09th December 2019 December Template received on 7th of January 2020, information submitted on the 10th of January 2020		n/a	n/a	Proof of receipt of template, Proof of submission and signed attendance register

Allitual Ferior mance Report 2019/2020		
of December 2018 and	Which was within 5	
submitted on the 7th of	working days after	
December 2018.	receiving the template.	
December template	January Back to basics	
was received on the 4th	template was received on	
of January 2019 and	the 3rd February and	
submitted on the 8th of	information submitted	
January 2018.	on the 10th February	
(SD,CORP, IPD, BTO).	2020.	
The required	February Back to basics	
information was	template was received on	
submitted at a monthly	the 9th March 2020 and	
back to basics meeting	information submitted	
within 5 working days	on the 11th March 2020.	
after receiving the	March Back to Basics	
template from the	template was received on	
office of the Municipal	the 17th April 2020 and	
Manager. January	information submitted	
template was received	on the 23rd April 2020.	
on the 1st of February	April template was	
2019 and submission	received on the 8th May	
was done on the 7th of	2020 and submitted on	
February 2019,	the 13th of May 2020.	
February template was	May template was	
received on the 7th of	received on the 08th	
March 2019 and	June and submitted on	
submission was done	the 11th of June	
on the 12th of March	template was received	
2019. March template	on the 03rd of July 2020	
was received on the	and submitted on the 8th	
2ndof April 2019 and	of July 2020.	
submission was done	of July 2020.	
on the 5th of April		
2019.		
(IPD,BTO,SD,CORP).		
April template was received on the 29th		
of April 2019, the		
information was		
submitted on the 6th of		
May 2019. May		
template was received		
on the 3rd of June 2019		
, the information was		
submitted on the 6th of		
June 2019. June		
template was received		
on the 2nd of July 2019,		
information was		
submitted on the 5th of		
July 2019.		

_	 		1			Alliluai Fel Iolilla		/ 2020		1			
IPD36; BTO41; SD45; CORP25		To improve the performance and functionin of the municipality	of the back to basics template to the the office of the		time	was received on the 4th of January 2019 and submitted on the 8th of January 2019. (SD,CORP, IPD, BTO). The quarter 3 template was received on the 2nd of April 2019 and submission was done on the 5th of April 2019.	submit the required information at a quarterly back to basics meeting within five working days after receiving the template from the office of the Municipal Manager		submit the required information at a quarterly back to basics meeting within five working days after receiving the template from the office of the Municipal Manager	information submitted on the 10th January 2020. Quarter 3 Back to	n/a	n/a	Proof of receipt of template, Proof of submission and signed attendance register
OMM49		To improve the performance and functionin of the municipality	of the back	Turnaround time for submission of monthly back to basics template to Cogta after receiving information from municipal departments	Turnaround time	September 2018. September template was received on the 28th September 2018 and submitted on the 8th September 2018	submission of monthly back to basics to COGTA within 10 working days after receiving information from Municipal Departments	none	submission of monthly back to basics to COGTA within 10 working days after receiving information from Municipal Departments	Template for July was received on 13th August 2019 and information was submitted on the 10th September 2019. Template for August was received on the 2 September 2019 and information was submitted on the 11th September 2019. Template for September was received 30th September 2019 and information was submitted on the 07th October 2019. Template for October was received on 31 October 2019 and information was submitted on the 7th November 2019. Template for November was received on the 29 November 2019 and information was submitted on the 29 November 2019 and information was submitted on the 9th December 2019.	n/a	n/a	Proof of submission to COGTA and proof of receipt of template from COGTA

					information was submitted on the 12th December 2018.  Template for December was received on the 8th January 2018 and information was submitted on the 10th January 2019.  Template for January was received on the 31st January 2019 and information was submitted on 8th February 2019.  Template for February was received on the 6th March 2019 and information was submitted on the 12th March 2019.  Template for March was received on the 3rd April 2019 and information was submitted on the 9th April 2019  Template for April was received on the 26th April 2019  Template for April was received on the 26th April 2019  Template for April was received on the 3rd April 2019  Template for April was received on the 3th April 2019  Template for May was received on the 30th May 2019 and information was submitted on the 30th May 2019 and information was submitted on the 10th June 2019.				Template for December was received 8th January 2020 and information was submitted on the 14th January 2020. Template for January 2020 was received on the 4th February 2020 and information was submitted on the 13th February 2020. Template for February 2020 was received on 04th March 2020 and information was submitted on the 12th March 2020. Template for April 2020 was received on the 5th May 2020 and information was submitted on the 13th May 2020. Template for May 2020 was received on 5th June 2020 and information was submitted on the 15th June 2020. Template for June 2020 was received on the 3rd July 2020 and information was submitted on the 9th July 2020.				
					information was submitted on the 10th June 2019. Template for June was received on the 01 July 2019 and information was submitted on the								
OMM50	To improve the performance and functioning of the municipality	Submission	Turnaround time for submission of quarterly back to basics template to Cogta after	Turnaround time	template for Quarter 1 was received on the 3rd October and submitted	basics to Cogta	none	Submission of the quarterly back to basics to Cogta within 12 working days after receiving	received on the outil	Achieved	n/a	n/a	Proof of submission to COGTA and proof of receipt of

						-		
	receiving	2	2018 which was within	receiving	information from	on the 10 October 2019.		template
	information from		12 working days.	information from	Municipal	Template for Quarter 2		from COGTA
	municipal		Template for Quarter 2	2 Municipal	Departments	Back to Basics was		
	departments	E	Back to Basics was	Departments		received on the 08th		
		r	received on the 10th			January 2020 and		
		J	January 2019 and			information submitted		
		i	information submitted			on the 14th January		
			on the 14th January			2020. Quarter 3 Back to		
			2019. Template for			Basics template was		
			Quarter 3 Back to			received on the 17th		
		E	Basics was received on			April 2020 and		
		t	the 3rd April 2019 and			information submitted		
		i	information submitted			on the 23rd April 2020.		
			on the 11th April			Template for Quarter 4		
			2019.Template for			was received on the 20th		
			Quarter 4 Back to			July 2020 and		
		E	Basics was received on			information submitted		
		t	the 9th 2019 and			on the 21st July 2020.		
		i	information.				'	
							<u> </u>	

#### **CONCLUSION**

The office of the Municipal Manager maintains a Portfolio of Evidence to support the achievements recorded in this Annual Performance Report, and Internal Audit has performed a verification of credibility of evidence for validity of the reported achievements.

Furthermore, in areas where performance was not achieved, we have provided reasons and remedial actions to ensure that performance is improved in the 2020/2021 financial year.

Lastly but not least, the municipality will always priorities Performance Management. The Performance Management and Monitoring and Evaluation Unit is functional and entrusted with the coordination of all performance management activities i.e. from planning to reporting.

Municipal Manager Mr. GM Sineke

#### CHAPTER 6 - AUDIT FINDINGS

#### AUDITOR-GENERAL REPORT AND ACTION PLAN FOR 2018/2019

Report of the auditor-general to Kwazulu-Natal Provincial Legislature and council on Ubuhlebezwe Local Municipality

#### Report on the audit of the financial statements

#### Qualified opinion

- 1. Ihave audited the financial statements of the Ubuhlebezwe Local Municipality set out from page 360, which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
- 2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Ubuhlebezwe Local Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Pra tice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No.56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2018 (Act No.1 of 2018) (Dora).

#### Basis for qualified opinion

#### Payables from exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence for accruals included in payables from exchange transactions due to status of accounting records. Iwas unable to confirm these accruals through alternative means. Consequently Iwas unable to determine whether any adjustment was necessary to payables from exchange transactions disclosed at R32,14 million in note 14 to the financial statements.

#### Property, plant and equipment

4. The municipality did not review the useful lives of property, plant and equipment at each reporting date in accordance with GRAP17, *Property, plant and equipment*. As a result, property, plant and equipment with a gross carrying amount of R115,08 million had a zero net carrying amount while still in use. Iwas unable to determine the impact on the net carrying amount of property, plant and equipment as it was impractical to do so.

#### Irregular expenditure

5. The municipality did not include all irregular expenditure in the notes to the financial statements as required by section 125(2)(d) of the MFMA. This was due to payments made in contravention of the supply chain management regulations. Iwas unable to determine the full extent of the misstatement as it was impractical to do so. Consequently, irregular expenditure

stated at R12,79 million (2017-18: R12,66 million) in note 44 is misstated by an unknown amount.

#### Context for the opinion

- 6. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
- 7. Iam independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and, parts 1 and 3 of the. International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
- 8. Ibelieve that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### **Emphasis of matter**

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

#### Material impairments

10. As disclosed in notes 5 and 6 to the financial statements, material losses of R27,02 million (2017-18: R23,88 million) was incurred as a result of an annual review of the recoverability of receivables from exchange and non-exchange transactions.

#### Other matter

11. draw attention to the matter below.

#### Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly, Ido not express an opinion on it.

# Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

#### Auditor-general's responsibilities for the audit of the financial statements

- 15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

#### Report on the audit of the annual performance report

#### Introduction and scope

- 17. Inaccordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued interms thereof, Ihave a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priority presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
- 18. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. Ihave not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
- 19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2019:

Development priority	Pages In the annual performance report.
KPA2: Basic service delivery and Infrastructure development	238-254

- 20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 21.I did not raise any material findings on the usefulness and reliability of the reported performance information for this development priority.

#### Other matters

22.1 draw attention to the matters below.

#### Achievement of planned targets

23. The annual performance report on pages xx to xx sets out information on the achievement of planned targets for the year and explanations provided for the under and over-achievement of a significant number of targets.

#### Adjustment of material misstatements

24. Iidentified material misstatements in the annual performance report submitted for auditing.

These material misstatements were on the reported performance information of basic service delivery and infrastructure development. As management subsequently corrected the misstatements, Idid not raise any material findings on the usefulness and reliability of the reported performance information.

### Report on the audit of compliance with legislation

#### Introduction and scope

- 25. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. Iperformed procedures to identify findings but not to gather evidence to express assurance.
- 26. The material findings on compliance with specific matters in key legislations are as follows:

#### Annual financial statements

27. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

#### Asset management

28. Funds were invested in Ithala State-owned Company Limited, in contravention of municipal investment regulation 6.

#### Expenditure management

29. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

30. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62{ 1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with municipal supply chain regulations.

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#### Revenue management

31. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

#### Consequence management

32. Irregular, fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2Xb) of the MFMA.

#### Procurement and contract management

- 33. Some of the quotations were accepted from bidders and some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.
- 34. Competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29{2}.

#### Other information

- 35. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development priority presented in the annual performance report that have been specifically reported in this auditor's report.
- 36. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and Ido not express an audit opinion or any form of assurance conclusion thereon.
- 37. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and

the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

38. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

#### Internal control deficiencies

I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the findings on compliance with legislation included in this report.

- 39. Leadership did not ensure that effective measures were taken to address previous findings to support the achievement of credible reporting and compliance with legislative requirements.
- 40. Management did not implement a proper records management system in support of accruals under payables from exchange transactions.
- 41. Non-compliance with key legislation could have been prevented, had management updated and regularly monitored adherence to their compliance checklists.

Pietermaritzburg

auchter- General

30 November 2019

AUDITOR GENERAL

SOUTH AFRICA

Auditing to build public confidence

Internal Control Deficiency	Action required	Responsible Department/ official	Target date	Current status	Internal Audit Comments
Management did not perform an adequate review of the payables from exchange transaction disclosure against underlying records to confirm accuracy in the financial statements.	The CFO should ensure that an amount of R1 414 396 is investigated and all avenues should be exhausted to ensure there is enough evidence to substantiante and validate a liability in question which emanated from the previous years. The following action and corrective measures will be performed; 1. A notice will be sent through media platforms to suppliers to check if there are still any payments due to them for any work performed which relates to 2016/17 and 2017/2018 financial year's, Suppliers will be required to submit individual accounts reconciliation with supporting documents such as valid purchase orders etc which will be verified against our internal records and reasons why they did not furnish us with invoices and follow ups if they submitted invoices, Sworn affidavit where they bind themselves about the correctness of the information submitted to us to avoid chancers, fraudulent and invalid claims. 2. CFO will evaluate all claims recieved and submit recommendations to internal audit for verification and validation. 3. Once all processes have been performed a submission by an Accounting Officer to council for write off will be made as a last resort in ensuring that this is resovled.	BTO - Budget and Reporting Manager	30-Jun-20	All audit action plans have been implemented. A meeting was held with the AG on the 28 July 2020, to outline the process followed, and further provide supporting documentation so as to clear the finding. In principle, the approuch was agreed upon and now we are awaiting their evaluation of the supporting documentation.	

The bid evaluation	The relevant structure should commence	OMM - Municipal Manager	30-Jun-20	Management resolved in a
committee did not ensure	with investigation as required by			municipality's turnaround strategic
compliance with the	legislation.			meeting held on the 16th January
preferential procurement				2020 the following must be done
regulations before				as a corrective measure:
recommending the award.				Formation of the bid
The bid adjudication				adjudication
committee did not				- Management has resolved that
adequately review				a position for senior SCM officer
compliance with the				to serve in BEC and SCM
preferential procurement				manager to serve in BAC which,
regulations before				Acting Senior SCM officer has
approving the				been appointed and posts has
recommendation by the bid				also been advertised.
evaluation committee.				- In-light of the above being
				mentioned the municipality has
				quantified the extent/amount to
				be disclosed as irregular
				expenditure for all awards made
				by the committee which dates
				back to 2013/2014 financial year,
				presented this to MPAC for
				investigation and further
				disclosed in the Annual Financial
				Statement note. These have also
				beenm presented to the Auditor
				General to verify the correctness
				and completeness thereof.

Management did not perform adequate review of the FAR to ensure that items are classified consistently with results of the physical verification	Management should conduct a review of the FAR to identify any errors.	BTO - CFO & Asset Manager	30-Jun-20	The external service provider has completed the conditional assessment process and currently at the reporting stage. The entire FAR has been looked at and all movable assets correction have been effected. Currently, we are in the process of finalizing immovable assets based on the work performed by	
				the technicians during the verification and conditional assessment process	
The bid evaluation committee did not document the reasons for obtaining less than three quotations. The CFO did not obtain documented reasons for less than three quotations received before approving the recommendation from the bid evaluation committee.	The reasons for appointing with less that three quotations should be documented for approval by the CFO	BTO - CFO Manager SCM	30-Jun-20	The SCM has developed a form and documented reasons why they accepted quotes less than three, as well as detailed processes followed. The fornm is beeing utilized going forward.	

The accounting officer did not adequately monitor investigations of irregular expenditure and fruitless and wasteful expenditure incurred in the prior year.	The Accounting Officer should ensure that MPAC sits as per legislation. MPAC should ensure that the all irregular expenditure is investigated. The MPAC report should be tabled to Council.	OMM- Municipal Manager	30-May-20	Irregular ,Fruiless and wasteful expenditure, the MPAC report was presented to the council on 23 January 2020.	
The accounting officer did not exercise adequate oversight responsibility regarding compliance with laws and regulations relating to condonation of irregular expenditure.	Consequent management should be constituted against officials identified to be liable for the incurrence of irregular, fruitless and wasteful expenditure Irregular expenditure should only be condoned by the Council after an investigation has been investigated by the MPAC.	OMM- Municipal Manager	30-Jun-20	MPAC investigation report was tabled to council on the 23 January 2020 and no official were identified to be liable for irregular and fruitless expenditure reported due to the nature of its cause where it mainly was the advertising period which was less than the stipulated timeline for irregular expenditure and interest charged on late payments caused by post office strike for telkom and Eskom payments.	
The CFO and Asset Manager did not adequately review the depreciation calculations on fixed asset register prior to submission of audit to ensure that the relevant variables for calculation of depreciation are accurately recorded	The management should review the FAR and confirm depreciation amounts.	BTO - CFO & Asset Manager	30-Jun-20	All depreciation calculation have been affected and corrected for all movable assets. We are currently finalizing immovable assets	

Management did not perform an adequate review of recording of expenditure on assets to ensure that VAT is correctly accounted for.	Management should develop a checklist of payments submitted to ensure accuracy.	BTO - CFO	Monthly	Individual projects reconcilliation are perfomed monthly to unsure expenditure is allocated correctly for capital projects. The capital projects u keys (votes) are set on the system to automatically take the VAT percentage however we also review the invioces when reviewing the individual project reconcilliation.
Management did not perform adequate review of the FAR to ensure that items are classified consistently with results of the physical verification	Management should conduct a review of the FAR to identify any errors.	BTO - CFO & Asset Manager	30-Jun-20	All corrections relating to movable assets have been corrected. We are currently finalising the journals affecting Immovable Assets. This is subesquent to the review of the entire population and the conditional assessment.
Management did not perform an adequate review of the financial statements to ensure that the financial statements submitted for audit are supported by accurate underlying records	Management should ensure that reconciliations are performed and reviewed to compare the budget and expenditure from both finance department and IPD departments	BTO -BUDGET MANAGER , CFO & Assistant CFO Director: IPD	Monthly	This finding was corrected during the audit.Management will ensure that AFS are reviewed before submision.There is monthly retention register to ensure that there is no excess on retention raised.

The management did not monitor adherence to its debt policy and the 2018/19 rates assessment to confirm that interest is levied on overdue accounts	The submission relating to 2019/2020 was sent to council and permission not charge interest was approved together with the tariff policy, resolution is available for validation and verification.	BTO - Budget and Reporting Manager	30-12-20	The item submitted to council and resolution has been obtained and filed for audit purposes.  Resolved.
management did not implement an invoice received register at the municipality to monitor long overdue invoices	For 2019/2020 financial year, all invoices are received, recorded and distributed by creditors section to ensure that there is one central point which monitors the movement of invoices from creditors to user departments for approval to ensure that payments to suppliers are paid within the prescribed timelines stipulated by MFMA.	BTO - Budget and Reporting Manager	30-12-20	All invoices are received, recorded and distributed by creditors section to ensure that there is one central point which monitors the movement of invoices from creditors to user departments for approval to ensure that payments to suppliers are paid within the prescribed timelines stipulated by MFMA. Resolved
management did not implement proper record keeping in a timely	Funders have been informed about these monies but we have only received one response for Sancwaba Grant and they confirmed the existence of the liability and will give us direction on the way forward thereto, we are still awaiting responses for other grants.	BTO - Budget and Reporting Manager	30-Jun-20	Funders have been informed about these monies sitting as unspent conditional grants without any movemets but we have only received one response form COGTA for Sancwaba Grant and they confirmed the existence of the liability and will give us direction on the way forward thereto, we are still awaiting responses for other grants.

ACTION PLAN 2018/19:

# Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the council on Ubuhlebezwe Local Municipality

## Report on the audit of the financial statements Oualified opinion

- 1. I have audited the financial statements of the Ubuhlebezwe Local Municipality set out on pages 287 to 357 which comprise the statement of financial position as at 30 June 2020, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
- 2. In my opinion, except for the possible effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Ubuhlebezwe Local Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No.56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2019 (Act No.16 of 2019) (Dora).

#### Basis for qualified opinion

#### Irregular expenditure

3. I was unable to obtain sufficient appropriate evidence for the restatement of the corresponding amounts for irregular expenditure in note 42 of the financial statements. The restatement was made to rectify a previous year misstatement, but it could not be appropriately substantiated by supporting audit evidence due to status of accounting records. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the irregular expenditure corresponding figure stated at R258,95 million in the financial statements.

#### Context for the opinion

- 4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
- 5. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
- 6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### **Emphasis** of matter

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

#### Material impairments

- 8. As disclosed in note 5 to the financial statements, the municipality recognised a provision for impairment of R27,31 million (2018-19: R23,23 million) on receivables from non-exchange transactions as the recoverability of these amounts were doubtful.
- 9. As disclosed in note 6 to the financial statements, the municipality recognised a provision for impairment of R4,02 million (2018-19: R3,79 million) on receivables from exchange transactions as the recoverability of these amounts were doubtful.

#### Other matter

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

#### Unaudited disclosure notes

11. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

#### Responsibilities of the accounting officer for the financial statements

- 12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- 13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

#### Auditor-general's responsibilities for the audit of the financial statements

- 14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

#### Report on the audit of the annual performance report

#### Introduction and scope

- 16. In accordance with the Public Audit Act of South Africa, 2004 (Act No.25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected development priority presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
- 17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
- 18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the basic service delivery and infrastructure development priority presented in the municipality's annual performance report for the year ended 30 June 2020.
- 19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 20. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected development priority.

#### Other matters

21. I draw attention to the matters below.

#### Achievement of planned targets

22. The annual performance report on pages 190 to 251 sets out information on the achievement of planned targets for the year.

#### Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of the basic service delivery and infrastructure development priority. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

#### Report on the audit of compliance with legislation

#### Introduction and scope

- 24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
- 25. The material findings on compliance with specific matters in key legislation are as follows:

#### Annual financial statements

26. The annual financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified opinion.

#### Revenue management

27. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

#### Expenditure management

28. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of disclosed irregular expenditure was caused by non-compliance with Supply Chain Management (SCM) regulation 29(2).

#### Procurement and contract management

- 29. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
- 30. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(1)(a) and (c).
- 31. Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year.
- 32. Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). Similar non-compliance was also reported in the prior year.
- 33. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

#### Consequence management

34. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

#### Other information

- 35. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that have been specifically reported in this auditor's report.
- 36. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
- 37. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
- 38. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

#### Internal control deficiencies

- 39. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the findings on compliance with legislation included in this report.
- 40. Management did not have a proper records management system in support of prior period irregular expenditure disclosed in the financial statements.
- 41. Non-compliance with key legislation could have been prevented, had management updated and regularly monitored adherence to their compliance checklists.

Pietermaritzburg

31 March 2021



Auditing to build public confidence

	AUDIT ACTION PI	LAN 2019 /2020					
Audit query	Audit finding	Internal Control Deficiency	Action required	Responsible Department/ official	Target date	Current status	Progre ss Status
Procurement and contract management	Prior Period qualification on irregular expenditure: a) 2018-19 Financial period: The irregular expenditure as per management's schedule did not agree to the underlying supporting records. b) 2015 - 2018 financial periods: The irregular expenditure as per management's schedule did not agree to the underlying supporting records. c) No evidence could be obtained to support the irregular expenditure on the following awards:Reasons for not obtaining d)The following irregular expenditure identified in the prior audit could not be traced to management's irregular expenditure identified in the prior audit could not be traced to management's irregular expenditure identified in the prior audit could not be traced to management's irregular expenditure identified in the prior audit could not be traced to management's irregular expenditure that was incorrectly	The SCM manager did not implement effective processes to address prior period external audit findings relating to irregular expenditure. Additionally, proper record keeping in a timely manner was not maintained to confirm complete, relevant and accurate information is accessible and available to support irregular expenditure in the financial statements.	Management revisited the population to identify, quantify and disclose irregular expenditure relating to simi(or non-compliances that were detected during the audit process.SCM will also ensure irregular expenditure disclosed is accurately reconciled to the underlying records of the municipality.SCM will make use of MFMA Circular 90 was issued by National Treasury to give effect to the new tax clearance management system to be implemented by accounting officers at all municipalities .SCM will also Utilise the master registration number or tax compliance status PIN to verify bidder's tax compliance status.	BTO - CFO Manager SCM	31-May-21	SCM will revisit the population to identify, quantify and disclose irregular expenditure relating non compliance with the SCM regulation.SCM will also ensure irregular expenditure disclosed is accurately reconciled to the underlying records of the municipality.SCM will make use of MFMA Circular 90 was issued by National Treasury to give effect to the new tax clearance management system to be implemented by accounting officers at all municipalities.	Status

	inclusive of						
	VAT.						
	7711.						
Procurement	Winning service	The Supply Chain	A compliance	BTO - CFO	31-May-21	The municipality	
and contract	provider did	Manager did not	checklist should be	Manager SCM	31-Way-21	has requested	
management	not meet the	diligently review	developed and be	ivialiagei Scivi		training from DTI	
management	minimum	compliance with	implemented by			to capacitate	
	threshold for	Preferential	the SCM unit to			members of bid	
	local	Procurement	avoid recurrence			committees. The	
	production and	Regulations	of non-compliance.			SCM Irregular	
	content	before	Irregular			expenditure	
		recommending	expenditure should			report would be	
		the award to the	be disclosed and			reported tothe	
		accounting	investigated.			next finance	
		officer.	J			Committee noting	
						and	
						Recommendation	
						s for onward	
						submition to	
						MPAC ,then after	
						investigated by	
						MPAC ,its will be	
						submited to	
						council to	
						approve for	
						condonation on	
						non	
						condonations.the	
						n that report	
						would also	
						further submitted	
						to Provincial	
						treasury for	
	6 61	- ·	A	DTO SEO	24.14. 24	approval.	
Procurement	Some of the	The accounting	An irregular	BTO - CFO	31-May-21	SCM will make	
and contract	contracts were	officer did not	expenditure was	Manager SCM		use of MFMA	
management	awarded to	ensure that all	incurred and it should be			Circular 90 was issued by National	
	providers whose tax	required processes are	investigated by the			Treasury to give	
	matters had not	duly followed	relevant			effect to the new	
	been declared	prior to approving	structures.			tax clearance	
	by the South	payment of good	The reasons for not			management	
	African	and services	obtaining three			system to be	
	Revenue	2	quotes should be			implemented by	
	Service to be in		documented and			accounting	
	order, in		approved by CFO			officers at all	
	contravention					municipalities and	
	of SCM					municipal	
	regulation 43.					entities.	
	Similar non-						
	compliance was						
	also reported in						
	the prior year.						
Procurement	Competitive	The bid	The relevant	BTO - CFO	31-May-21	This was	
and contract	bids were	evaluation	structure should	Manager SCM		Resolved.	
management	adjudicatedby	committee did	commence with			Senior SCM	
	the bid	not ensure	investigation as			Officer has	
	adjudication	compliance with	required by			appointed and He	
	committee	the preferential	legislation.			is sitting as a	
	that's has not	procurement				chairperson in the	

	T	T	T	T	T	T	1
	composed in accordance with SCM regulations (29) 2	regulations before recommending the award. The bid adjudication committee did not adequately review compliance with the preferential procurement regulations before approving the recommendation by the bid evaluation committee.				BEC ,ACFO is also appointed as a member of the BEC and the SCM manager has moved and appointed as a chaiperson of the BAC and the CFO is the member of the BEC committee.	
Procurement and contract management	Procuments Splits into parts	The CFO and SCM manager did not conduct the proper need analysis prior to the approval of the requisition of Goods and services to confirm that the correct procurement process was followed in compliance ith tha applicable SCM laws and regulations.	The CFO and SCM manager should conduct the proper need analysis prior to the approval of the requiition of goods and serces to onfirm that the SCM processes has been followed	BTO - CFO Manager SCM	31-May-21	The Budget and SCM unit will ensure that the goods and services are being requested from one vote for the project.	
Pre- determined objectives	Oversight report not made public	IDP /PMS Manager did not implement a compliance checklist inclusive of all the MSA. requirements for making municipal documents public to the local community.	The accounting officer should implement a compliance checklist inclusive of ail the MSA requirements for making municipal documents public to the local community. This checklist should be reviewed and monitored on an ongoing basis to ensure adherence to key legislative responsibilities of the municipality.	OMM - Municipal Manager	31-May-21	A performance checklist has been developed which will be used to ensure that the requirements of the MSA are incorporated.	

1	Internal Control	Tl	The second of the	DTO D ! :	24.84 24	The site.	l D
Interest on outstanding debtors	Interest not levied on arrear consumer	The management did not monitor adherence to its	The submission relating to 2019/2020 was	BTO - Budget and Reporting Manager	31-May-21	The item submitted to council and	Resolv ed
Account	accounts	debt policy and the 2020/21 rates assessment to confirm that interest is levied on overdue accounts	sent to council and permission not charge interest was approved together with the tariff policy, resolution is available for validation and verification.			resolution has been obtained and filed for audit purposes. <b>Resolved.</b>	
Procurement	Some of the	The accounting	The accounting	BTO - CFO	31-May-21	The SCM Irregular	
and contract management	goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by Supply Chain Management (SCM) regulation 19(a).	officer did not ensure that all required processes are duly followed prior to approving the award.	officer did not ensure that all required processes are duly followed prior to approving the award.	Manager SCM		expenditure report would be reported to next finance Committee for noting and Recommendation s for onward submition to MPAC ,then after investigated by MPAC ,its will be submited to council to approve for condonation on non condonations then that report would also further submitted to Provincial treasury for approval.	
Procurement	Some of the	The accounting	The accounting	BTO - CFO	31-May-21	The SCM Irregular	
and contract management	goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(1)(a) and (c).	officer did not ensure that all required processes are duly followed prior to approving the award.	officer did not ensure that all required processes are duly followed prior to approving the award.	Manager SCM		expenditure report would be reported to next finance Committee for noting and Recommendation s for onward submition to MPAC ,then after investigated by MPAC ,its will be submited to council to approve for condonation on non condonations then that report would also further submitted to Provincial	

						treasury for	
						approval.	
Procurement	Some of the	The accounting	An irregular	BTO - CFO	31-May-21	The SCM Irregular	1
and contract	competitive	officer did not	expenditure was	Manager SCM		expenditure	
management	bids were	ensure that all	incurred and it			report would be	
	adjudicated by	required	should be followed			reported to next	
	a bid	processes are	up			finance	
	adjudication	duly followed				Committee for	
	committee that	prior to approving				noting and	
	was not	the award				Recommendation	
	composed in					s for onward	
	accordance					submition to	
	with SCM					MPAC ,then after	
	regulation					investigated by	
	29(2). Similar					MPAC ,its will be submited to	
	non-compliance was also					council to	
	reported in the					approve for	
	prior year.					condonation on	
	prior year.					non condonations	
						then that report	
						would also	
						further submitted	
						to Provincial	
						treasury for	
						approval.	
Procurement	The	The bid	The relevant	BTO - CFO	31-May-21	The Municipality	
and contract	performance of	evaluation	structure should	Manager SCM		will make use of	
management	some of the	committee did	commence with			the Service	
	contractors or	not ensure	investigation as			provider	
	providers was	compliance with	required by			assessment form to evaluate and	
	not monitored on a monthly	the preferential procurement	legislation.			monitors the	
	basis, as	regulations				service providers	
	required by	before				perfomance.	
	section	recommending				perioritation	
	116(2)(b) of the	the award.					
	MFMA	The bid					
		adjudication					
		committee did					
		not adequately					
		review					
		compliance with					
		the preferential					
		procurement					
		regulations					
		before approving					
		the recommendation					
		by the bid					
		evaluation					
		committee.					
Expenditure	Fruitless and	The SCM Manager	A compliance	BTO - CFO	31-May-21	Irregular ,Fruiless	
management	wasteful	did not exercise	checklist should be	Manager		and wasteful	
<b>U</b>	expenditure	oversight on	developed and be	Budget and		expenditure, the	
	incurred by the	subsequent	implemented by	Reporting		MPAC report was	
	municipality	appointment of a	the SCM unit to			presented to the	
	was not	supplier after the	avoid recurrence			council .	
	investigated to	BEC did not get a	of non-compliance.			Resolved	
	determine if		Irregular		<u> </u>		

Cash and cash equivalents	any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.  Bank reconciliation cash book balance does not agree to the balance as per the AFS	supplier who met the product.  Management did not perform an adequate review of the financial statements to ensure that the financial statements submitted for audit are supported by accurate underlying records.	expenditure should be disclosed and investigated.  Bank reconciliations should be performed and reviewed monthly in order to detect reconciling items of time.	BTO: BUDGET MANAGER CFO & Assistant CFO	31-May-21	A reconciliation is performed on a monthly basis for the review and authorisation by the CFO and further reported to the portfolio committees.	
Consequence Management	No evidence of investigation of irregular expenditure and approval of condonation	The accounting officer did not exercise adequate oversight responsibility regarding compliance with laws and regulations relating to condonation of irregular expenditure.	Consequent management should be constituted against officials identified to be liable for the incurrence of irregular, fruitless and wasteful expenditure Irregular expenditure should only be condoned by the Council after an investigation has been investigated by the MPAC.	OMM- Municipal Manager	31-May-21	Irregular ,Fruiless and wasteful expenditure, the MPAC report was presented to the council . Irregular ,Fruiless and wasteful expenditure, the MPAC report was presented to the council . Resolved	
Property, Plant and Equipment	Financial statements not agreeing to asset registers	The asset manager did not perform a reconciliation between the financial statements and the asset registers of the municipality to confirm complete and accurate reporting.	The asset manager should perform a reconciliation between the asset registers and the municipal records on a monthly basis to confirm accurate and complete reporting.	BTO: CFO & ASSETS Manager	31-May-21	Asset manager to perform monthly reconcilliations within 5 working days at the end of each month to ensure that similar errors are prevented and submit to ACFO and CFO for review and approval.	

Dronout.	Completeres	The accounting	The CFO in	BTO: CFO &	21 May 21	Accet manager
Property, Plant and	Completeness of assets	The accounting officer did not	consultation with	ASSETS	31-May-21	Asset manager and Manager
Equipment	disclosed	adequately	the asset manager	Manager		Administration to
_qp	4.55.5554	monitor the	should follow up	a.iage.		update the
		achievement of	and present the			municipal
		the internal audit	auditors with			property list and
		action plan to	explanations and			submit the
		confirm that	sufficient			updated list to
		findings relating	appropriate			the Internal Audit
		to asset	evidence to			you to conclude
		management are	support the			on the finding
		addressed in a	inclusion or			raised. CFO and
		timely manner.	exclusion of these assets from its			Asset Manager to pesent a detailed
			accounting			report on the
			records.			exclusion of the
			10001431			assets as raised
						by the auditors.
Property,	Overstatement	The asset	The asset manager	BTO: CFO &	31-May-21	Asset manager to
Plant and	of assets	manager did not	should improve	ASSETS		perform monthly
Equipment		implement proper	record keeping in a	Manager		reconcilliations
		record keeping in	timely manner to			within 5 working
		a timely manner	ensure that			days at the end of
		to ensure that	complete, relevant			each month and
		complete,	and accurate			submith to ACFO
		relevant and accurate	information is accessible and			and CFO for review and
		information is	available to			approval.
		accessible and	support asset			арргочат.
		available to	restatements in			
		support	the financial			
		restatements in	statements.			
		the financial				
		statements				
Property,	Capitalised	The asset	The CFO should	BTO: CFO &	31-May-21	Asset manager to
Plant and	assets not	manager did not	follow up and	ASSETS		perform monthly
Equipment	agreeing to	reconcile the	make the	Manager		reconcilliations
	underlying records	work in progress schedule to	necessary corrections to the			within 5 working days at the end of
	records	supporting	financial			each month to
		payment	statements to			ensure that
		certificates to	confirm accurate			similar errors are
		confirm the	recognition and			prevented and
		accurate and	measurement of			submit to ACFO
		complete	infrastructure			and CFO for
		recording of	assets in the			review and
		capitalised	financial			approval.
		projects.	statements.			
Property,	Duplication on	The asset	The asset manager	BTO: CFO &	31-May-21	Asset Manager to
Plant and	asset registers	manager did not	should improve the review of the	ASSETS		perform a thourough review
Equipment		adequately review the asset	municipality's asset	Manager		of the FAR and
		registers to	registers to			ensure that a
		confirm accurate	confirm accurate			porpoer
		disclosure in the	disclosure in the			reconcilliation is
		financial	financial			done during the
		statements.	statements.			verification
						process and
						resolve all

	ı	T	T	T	ı	T	-
						exceptions identified.	
Property, Plant and Equipment  Unspent Conditional	Capital expenditure incorrectly recorded inclusive of VAT	The finance accountant did not perform an adequate review of the payment voucher to confirm appropriate accounting and tax treatment of input VAT prior to approval and capturing.  management did not implement	The CFO should make the necessary corrections to the annual financial statements and the fixed asset register of the municipality. The updated input VAT should be declared to SARS via the VAT201 submissions. Funders have been informed about	BTO: CFO & ASSETS Manager  BTO - CFO and Budget and	31-May-21	Asset manager to perform monthly reconcilliations within 5 working days at the end of each month to ensure that similar errors are prevented and submit to ACFO and CFO for review and approval.  Funders have been informed	
Grants	in unspent conditional grants	proper record keeping in a timely	these monies but we have only received one response for Sancwaba Grant and they confirmed the existence of the liability and will give us direction on the way forward thereto, we are still awaiting responses for other grants.	Reporting Manager		about these monies sitting as unspent conditional grants without any movemets but we have only received one response form COGTA for Sancwaba Grant and they confirmed the existence of the liability and will give us direction on the way forward thereto, we are still awaiting responses for other grants.	
Unspent Conditional Grants	Incorrect classification of operational and capital grants	The CFO did not adequately review the grants and subsidies disclosure note against the underlying records of the municipality to confirm appropriate classification in the financial statements.	The CFO should improve the review of the grants and subsidies disclosure note against the underlying records of the municipality to confirm appropriate classification in the financial statements.	BTO - CFO and Budget and Reporting Manager	31-May-21	Resolved. BTO has ensured that conditional grants (Operationa and Capital )are correclty classified.	

Pre-	Reported	The PMS manager	The PMS manager	MM -	31-May-21	A performance	
determined	achievements	did not	should implement	Municipal		checklist has been	
objectives	in the annual	implement a	a performance	Manager		developed which	
	report	performance	checklist to			ensure alignment	
	inconsistent	checklist to	confirm alignment			of reported	
	with SDBIP	confirm	of reported			achievements	
		alignment of	achievements with			with the planned	
		reported	planned indicators			targets and	
		achievements	and targets. This			indicators. It will	
		with planned	should be signed			be signed by	
		indicators and	as evidence of			Manager:	
		targets.	review.			IDP/PMS and the	
						Municipal	
						Manager.	
Pre-	Measures taken	The PMS manager	The PMS manager	MM -	31-May-21	A performance	
determined	to improve	did not develop a	should implement	Municipal		checklist has been	
objectives	performance	performance	a performance	Manager		developed which	
	not adequately	checklist that	checklist that			will be used to	
	disclosed	incorporates the	incorporates the			ensure that the	
		requirements of	requirements of			requirements of	
		the MSA relating	the MSA relating to			the MSA are	
		to presentation	presentation and			incorporated.	
		and disclosure of	disclosure of the				
		the annual	annual				
		performance	performance				
		report.	report.				
Non	Appropriate	The accounting	The accounting	MM -	31-May-21	The Municipal	
Compliance	approval not	officer did not	officer should	Municipal		manager will	
with the ACT	obtained for	adequately	improve the	Manager		ensure that going	
	acting beyond 3	monitor	review of the MSA			forward the	
	months	adherence to the	requirements			municipaity will	
		MSA	relating to the			ensure the	
		requirements	extension period of			compliance with	
		with regards to	acting managers			the relavant Act.	
		the extensions of	reporting directly				
		acting positions	to the Office of the				
		beyond three	Municipal				
		months at the	Manager.				
		Municipality.					

#### APPENDIX A - REPORT OF THE MUNICIPAL AUDIT COMMITTEE 2019/20

#### **REFERENCE**

Mr. T.W. Tsabo, Chairperson. Email: t.tsabo@veltragroup.co.za. Mobile number: 083 392 3822

The Audit and Performance Audit Committee (APAC) is pleased to present its report for the financial year end 30 June 2020 to be included in the Annual Report. This report is in compliance with the requirements of the Municipal Finance Management Act.

- Meeting attendance of APAC members for the year ended 30 June 2020 is set out in the report
- Details of fees paid to the committee members will appear in the annual financial statements

## Audit and Performance Audit Committee members and attendance

The Committee, consisting of the members listed below should meet at least four times per annum as per its approved terms of reference, although special meetings may be called as the need arises. During the year under review, five APAC meetings were held with two meetings held in August 2019.

Audit Committee meetings took place during the year were as follows:

Members	Capacity	Appointment Date	Annual Meetings planned	Attended
Mr. TW Tsabo	Chairperson	01 July 2019	4	6
Mr. D Mpanza	Member	01 July 2019	4	6
Mr. J Mhlongo	Member	01 July 2019	4	6
Mr. M Litile	Member	01 July 2019	4	6

<sup>\*\*</sup> Mrs Shabalala was an additional member for a period of six months ending 31 December 2019

#### **COMMITTEE MANDATE AND FUNCTIONING**

The APAC is governed by Audit and Performance Audit Committee Charter which is regularly reviewed and was approved by the Council.

The Audit and Performance Audit Committee has complied with its responsibilities arising from section 166 of the MFMA read with Circular 65, and reports that it operated in terms of the Audit Committee Charter read in conjunction with the Internal Audit Charter.

The purpose of this report is to report work conducted by the APAC during the year and the Committee's progress to date in carrying out its oversight responsibilities in terms of section 166 of the Municipal Finance Management Act, 2003 (Act No.56 of 2003, as amended) (MFMA), read with circular 65 published by the National Treasury for the year ended 30 June 2018.

The MFMA obliges every Municipality to establish an independent Audit Committee, which must advise the Municipal Council, Political Office Bearers, Accounting Officer and Management Staff of the Municipality on the matters relating to Internal Financial Controls, Internal Audit, Risk Management,

<sup>\*\*</sup> There was one special meeting held during the year

<sup>\*\*</sup> There was no vacancy on the committee during the year.

Accounting Policies, the Adequacy, Reliability and Accuracy of Financial Reporting, Performance Management, Effective Governance, Compliance with the MFMA and annual Division of Revenue Act (DoRA) and any other applicable legislation and any other issues referred to it by the Municipality.

#### REVIEW AND EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit and Performance Audit Committee reviewed the Annual Financial Statements, to be submitted to the Office of the Auditor General and in the annual report. The APAC was invited to a meeting to discuss the audit report and management report issued by AGSA with management, EXCO and the AGSA office.

The financial statements were prepared in accordance with South African Standards of Generally Recognised Accounting Practice and required by the Local Government: Municipal Finance Management Act.

#### **EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROLS**

The Committee has considered the work performed by the Internal Audit on a quarterly basis and has reviewed the findings by the Auditor General on internal controls for the year ended 30 June 2019. The Committee notes that there has been improvement in internal controls in the areas of financial statements, performance reporting and compliance with legislation.

In line with section 62 (c) (ii) of the MFMA, Internal Audit provides the Committee and Management with reasonable assurance that the internal controls are adequate and effective. Though the 2019/2020 approved risk-based internal audit plan has not been fully achieved, Internal Audit assessed the adequacy of controls mitigating risks and the Audit and Performance Audit Committee monitored implementation of the corrective actions.

The Committee resolved that the internal audit findings raised should be followed up on a monthly basis and be reported in every Committee meeting held.

The following assurance engagements were approved in the 2019/2020 Internal Audit Plan and were completed during the year:

- 2018/19 Annual Financial Statements review
- Section 71 quarterly reviews (DoRA statutory compliance)
- Audit of performance Information Quarterly
- 2019/20 Interim Financial Statements review
- Supply Chain Management
- Review of Payroll Management
- Human Resource M
- Project Management Unit

At the end of the financial the audit project listed below was still in progress:

Quarter 4 – Audit of Performance Information

Listed hereunder are the audit projects that will be rolled over to the 2020/2021 financial year:

- Asset Management
- Training and Development and
- Review of Employee Assistance Programme

The following areas still attention:

- Actual plans to address improvement in controls to ensure that reliable planned and actual performance is reported.
- Proper record keeping in a timely manner to ensure reliable performance information The

committee further wishes to draw attention to the following area.

#### **INFORMATION SYSTEMS:**

The Municipality had made progress to improve controls over IT systems including user access, security management and documentation of policies. Disaster Recovery Plan has been implemented and tested; the service provider was appointed to assist the Municipality. The Business Continuity Policy was developed by the municipality, a service provider was appointed to assist the Municipality in developing the policy and conduct assessments.

The Business Continuity function will be transferred to Risk Management and Compliance unit.

#### **RESOLVING INTERNAL CONTROL FINDINGS:**

Internal Control Findings:

The Audit and performance Audit Committee note improvement in the extent of external and internal audit findings resolved, however recurring findings still occurred. The different oversight bodies and individuals need to improve the monitoring of implementation of corrective actions and take appropriate sanctions where audit findings are not adequately addressed.

#### **COMBINED ASSURANCE FRAMEWORK:**

The municipality has not adopted a formal combined assurance framework.

#### INTERNAL AUDIT FUNCTION:

The Accounting Officer is obliged, in terms of section 165 of the MFMA to ensure that the Municipality has an Internal Audit Function under the control and direction of the Audit Committee.

An additional Internal Auditor was appointed during the month of December 2019 whilst the vacant post due to the resignation of the Internal Auditor was filled in November 2019; increasing the number of auditors to three (3). There is one (1) Manager and three (3) Auditors.

During December 2019, there was another resignation, which was filled in May 2020.

The total shut-down of the country due to COVID-19 had an impact on implementation of the Internal Audit Plan, resulting into roll-over of planned projects. Auditors had to embrace changes such as working from home and have experience challenges such as limited access to internet and lack of connectivity. This pandemic will also influence the development of the plan for the next financial year.

With regard to the functions performed by the Internal Audit unit, which reports directly to the APAC in relation thereto; the Committee analysed and approved the plan and regularly monitor its implementation.

The Risk Based Internal Audit Plan was approved by the APAC and the projects selected in the plan will address the threats identified to hinder the achievement of the Municipal objectives.

According to the plan there were three projects that were to be rolled over to the next year and one project that was under review.

Finally, the Committee ensured that the Internal Audit unit had the necessary organisational independence and capacity to better perform its function.

#### **RISK MANAGEMENT:**

The Municipality is in the process of embedding the Risk Management culture. The Committee has noted that the establishment of Risk Management Committee (RMC) and Risk Management and Compliance unit. The RMC has an independent Chairperson.

The Risk Management and Compliance Officer resigned during the month of November 2019 and the position was filled in May 2020. Risk Management activities and implementation plan were not fully implemented during the year due to COVID-19 lockdown, but were later implemented.

The RMC has reported its quarterly risk management activities to the APAC including the monitoring of risk mitigating plans.

The Risk Management function is currently performed by 1 staff member under the supervision of Internal Audit Manager. The Risk Management function reports to the Risk Management Committee and also to the Audit and Performance Audit Committee.

The Municipality has conducted risk assessments (strategic, operational, fraud and ICT). Risk profiles/ registers were developed and submitted to the Provincial Treasury and CoGTA. The risks materialised during the AG audit are monitored by the Risk Management Officer and the new action plans have been developed.

#### **PERFORMANCE MANAGEMENT:**

Part of the responsibilities of the Audit and Performance Audit Committee include the Review of the Performance Management. The APAC has in terms of the performance of the Municipality reviewed the following:

- Quarterly performance evaluation reports prepared by the Internal Audit as per section 45 of the Local Government: Municipal Systems Act, No. 32 of 2000,
- Review of annual financial statements as required by the MFMA
- Internal Audit reports as per the plan approved by the APAC
- DoRA statutory compliance through review of quarterly section 71 reports

Considerable improvements were noted in the effectiveness of the process and the quality of information reported; however, challenges were still experienced with the reliability of information reported. The Committee is pleased that the resources to drive and monitor the process for planning, monitoring and reporting predetermined objectives have been allocated.

#### **INDEPENDENCE ASSURANCE:**

The External Audit activities are performed by the Office of the Auditor General (SA). The Internal Audit activities are completed by an Internal Audit Activity that perform the work in terms of an Internal Audit Charter and an audit plan approved by the Audit and Performance Audit Committee.

#### **CONCLUSION:**

The Audit and Performance Audit Committee is grateful for the effort given by the Council and Management to ensure good governance and effective service delivery at Ubuhlebezwe Municipality.

Detrum

Signed at Ixopo on 30 July 2020 by APAC Chairperson: TW Tsabo.

#### APPENDIX - DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests							
Period 1 July 2019 to 30 June 2020							
Position	Name	Description of Financial					
		Interests					
Mayor	Cllr EB Ngubo	None					
Deputy Mayor, Exco	Cllr CZ Mngonyama	None					
Member							
Exco Member	Cllr CN Ntabeni	None					
Exco Member	Cllr ET Shoba	None					
Exco Member	Cllr GJ Ngcongo	None					
Municipal Manager	Mr GM Sineke	None					
Director: Social	Ms NC Mohau	None					
Development Director							
Director: Corporate Services	Ms P Luswazi	None					

# VOLUME II ANNUAL FINANCIAL STATEMENTS 2019/20



UBUHLEBEZWE LOCAL MUNICIPALITY (DERMACATION CODE KZN 434) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

(Registration number KZN 434)
Trading as uBuhlebezwe Local Municipality
Annual Financial Statements for the year ended 30 June 2020

### **General Information**

#### **Mayoral Committee**

Her worship, The Mayor Cllr. Ngubo EB (Mayor)

Cllr. Mngoyama C.Z ( Deputy Mayor)

Councillors Cllr. Dlamini TC (Speaker)

Cllr. Z.D. Nxumalo Cllr. Shabalala ZM Cllr. Mkhize T.T.

Cllr. Caluza BM(Resigned 2019-08-28)

Cllr. Ndlovu P

Cllr Mkhize KM(effective from 2019-11-25)

Cllr. Mkhize VC (Resigned)

Cllr. Ndlovu MC
Cllr. Jili NZ
Cllr. Jili HC
Cllr. Ngcongo GJ
Cllr. Maluleka SP
Cllr. Radebe NG
Cllr. Khumalo ZC
Cllr. Mdunge NM
Cllr. Mpungose PB
Cllr. Msimango SM
Cllr. Ntabeni CN
Cllr. Nxumalo TB

Cllr. Shoba ET
Cllr. Khuboni BM
Cllr. Nkontwana MC
Cllr. Zulu BR

Cllr. Nduli BR Cllr. Davids LM

Cllr. N.C.Ngcongo(Effective from 2019-10-09)

Grading of local authority Grade 3 (In terms of Remuneration of Public Office Bearer)

Accounting Officer G.M Sineke

Chief Finance Officer (CFO)

Ms MP Mbatha (Acting from 01 June 2019)

Registered office Ubuhlebezwe Local Municipality

Margaret Street

Ixopo 3276

Business Address 29 Margaret Street

1xopo 3276

Postal Address P.O. Box 132

Ixopo 3276

Bankers First National Bank

(Registration number KZN 434)
Trading as uBuhlebezwe Local Municipality
Annual Financial Statements for the year ended 30 June 2020

### **General Information**

Auditors Auditor General (S.A)

### Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

	Page
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Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes in Net Assets	6
Cash Flow Statement	7
Statement of Comparison of Budget and Actual Amounts	8 - 9
Appropriation Statement	11 - 12
Accounting Policies	13 - 29
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COID Compensation for Occupational Injuries and Diseases

CRR Capital Replacement Reserve

DBSA Development Bank of South Africa

SA GAAP South African Statements of Generally Accepted Accounting Practice

GRAP Generally Recognised Accounting Practice

GAMAP Generally Accepted Municipal Accounting Practice

HDF Housing Development Fund

IAS International Accounting Standards

IMFO Institute of Municipal Finance Officers

IPSAS International Public Sector Accounting Standards

ME's Municipal Entities

MEC Member of the Executive Council

MFMA Municipal Finance Management Act

MIG Municipal Infrastructure Grant (Previously CMIP)

(Registration number KZN 434)
Trading as uBuhlebezwe Local Municipality
Annual Financial Statements for the year ended 30 June 2020

### Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2020 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the municipality's annual financial statements set out on pages 4 to 63, which have been prepared on the going concern basis, were approved by the accounting officer on 30 October 2020 and were signed on its behalf by:

G.M Sineke Municipal Manager

# Statement of Financial Position as at 30 June 2020

Figures in Rand	Note(s)	2020	2019 Restated*
Assets			
Current Assets			
Inventories	3	8 350 394	8 649 737
VAT receivable	4	10 917 824	5 300 118
Receivables from non-exchange transactions	5	22 211 106	14 840 861
Receivables from exchange transactions	6	5 990 627	5 399 714
Cash and cash equivalents	7	148 839 937	155 455 064
		196 309 888	189 645 494
Non-Current Assets			
Investment property	8	23 406 537	23 618 810
Property, plant and equipment	9	297 970 837	279 257 064
Intangible assets	10	1 321 106	1 743 634
Heritage assets	11	4 808 819	4 808 819
		327 507 299	309 428 327
Total Assets		523 817 187	499 073 821
Liabilities			
Current Liabilities			
Payables from exchange transactions	12	18 745 995	24 647 758
Unspent conditional grants and receipts	13	1 143 780	838 887
Employee Benefit Long Service	14	4 972 903	4 754 122
		24 862 678	30 240 767
Non-Current Liabilities			
Employee benefit Medical Aid	15	4 644 000	4 668 000
Employee Benefit Long Service	14	2 498 000	2 549 000
		7 142 000	7 217 000
Total Liabilities		32 004 678	37 457 767
Net Assets		491 812 509	461 616 054
Reserves			
Housing Development	18	373 787	373 787
Accumulated surplus		491 438 722	461 242 267
TOTAL NET ASSETS		491 812 509	461 616 054

<sup>\*</sup> See Note 43

# **Statement of Financial Performance**

Figures in Rand	Note(s)	2020	2019 Restated*
REVENUE			
Revenue from exchange transactions			
Service charges	17	2 869 807	2 257 263
Rental of facilities and equipment	19	850 649	1 074 076
Licence Commision		733 045	884 998
Licences and permits		2 137 401	2 884 673
Other income	20	863 490	327 895
Interest received - investment	21	11 106 623	13 026 783
Total revenue from exchange transactions		18 561 015	20 455 688
Revenue from non-exchange transactions			
Statutory revenue			
Property rates	22	24 943 816	21 886 399
Property rates - penalties imposed	22	-	-
Municipal Traffic Fines		-	-
Fines, Penalties and Forfeits		446 450	901 062
Transfer revenue			
Government grants & subsidies	23	148 940 107	135 280 962
Total revenue from non-exchange transactions		174 330 373	158 068 423
TOTAL REVENUE	16	192 891 388	178 524 111
EXPENDITURE			
Employee related costs	24	(68 078 666)	(63 452 687)
Remuneration of councillors	25	(10 052 118)	(10 302 908)
Depreciation and amortisation	26	(30 235 997)	(20 794 771)
Impairment loss/ reversal of impairments	27	(4 120 389)	(3 184 560)
Finance costs	28	(5 770)	(2 395)
Debt Impairment	29	(7 068 107)	(4 743 403)
Contracted services	30	(16 189 167)	(13 940 477)
General Expenses	31	(27 308 767)	(25 410 126)
TOTAL EXPENDITURE	,		(141 831 327)
Operating surplus		29 832 407	36 692 784
Loss on disposal of assets and liabilities		(38 029)	(460 657)
SURPLUS FOR THE YEAR		29 794 378	36 232 127

<sup>\*</sup> See Note 43

# **Statement of Changes in Net Assets**

Figures in Rand	Housing Development Fund	Accumulated surplus	Total net assets
Balance at 01 July 2018 Surplus for the year Total changes	373 787	<b>425 010 140</b>	<b>425 383 927</b>
	-	36 232 127	36 232 127
	-	36 232 127	36 232 127
Opening balance as previously reported Adjustments Correction of errors	373 787	443 983 197	444 356 984
	-	17 661 147	17 661 147
Restated* Balance at 01 July 2019 as restated* Changes in net assets Surplus for the year	373 787	<b>461 644 344</b>	<b>462 018 131</b>
	-	29 794 378	29 794 378
Balance at 30 June 2020	373 787	491 438 722	491 812 509

Note(s)

\* See Note 43

# **Cash Flow Statement**

Figures in Rand	Note(s)	2020	2019 Restated*
		-	
Cash flows from operating activities			
Receipts			
Property rates		9 914 551	12 878 841
Sale of goods and services		7 900 842	6 678 359
Grants		162 245 000	135 403 000
Interest income		11 106 623	13 026 783
		191 167 016	167 986 983
Payments			
Employee related costs		(77 987 003)	(72 266 008)
Suppliers		(67 772 446)	(32 168 283)
Finance costs		(5 770)	(2 395)
		(145 765 219)	(104 436 686)
Net cash flows from operating activities	32	45 401 797	63 550 297
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(52 282 502)	(41 555 328)
Proceeds from sale of property, plant and equipment	9	265 578	362 857 <sup>°</sup>
Purchase of other intangible assets	10	-	(1 722 829)
Proceeds from sale of other assets		-	32 542 736
Net cash flows from investing activities		(52 016 924)	(10 372 564)
Net increase/(decrease) in cash and cash equivalents		(6 615 127)	53 177 733
Cash and cash equivalents at the beginning of the year		155 455 064	102 277 331
Cash and cash equivalents at the end of the year	7	148 839 937	155 455 064

# **Statement of Comparison of Budget and Actual Amounts**

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis		Reference
Figures in Rand				- Du313	actual	
Statement of Financial Performa	ance					
Revenue						
Revenue from exchange transactions						
Service charges	2 100 000	-	2 100 000	2 869 807	769 807	(a)
Rental of facilities and equipment	1 000 000	-	1 000 000	850 649	(149 351)	(b)
Agency services	33 900	-	33 900	733 045	699 145	(c)
Licences and permits	3 418 835	550 000	3 968 835	2 137 401	(1 831 434)	(d)
Other income	1 268 672	55 200	1 323 872	863 490	(460 382)	(e)
Interest received - investment	16 000 000	(3 000 000)	13 000 000	11 106 623	(1 893 377)	(f)
Total revenue from exchange transactions	23 821 407	(2 394 800)	21 426 607	18 561 015	(2 865 592)	
Revenue from non-exchange transactions						
<b>Taxation revenue</b> Property rates	23 023 059	-	23 023 059	24 943 816	1 920 757	(g)
Transfer revenue						
Government grants & subsidies	220 103 512	(70 829 735)	149 273 777	148 940 107	(333 670)	(h)
Fines, Penalties and Forfeits	1 000 000	-	1 000 000	446 450	(553 550)	(i)
Total revenue from non- exchange transactions	244 126 571	(70 829 735)	173 296 836	174 330 373	1 033 537	
Total revenue	267 947 978	(73 224 535)	194 723 443	192 891 388	(1 832 055)	
Expenditure						
Employee related costs	(77 459 290)	(434 495)	(77 893 785)	(68 078 666)	9 815 119	(j)
Remuneration of councillors	(11 097 335)	-	(11 097 335)	(10 052 118)	1 045 217	
Depreciation and amortisation	(20 000 000)	(2 000 000)	(22 000 000)	(30 235 997)		(k)
Impairment loss/ Reversal of impairments	-	-	-	(4 120 389)	(4 120 389)	(I)
Finance costs	-	-	-	(5 770)		
Debt Impairment	(1 578 000)	(422 000)	(2 000 000)	( ,		(m)
Other materials	(869 840)	(36 000)	(905 840)		905 840	(n)
Contracted Services	(21 571 108)	(222 892)	(21 794 000)	( /	5 604 833	(o)
Transfers and Subsidies	(85 960 351)	71 356 404	(14 603 947)		14 603 947	(p)
General expenditure	(25 551 421)	(632 579)	(26 184 000)	(27 308 767)	(1 124 767)	(q)
Total expenditure	(244 087 345)	67 608 438	(176 478 907)	(163 058 981)	13 419 926	
Operating surplus	23 860 633	(5 616 097)	18 244 536	29 832 407	11 587 871	
Loss on disposal of assets and liabilities				(38 029)	(38 029)	
Surplus after capital transfer & contribution	23 860 633	(5 616 097)	18 244 536	29 794 378	11 549 842	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	23 860 633	(5 616 097)	18 244 536	29 794 378	11 549 842	

(Registration number KZN 434)
Trading as uBuhlebezwe Local Municipality
Annual Financial Statements for the year ended 30 June 2020

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis			
	Approved budget	Adjustments	Final Budget Actual amounts Difference Reference on comparable between final basis budget and
Figures in Rand			actual

#### (a) Service charges

Collection target was achieved, it includes the prior year debt and number of increases in values of properties after the implementation of supplementary valuation roll number two.

#### (b) Rental of facilities

Hall hire rental target was not achieved partially due to lack of activities due COVID-19

There were lot vacancy offices at thusong centre thus resulting in the decrease of revenue.

#### (c) Agency Services

The collection of Traffic Department income target was achieved and the turnout was more than expected.

#### (d) Licences and permits

Target was not achived and this was because of COVID-19 where traffic department was closed from 27 March 2020 up to 01 June 2020.

#### (e) Other income

Lower than expected due to the usage of E-portal instead of the normal process of procuring tenders

#### (f) Interest in investments

Receipt lower than the budget due to the flactuations of the interest rates in commercial banks and the revision of interest rate by the reserve bank.

### (g) Property rates

Collection target was achieved, it includes the prior year debt and number of increases in values of properties after the implementation of supplementary valuation roll number two.

#### (h) Government grants and subsidies

INEP and Housing was initially budgeted for under revenue, however there was no revenue recognised in the income statement due to changes in the accounting treatment by National Treasury.

#### (i) Fines, penalties and forfeits

This was due to lower compliance with legislation by drivers which resulted in few issuing of fines and penalties and a travel restriction during the last qurter of the financial due to COVID-19.

#### (j) Employee costs

This was due to reduction in overtime, post employment benefits decrease, savings on CFO, IPD Director and a sharp decrease of subsistance and travel reimbursement due offices during the lockdown.

#### (k)Depreciation

a significant increase for depreciation due to the revision and assessment of useful lives of immovable asset.

#### (I) Impairment provision

The impairment is in the current year was due to current year damages and was not anticipated.

#### (m)DebtImpairment

2019/2020 financial was a unique year with regards to the collection of revenue which triggered a significant increase in the impairment of debtors compared with the initial budget.

#### (n) Other materials

This was budgeted under general expenditure.

#### (o) Contracted Service

The expenditure relating to grants is accounted for in general expenses due to the implementantion of the mSCOA alignments and COVID-19.

#### (p) Grants and Subsidies

Actual amount for this item is sitting under contracted and general expenditure which accounts for payments relating to

# **uBuhlebezwe Local Municipality** (Registration number KZN 434)

(Registration number KZN 434)
Trading as uBuhlebezwe Local Municipality
Annual Financial Statements for the year ended 30 June 2020

# **Statement of Comparison of Budget and Actual Amounts**

Budget on Cash Basis			
Figures in Dand	Approved budget	Adjustments	Final Budget Actual amounts Difference Reference on comparable between final basis budget and
Figures in Rand			actual

operational grants

### (q) General Expenditure

Variance is on norm that is below 10%

The accounting policies on pages 13 to 29 and the notes on pages 30 to 63 form an integral part of the annual financial statements.

# **Appropriation Statement**

Figures in Rand	Original budget	Budget adjustments (i.t.o. s28 and	Final adjustments budget	Shifting of funds (i.t.o. s31 of the	Virement (i.t.o. council approved	Final budget	Actual outcome	Unauthorised expenditure		outcome as % of	Actual outcome as % of
		s31 of the MFMA)		MFMA)	policy)						original budget
2020											
Financial Performance											
Property rates	23 023 059	-	23 023 059	-		23 023 059	24 943 816		1 920 757	108 %	5 108 %
Service charges	2 100 000		2 100 000			2 100 000			769 807	137 %	
Investment revenue	16 000 000	(	,			13 000 000			(1 893 377	,	
Transfers recognised -	220 103 512	(70 829 735	) 149 273 777	-		149 273 777	116 023 107		(33 250 670)	) 78 %	53 %
operational Other own revenue	6 721 407	605 200	7 326 607	ı.		7 326 607	5 031 035		(2.205.572)	) 69 %	5 75 %
									(2 295 572)	<u></u>	
Total revenue (excluding capital transfers and contributions)	267 947 978	3 (73 224 53 <b>5</b>	) 194 723 443	-		194 723 443	159 974 388		(34 749 055)	) 82 %	% <b>60</b> %
Employee costs	(77 459 290	) (434 495	) (77 893 785	-		(77 893 785	) (68 078 666	) -	9 815 119	87 %	88 %
Remuneration of councillors	(11 097 335		(11 097 335	- -		(11 097 335	í) (10 052 118	, ) -	1 045 217	91 %	91 %
Debt impairment	(1 578 000	(422 000	) (2 000 000			(2 000 000	) (7 068 107	) -	(5 068 107	) 353 %	448 %
Depreciation and asset impairment	(20 000 000	(2 000 000	) (22 000 000	Ó		(22 000 000	) (34 356 386	) -	(12 356 386)	) 156 %	5 172 %
Finance charges	-	-	-			-	(5 770	) -	(5 770)	) DIV/0 %	DIV/0 %
Materials and bulk purchases	(869 840	(36 000	) (905 840	-	-	(905 840	-	-	905 840	- %	- %
Transfers and grants	(85 960 351	) 71 356 404	(14 603 947	-		(14 603 947		-	14 603 947		
Other expenditure	(47 122 529	(855 471	) (47 978 000	-	-	(47 978 000	) (43 535 963	) -	4 442 037	91 %	92 %
Total expenditure	(244 087 345	67 608 438	(176 478 907	) -		· (176 478 907	) (163 097 010	) -	13 381 897	92 %	67 %
Surplus/(Deficit)	23 860 633	(5 616 097	) 18 244 536	-		18 244 536	(3 122 622	)	(21 367 158)	) (17)%	<b>6</b> (13)%

# **Appropriation Statement**

Figures in Rand	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital			-	-			- 32 917 000		32 917 000	DIV/0 %	% DIV/0 %
Surplus (Deficit) after capital transfers and contributions	23 860 633	(5 616 097	) 18 244 536			18 244 536	29 794 378		11 549 842	163 %	<b>%</b> 125 %
Surplus/(Deficit) for the year	23 860 633	(5 616 097	) 18 244 536	-		18 244 536	29 794 378		11 549 842	163 %	<b>6</b> 125 %

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### **Accounting Policies**

#### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

#### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

#### 1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

#### 1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

#### Trade receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipalty makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

#### Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of computer software and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, computer software is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of computer software and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors.

#### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 14 - Provisions.

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### **Accounting Policies**

#### 1.3 Significant judgements and sources of estimation uncertainty (continued)

#### Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 15.

#### 1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

### Subsequent measurement

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

ItemUseful lifeProperty - landindefiniteProperty - buildings25 - 30 yearsAir-conditioners5-7 years

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

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### **Accounting Policies**

#### 1.4 Investment property (continued)

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note).

#### 1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

#### Subsequent measurement

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses, unless a specific decision has been taken to revalue a certain class of assets and in such instance property, plant and equipment will be valued using the revaluation model.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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### **Accounting Policies**

#### 1.5 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment

Item	Depreciation method	Average useful life in years
Land	Straight line	Infinite
Buildings	Straight line	25 - 30
Finance Lease Assets	Straight line	3
Plant and Equipment	Straight line	5 -15
Furniture and office equipment	Straight line	5-10
Motor vehicles	Straight line	5-10
Computer equipment	Straight line	5-7
Infrastructure - Cemeteries	Straight line	15-30
Machinery and equipment	Straight line	5-7
Infrastructure - Electricity	Straight line	15 -30
Infrastructure - Road	Straight line	10 - 50
Infrastructure - Solid Waste Disposal	Straight line	10 - 55
Specialised vehicles	Straight line	7-20

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 11).

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### Accounting Policies

#### 1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or
  exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of
  whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the
  asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets. Internall generated goodwill is not recognised as an intangible asset

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight line	3-5

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 11).

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### Accounting Policies

#### 1.6 Intangible assets (continued)

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

#### 1.7 Heritage assets

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

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 13).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 13).

#### Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

#### Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

#### Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

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### **Accounting Policies**

#### 1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash:
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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### **Accounting Policies**

#### 1.8 Financial instruments (continued)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- · combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

### Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

### Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

#### 1.9 Statutory receivables

#### Identification

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### **Accounting Policies**

#### 1.9 Statutory receivables (continued)

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

#### Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

#### Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- · amounts derecognised.

#### 1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

#### **Operating leases - lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

#### 1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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### **Accounting Policies**

#### 1.11 Inventories (continued)

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.12 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

#### 1.13 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

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### **Accounting Policies**

#### 1.13 Impairment of non-cash-generating assets (continued)

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

#### 1.14 Employee benefits

### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### **Defined contribution plans**

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

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### **Accounting Policies**

#### 1.14 Employee benefits (continued)

#### Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

### 1.15 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

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### **Accounting Policies**

#### 1.15 Provisions and contingencies (continued)

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 35.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

#### 1.16 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

#### 1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### 1.18 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

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### **Accounting Policies**

#### 1.18 Revenue from non-exchange transactions (continued)

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

#### **Fines**

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

#### 1.19 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

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### Accounting Policies

#### 1.19 Borrowing costs (continued)

Borrowing costs are recognised as an expense in the period in which they are incurred.

#### 1.20 Comparative figures

All municipalities were required to comply with MSCOA as from the 1st July 2017. uBuhlebezwe Local Municipality have implemented the MSCOA and comparative figures have been reclassified to conform to changes in presentation in the current year.

#### 1.21 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

#### 1.22 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

#### 1.23 Irregular expenditure

Irregular expenditure as defined in section 1 of the MFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the MFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

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### **Accounting Policies**

#### 1.23 Irregular expenditure (continued)

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### 1.24 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2019/07/01 to 2020/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

#### 1.25 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

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### **Accounting Policies**

#### 1.26 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date);
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

#### 1.27 Principal and Agent arrangements

#### Identification

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

#### Accounting by agent

An agent recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal).

An agent does not recognise expenses it incurs on behalf of the principal in its statement of financial performance. The result of the transaction with third parties, in this case suppliers, results in the principal having the ability to use all, or substantially all, of the resources related to that transaction and not the agent.

#### Recognising assets and liabilities as an agent

The Framework for the Preparation and Presentation of Financial Statements requires, inter-alia, that an entity must control an asset, as a result of a past event, before it can be recognised in the statement of financial position. Consequently, an agent assesses whether the resources it holds as a result of undertaking transactions with third parties on behalf of the principal are under its control and would otherwise meet the definition and recognition criteria for such assets in accordance with other Standards of GRAP.

Where an agent holds cash or other monetary assets on behalf of its principal, it is necessary to assess whether this should be recognised as an asset by the agent, with a corresponding liability in respect of the obligation to transfer the amounts to the principal. In making this assessment, the agent considers whether it controls (even if this control is temporary) the cash or other asset it holds, and consequently whether it meets the definition of an asset in accordance with the Framework for Preparation and Presentation of Financial Statements.

#### 1.28 Unspent Conditional Grants and receipts

Unspent portion of the conditional grants are accounted as current liabilities.

# uBuhlebezwe Local Municipality (Registration number KZN 434)

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### **Notes to the Annual Financial Statements**

Figures in Rand	2020	2019
•		

#### 2. New standards and interpretations

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### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

#### 2.2 Standards and Interpretations early adopted

The municipality has chosen to early adopt the following standards and interpretations:

Standard/ Interpretation: Effective date: Years beginning	Expected impact: g on or
• GRAP 9 - Recievables from exchange transactions 01 April 2020	The impact of the is not material.
GRAP 108 - Statutory receivables     01 April 2020	The impact of the is not
• GRAP 110 - Living and Non Living Resources 01 April 2020	material. The impact of the is not material.
GRAP 104 - Financial Instruments     01 April 2020	material.
3. Inventories	
Consumable stores Land held for sale Inventory - Additions	21 622 - 8 649 737 9 592 105 - 80 000
Disposals	8 671 359 9 672 105 (320 965) (1 022 368)
	8 350 394 8 649 737
Carrying value of inventories carried at fair value less costs to sell	8 350 394 8 649 737
Inventories recognised as an expense during the year	320 965 1 022 368
Consumables stores relate to Cleaning chemicals and Stationery. Land held for sale is inc	cluded in the Assets Held for Sale.
4. VAT receivable	
VAT	10 917 824 5 300 118
VAT is disclosed on the accrual basis, declarations to SARS are made on payments basis	3
5. Trade receivable from non exchange transaction	
Gross balances	
Rates Fines	46 066 399       35 033 443 3 452 419         3 039 664
	49 518 818 38 073 107
Less: Allowance for impairment	
Rates Fines	(24 117 797) (20 362 723) (3 189 915) (2 869 523)
	(3 109 913) (2 009 323)

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Figures in Rand	2020	2019
5. Trade receivable from non exchange transaction (continued)		
Net balance		
Rates	21 948 602	14 670 720
Fines	262 504	170 141
	22 211 106	14 840 861
Statutory Receivables - Rates Past due and impaired		
Current (0 -30 days)	2 125 665	2 143 226
31 - 60 days	819 607	639 297
61 - 90 days	796 007	891 940
91 - 120 days	787 276	764 668
121 - 365 days	29 481 099	21 425 171
	34 009 654	25 864 302
Statutory Receivables - Rates Past due and not impaired	750 500	750 704
Current (0-30 Days)	753 568	759 794
31 - 60 days 61 - 90 days	290 559 282 192	226 637 316 201
91 - 120 days	279 097	271 426
121 - 365 days	10 451 329	7 595 426
	12 056 745	9 169 484
Statutory Receivables - Fines Fines Outstanding	3 452 419	3 039 664
- Into Oddanany	0 102 410	0 000 004
Reconciliation of allowance for impairment		
Balance at beginning of the year	(24 117 712)	(19 889 128
Contributions to allowance	(3 189 915)	(3 343 395
	(27 307 627)	(23 232 523

#### Consumer debtors past due but not impaired

Past due and not impaired amounts relates mainly to government debts and indigents, At 30 June 2020, 12 056 745 (2019: 9 169 141) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

#### Consumer debtors impaired

[No collateral was held for debtors impaired]

Rates is classified as statutory receivables and arises in terms of the Municipal Property Rates Act of 2004

Property rates are calculated by multipyling the market value of immovable property by a cent amount in the Rand that a municipal council has determined. In terms of the Municipal Council resolution no interest is levied on overdue amounts.

All Statutory receivables have been tested for impairment based on whether the customer account has amounts outstandinding over 60 days, in this instance the total balance outstanding are impaired and a discount rate of 7% based on the prime lending rates was utilised. There were no significant impairment losses other than a revision of impairment losses for the year

Due to COVID-19 pandemic the collection rates has decreased significantly which ahs resulted in an increase in impairment losses for the year. The collection rate for the year including the number of debtors days was utilised in impairing all debtors with an ageing over 60 days outstanding

# **Notes to the Annual Financial Statements**

Edga. / illowaride for impairment- Nortal	5 990 627	5 399 714
Less: Allowance for Impairment-Rental	(714 416)	(629 761)
Less: Allowance for Impairment-Refuse	(3 308 165)	(3 160 261)
Sundry debtors	362 158	362 158
Consumer debtors - Rental	1 565 257	1 138 854
Consumer debtors - Refuse	7 928 455	5 714 984
Accrued interest	47 063	1 858 665
Housing debtors	110 275	115 075
6. Receivables from exchange transactions		
- igures in ixanu	2020	2019
Figures in Rand	2020	2019

### **Notes to the Annual Financial Statements**

Figures in Rand	2020	2019
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	3 000	3 000
Bank balances	105 697 429	24 570 573
Short-term deposits	43 139 508	130 881 491
	148 839 937	155 455 064

#### The municipality had the following bank accounts

Total	159 806 892	155 416 834	102 417 504	148 835 659	155 452 064	102 272 082
STD BAnk - 068730276 - 007	10 238 403	-	_	10 238 403	_	
ABSA Bank - 9356939209	31 790 809	-	-	31 790 809	-	-
Investec - 11005393353455	<del>.</del>	-	43 943 807	<u>-</u>	-	43 560 204
Standard - 068730276-006	-	5 780 455	5 328 561	-	5 780 455	5 328 561
Standard - 068730276-001	126 630	122 628	109 507	126 629	122 628	109 507
Standard - 068730276-009	-	14 039 066	-	-	14 039 066	-
Standard - 068730276-008	15 750	15 151	14 494	15 750	15 151	14 494
Nedbank Investment Account	-	-	15 889 682	-	-	15 889 682
Nedbank - 7881076763/124	-	21 000 000	-	-	21 000 000	-
Nedbank - 7881076763/122	-	20 000 000	-	-	20 000 000	-
ABSA - 2078355849	-	10 181 233	-	-	10 181 233	-
ABSA - 20178479582	-	10 062 860	-	-	10 062 860	-
ABSA - 2074567242	-	-	12 944 135	-	-	12 944 135
FNB - 71770508335	-	_	5 677 600	-	_	5 677 600
FNB - 745590521793	-	-	6 464 559	_	-	6 464 559
FNB - 74806555642	_	14 237 047	_	_	14 237 047	_
FNB - 7479441557	_	15 566 845	_	_	15 566 845	_
FNB - 74814614472	_	14 038 663	_	_	14 038 663	_
62248166218	113041	090 309	004 709	119041	090 309	004 703
62143895988 FNB - Equitable Share-	719 847	690 309	664 709	719 847	690 309	664 709
FNB - Equitable Share -	246 792	5 147 234	6 166 184	246 792	5 147 234	6 404 365
52552416194						
FNB - Current Account -	116 668 661	24 535 343	5 214 266	105 697 429	24 570 573	5 214 266
	30 June 2020	30 June 2019	30 June 2018	30 June 2020	30 June 2019	30 June 2018
Account number / description	Bank statement b	alances	Cash book balances			

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### **Notes to the Annual Financial Statements**

Figures in Rand

		2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	
Investment property	25 004 533	(1 597 996)	23 406 537	25 004 533	(1 385 723)	23 618 810	
Reconciliation of investment property - 2020							
				Opening balance	Depreciation	Total	
Investment property				23 618 810	(212 273)	23 406 537	
Reconciliation of investment property - 2019							
	Opening balance	Additions	Transfers	Other changes, movements	Depreciation	Total	
Investment property	20 961 275	3 014 000	(80 000)	(66 000)	(210 465)	23 618 810	

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

#### Amounts recognised in surplus or deficit

Rental revenue from Investment property

850 649 1 074 076

# **Notes to the Annual Financial Statements**

Figures in Rand 2020 2019

#### 9. Property, plant and equipment

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	4 179 000	-	4 179 000	4 179 000	-	4 179 000
Buildings	57 819 144	(13 579 057)	44 240 087	35 033 503	(10 283 055)	24 750 448
Plant and machinery	13 268 313	(4 963 531)	8 304 782	8 246 992	(5 075 628)	3 171 364
Furniture and fixtures	4 235 176	(3 237 753)	997 423	5 546 405	(3 913 812)	1 632 593
Motor vehicles	17 233 570	(11 120 044)	6 113 526	14 860 285	(9 497 666)	5 362 619
IT equipment	4 814 122	(3 740 751)	1 073 371	5 498 432	(3 901 699)	1 596 733
Infrastructure	300 668 411	(172 625 460)	128 042 951	282 342 385	(154 514 214)	127 828 171
Community	174 228 161	(69 208 464)	105 019 697	167 128 493	(59 313 220)	107 815 273
Libraries	-	· -′	-	4 706 767	`(1 785 904)	2 920 863
Total	576 445 897	(278 475 060)	297 970 837	527 542 262	(248 285 198)	279 257 064

(Registration number KZN 434)
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#### **Notes to the Annual Financial Statements**

Figures in Rand

#### 9. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Re Classification	Disposals	Work-In Progress	Depreciation	Impairment loss	Total
Land	4 179 000	-	<u>-</u>	_	-	-	-	4 179 000
Buildings	24 750 448	145 000	2 920 863	-	17 933 849	(1 056 829)	(453 244)	44 240 087
Plant and Equipment	3 171 364	6 005 418	-	(1 748)	-	(870 252)	-	8 304 782
Furniture and fixtures	1 632 593	95 274	-	(113 230)	-	(617 214)	-	997 423
Motor vehicles	5 362 619	2 385 727	-	-	-	(1 634 820)	-	6 113 526
IT equipment	1 596 733	175 150	-	(94 127)	116 522	(720 907)	-	1 073 371
Infrastructure	127 828 171	137 049	-	-	18 188 863	(18 111 132)	-	128 042 951
Community	107 815 273	105 009	-	=	6 994 641	(6 228 082)	(3 667 144)	105 019 697
Libraries	2 920 863	-	(2 920 863)	-	-	<del>-</del>	-	-
	279 257 064	9 048 627	-	(209 105)	43 233 875	(29 239 236)	(4 120 388)	297 970 837

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Prior Year re assessment of	Prior Year Error	Work-In Progress	Depreciation	Impairment loss	Total
	4 470 000			useful live					4 470 000
Land	4 179 000	-	-	-	-	-	-	-	4 179 000
Buildings	17 152 294	-	-	1 762 430	-	6 690 374	(854 650)	-	24 750 448
Plant and machinery	3 830 478	70 160	(49 196)	-	-	-	(680 078)	-	3 171 364
Furniture and fixtures	1 962 399	305 619	(3 547)	-	-	-	(631 878)	-	1 632 593
Motor vehicles	6 859 253	551 719	(427 819)	-	=	-	(1 620 534)	-	5 362 619
IT equipment	1 942 645	526 062	(10 503)	-	=	-	(861 471)	-	1 596 733
Infrastructure	116 114 343	56 114	-	522 389	1 117 091	20 949 479	(10 931 245)	-	127 828 171
Community	101 275 024	37 271	-	1 719 529	236 413	12 368 530	(4 636 934)	(3 184 560)	107 815 273
Libraries	3 083 133	-	-	-	-	-	(162 270)	-	2 920 863
	256 398 569	1 546 945	(491 065)	4 004 348	1 353 504	40 008 383	(20 379 060)	(3 184 560)	279 257 064

(Registration number KZN 434)
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#### **Notes to the Annual Financial Statements**

#### 9. Property, plant and equipment (continued)

#### Reconciliation 0f Work-in-Progress 2020

	17 876 012	3 981 340	26 828 419	48 685 771
Transferred to completed items	(24 444 788)	(7 894 206)	-	(32 338 994)
Impairments	-	-	(373 158)	(373 158)
Additions/capital expenditure	18 188 863	6 994 641	18 050 393	43 233 897
Opening balance	24 131 937	4 880 905	9 151 184	38 164 026
	Infrastructure	Community	Other PPE	
	Included within	Included within Included within Included within		

#### Reconciliation of Work-in-Progress 2019

	Included within I	ncluded within I	ncluded within	Total
	Infrastructure	Community	Other PPE	
Opening balance	16 681 613	12 044 339	2 460 810	31 186 762
Additions/capital expenditure	20 949 479	12 368 530	6 690 374	40 008 383
Prior Year error	(3 277 862)	(15 198 061)	=	(18 475 923)
Transferred to completed items	(10 221 293)	(4 333 903)	-	(14 555 196)
	24 131 937	4 880 905	9 151 184	38 164 026

#### Expenditure incurred to repair and maintain property, plant and equipment

# Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance Contracted services

2 199 726 4 266 552

There are no long outstanding projects which are taking longer than expected

There are no indications that projects in Work in Progress are impaired.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Figures in Rand					2020	2019
10. Intangible assets						
		2020			2019	
	Cost / Valuation	Accumulated amortisation and accumulated	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated	Carrying value
Computer software	2 494 287	impairment (1 173 181)	1 321 106	2 494 287	impairment (750 653)	1 743 634
·		(1.1.0.10.1)			(. 55 555)	
Reconciliation of intangible	assets - 2020					
				Opening balance	Amortisation	Total
Computer software				1 743 634	(422 528)	1 321 106
Reconciliation of intangible	assets - 2019					
			Opening balance	Additions	Amortisation	Total
Computer software			212 394	1 722 829	(191 589)	1 743 634
11. Heritage assets						
		2020			2019	
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical monuments	4 808 819	-	4 808 819	4 808 819	-	4 808 819
Reconciliation of heritage a	ssets 2020					
Historical monuments					Opening balance 4 808 819	Total 4 808 819
	1 . 0040					
Reconciliation of heritage a	ssets 2019					
Historical manuscrate					Opening balance	Total
Historical monuments					4 808 819	4 808 819
12. Payables from exchang	ge transactions					
Trade payables Unallocated deposits Other creditors Deposits other					8 070 241 316 239 -	16 454 095 221 964 256 092 32 134
Retention					8 358 511	5 314 023
Advance payments					2 001 004	2 369 450

# **uBuhlebezwe Local Municipality** (Registration number KZN 434)

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#### **Notes to the Annual Financial Statements**

Figures in Rand			2020	2019
13. Unspent conditional grants and receipts				
Unspent conditional grants and receipts comprises of:				
Unspent conditional grants and receipts			074 477	
COVID 19 -Disaster Management Relief Grant			374 477	
Building Plans Information Systems MIG			1 193 601	60
Ixopo Sportfields Maintenance			8 278	8 27
Sangcwaba Grant			565 387	565 38
Ixopo Sportfield			143 183	143 183
Sports & Recreation			-	28 77
Gym Park - Receipts			50 661	92 66°
			1 143 780	838 887
14. Employee Benefit Long Service				
Reconciliation of employee benefit long service - 2020				
		Opening	Movements	Total
		Balance	due to re-	
			measurement	
			or settlement	
			without cost to entity	
Leave pay provision		4 754 122	218 781	4 972 903
Long term service award provision		2 549 000		2 498 000
	,	7 303 122	167 781	7 470 903
Reconciliation of employee benefit long service - 2019				
	Opening	Additions	Movements	Total
	Balance	7 taditionio	due to re-	rotai
			measurement	
			or settlement	
			without cost to	
			entity	
Leave pay provision	3 893 612	-	860 510	4 754 12
Long term service award provision	2 355 000	194 000	-	2 549 000
	6 248 612	194 000	860 510	7 303 12
Non-current liabilities			2 498 000	2 549 000
Non-current liabilities Current liabilities			2 498 000 4 972 903	2 549 000 4 754 122

Long services award are payable after ten years of continuous services and every five years thereafter to employees.

Provision is an estimate of the long service award base on historic staff turnover, taking into account management estimate of the likelihood that staff may leave before long services become due. No other long services benefit are provided to employees.

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#### Notes to the Annual Financial Statements

Figures in Rand	2020	2019
rigaros irritaria	2020	_0.0

#### 15. Employee benefit obligations

#### Long service awards

Independent valuers, Independent and Actuaries Consultants (Pty) Ltd, carried out a statutory valuation as at 30 June 2020.

The actuarial valuation determined that the retirement plan was in a sound financial position.

#### Post retirement benefit plan

The Municipality's personnel are members of one of the Natal Joint Municipal Pension retirement funds, namely the Superannuation, Retirement and Provident Funds. As the aforementioned funds are multi-employer funds, the allocation of any surplus/deficit to individual municipalities cannot be determined. Furthermore disclosure of further details such as actuarial assumptions, cannot be attributed to any specific municipality and is of no relevance to users of the municipality's financial statements. As the required disclosure information cannot be obtained the funds are all treated as defined contribution plans.

#### Post retirement medical aid plan

The municipality operates on 6 accredited medical aid schemes, namely Bonitas, Keyhealth, LA Health, Hosmed, Fedhealth and Samwumed. Pensioners continue on the option they belonged to on the day of their retirement. Independent Actuaries and consultants, carried out a statutory valuation as at 30 June 2020. The post-retirement medical obligations at 30 June 2020 quantified the present value of unfunded obligations at R4,644,000. The Current-service costs for the year ending 30 June 2020 is estimated at R306 000. The principal actuarial assumptions used included a discount rate of Yield Curve, and a health care cost inflation rate of CPI + 1.

#### Post Medical Aid benefits: The amounts recognised in the statement of financial position are as follows:

	(4 644 000)	(4 668 000)
Actual Loss / Gain	624 000	2 169 000
Benefit Paid	176 000	168 000
Interest Cost	(470 000)	(530 000)
Current Service cost	(306 000)	(386 000
Opening Balance	(4 668 000)	(6 089 000

Entity's own financial instruments [state each category] Assets used by the entity Property occupied by the entity	Males	Males
Age		
20 - 24	16,00 %	24,00 %
25 - 29	12,00 %	18,00 %
30 -34	10,00 %	15,00 %
35 - 39	8,00 %	10,00 %
40 - 44	6,00 %	6,00 %
45 - 49	4,00 %	4,00 %
50 - 54	2,00 %	2,00 %
55-59	1,00 %	1,00 %
	-	-

Figures in Rand	2020	2019
15. Employee benefit obligations (continued)		
Post Medical Aid Benefits: The amounts recognised in the Statement of Financial Perf	formance were as fo	ollows:
Opening balance	4 668 000	2 169 00
Actuarial gains (losses)	(1 434 000)	2 499 00
Assets distributed on settlement	1 410 000	
	4 644 000	4 668 00
16. Revenue		
Service charges	2 869 807	2 257 26
Rental of facilities	850 649	1 074 07
Agency services	733 045	884 99
Licences and permits	2 137 401	2 884 67
Other income - Miscellaneous Interest received - investment	863 490 11 106 623	327 89 13 026 78
Property rates	24 943 816	21 886 39
Government grants	148 940 107	135 280 96
Fines	446 450	901 06
	192 891 388	178 524 11
The amount included in revenue arising from exchanges of goods or services are as follows: Service charges Rental of facilities and equipment Agency services Licences and permits Other income - Miscellaneous	2 869 807 850 649 733 045 2 137 401 863 490	2 257 26 1 074 07 884 99 2 884 67 327 89
Interest received - investment	11 106 623	13 026 78
	18 561 015	20 455 68
The amount included in revenue arising from non-exchange transactions is as follows:  Taxation revenue		
Property rates	24 943 816	21 886 39
Transfer revenue	440.040.407	405 000 00
Government grants Fines	148 940 107 446 450	135 280 96 901 06
	174 330 373	158 068 42
17. Service charges		
Refuse removal	2 780 433	2 178 57
Other service charges - Fire	89 374	78 69
	2 869 807	2 257 26
19 Housing energting account		
18. Housing operating account		

Figures in Rand	2020	2019
18. Housing operating account (continued)		
The housing operating account is represented by the following assets and liabilities		
Housing selling scheme loans	122 298	122 298
Bank and cash	251 489	251 489
Assets	373 787	373 787
Total Housing Development Fund Assets and Liabilities	373 787	373 787
19. Rental of facilities and equipment		
Premises		
Hall hire Rental of Buildings	165 831 684 818	166 394 907 682
	850 649	1 074 076
	850 649	1 074 076
20. Other income		
Rates Clearance	7 581	2 657
Sundry Income	855 909	325 238
	863 490	327 895
21. Investment revenue		
Interest revenue		
Short term investments	11 106 623	13 026 783

# uBuhlebezwe Local Municipality (Registration number KZN 434)

(Registration number KZN 434) Trading as uBuhlebezwe Local Municipality Annual Financial Statements for the year ended 30 June 2020

#### **Notes to the Annual Financial Statements**

Figures in Rand	2020	2019
22. Property rates		
Statutory Revenue		
Property Rates		
Residential	11 429 916	9 762 503
Commercial	4 791 333	5 831 033
State Owned Properties	4 316 230	2 305 716
Agricultural	3 573 912	2 955 074
Communal	224 893	311 430
Industrial	370 138	690 630
Public Service Infrastructure	237 394	30 013
	24 943 816	21 886 399
Valuations		
Residential	610 258 890	686 574 002
Commercial	188 909 003	324 955 000
Public Service Infrastructure	220 000	165 002
Industrial	13 916 000	33 828 001
Municipal	66 159 002	66 923 000
Agricultural	1 553 091 965	
Vacant Land	15 056 002	20 379 005
Farm : Residential	-	122 767 000
Public Service Purposes ( State Owned )	441 281 000	300 602 000
Smallholdings:Commercial	-	28 458 000
Ingonyama Trust ( Communal Land)	83 037 700	138 898 000
Informal Settlement	-	3 204 000
Place Of Worship	14 785 000	-
Servitudes	358 744 000	
	3 345 458 562	2 976 466 010

Valuations on land and buildings are performed every 5 years. In terms of the new MPRA legislation an extension of 1 year has been granted. The last general valuation came into effect on 1 July 2018. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alteration and subdivisions. Rates are levied in 12 monthly equal instalments with the first being due at the end of July and the last instalment is in June.

The municipality does not levy rates on the first R15 000 of the market value of properties assigned to the categories below: Residential

Agricultural

Small holding (Agricultural)

Commercial

Industrial and

Communal

Figures in Rand	2020	2019
23. Government grants and subsidies		
Operating grants		
Equitable share	110 309 000	99 319 000
FMG	1 970 000	1 970 000
Sports & recreation	28 777	21 223
COVID 19 -Disaster Management Relief Grant- Income	280 523	4 007 220
Gym Park Library Grant	42 000 1 101 000	1 907 339 1 035 000
Building Plan Grant	498 807	1 000 000
EPWP	1 793 000	1 590 001
	116 023 107	105 842 563
Capital grants		
MIG	26 917 000	26 438 399
Municipal Disaster Centre Grant	6 000 000	3 000 000
	32 917 000	29 438 399
	148 940 107	135 280 962
Conditional and Unconditional		
Included in above are the following grants and subsidies received.		
Conditional grants received	38 631 107	35 961 399
Unconditional grants received	110 309 000	99 319 000
	148 940 107	135 280 399
Equitable Share		
Current-year receipts	110 309 000	99 319 000
Conditions met - transferred to revenue	(110 309 000)	(99 319 000
	<del>-</del> _	
Mc Kenzie Farm		
Balance unspent at beginning of year	-	428 422
Conditions met - transferred to revenue	-	(428 422
	<del>-</del>	<u>-</u>
FMG Grant		
Current-year receipts	1 970 000	1 970 000
Conditions met - transferred to revenue	(1 970 000)	(1 970 000
Sports and Recreation		
	28 777	_
Balance unspent at beginning of year	20 111	
Balance unspent at beginning of year Current-year receipts	20 111	50 000
Balance unspent at beginning of year Current-year receipts Conditions met - transferred to revenue	(28 777)	50 000 (21 223

Figures in Rand	2020	2019
23. Government grants and subsidies (continued)		
Electrification Grant		
Current-year receipts Conditions Met	13 000 000 (13 000 000)	16 000 000 (16 000 000
	-	
COVID 19 Disester recovery Grant		
Current-year receipts Conditions met - transferred to revenue	655 000 (280 523)	-
	374 477	-
Conditions still to be met - remain liabilities (see note 13).		
Municipal Infrastructure Grant		
Balance unspent at beginning of year Current-year receipts Conditions met - transferred to revenue	601 26 917 000 (26 917 000)	26 439 000 (26 438 399
Conditions met - transferred to revenue	601	601
Conditions still to be met - remain liabilities (see note 13).		
Library Grant		
Current-year receipts Conditions met - transferred to revenue	1 101 000 (1 101 000)	1 035 000 (1 035 000
Conditions mot diameter of to revenue	-	-
Small Town Rehab _ Roads		
Balance unspent at beginning of year Conditions met - transferred to revenue	<u>-</u>	18 245 (18 245
Municipal Disaster Recovery Grant		
Current-year receipts Conditions met - transferred to revenue	6 000 000 (6 000 000)	3 000 000 (3 000 000
	-	-
xopo sports maintenance Grant		
Balance unspent at beginning of the year	8 278	8 278
Sangcwaba Grant		
Balance unspent at beginning of year	565 387	565 387

## **Notes to the Annual Financial Statements**

Figures in Rand	2020	2019
23. Government grants and subsidies (continued)		
Current-year receipts	1 793 000	1 590 000
Conditions met - transferred to revenue	(1 793 000)	(1 590 000)
	-	
Gym Park Grant		
Balance unspent at beginning of year	92 661	-
Current-year receipts	(40,000)	2 000 000
Conditions met - transferred to revenue	(42 000)	(1 907 339)
	50 661	92 661
Conditions still to be met - remain liabilities (see note 13).		
Ixopo Sportsfield Grant		
Balance unspent at beginning of year	143 182	143 182
Building Plans Information Systems Grant		
Current-year receipts	500 000	-
Conditions met - transferred to revenue	(498 807)	-
	1 193	-

Conditions still to be met - remain liabilities (see note 13).

**Technical Services** 

**uBuhlebezwe Local Municipality**(Registration number KZN 434)
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Figures in Rand	2020	2019
24. Employee related costs		
Basic salaries and wages	47 651 919	45 353 423
Bonus	3 428 441	3 582 568
Medical aid - company contributions	2 494 950	828 010
UIF	381 491	420 469
Other payroll levies	20 709	18 534
Leave pay provision charge	2 372 443	2 229 416
Pension	7 212 575	6 846 166
Travel, motor car, accommodation, subsistence and other allowances	968 283	1 549 012
Overtime payments	2 740 748	1 616 050
Long-service awards	37 505	341 798
Housing benefits and allowances	98 947	74 191
Post Retirement Obligation	538 280	457 821
Other employee related costs	132 375	135 229
	68 078 666	63 452 687
Remuneration of Municipal Manager		
Annual Remuneration	904 419	958 638
Performance Bonuses	-	169 185
Contributions to UIF, Medical and Pension Funds	249 076	131 830
Other	206 730	189 077
	1 360 225	1 448 730
Remuneration of Chief Finance Officer  Annual Remuneration Performance Bonuses Contributions to UIF, Medical and Pension Funds	- - -	639 891 7 683 39 826
Other	-	203 574
Acting Allowance	92 197	-
	92 197	890 974
The Chief Financial Officer resigned during the year on 25 May 2019.		
Corporate and human resources (corporate services)		
Annual Remuneration	670 363	67 826
Contributions to UIF, Medical and Pension Funds	102 866	10 915
Other	19 133	-
	792 362	78 741
The director for corporate services Assumed Her duties during the year on (1 August 2019)		
Social Development		
Annual Remuneration	E00 470	590 820
Annual Remuneration Performance Bonuses	583 170 65 855	
		107 014
Contributions to UIF, Medical and Pension Funds Other	185 815 180 696	179 087 172 297
Ouici		
	1 015 536	1 049 218

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#### **Notes to the Annual Financial Statements**

Figures in Rand	2020	2019
24. Employee related costs (continued)		
Annual Remuneration	209 524	782 063
Performance Bonuses	-	105 368
Contributions to UIF, Medical and Pension Funds	51 908	158 571
Other	183 724	143 481
Acting Allowance	54 702	-
	499 858	1 189 483
The Director Technical Services Resigned during the year ( 30 October 2019 )  25. Remuneration Of Councillors		
Mayor	887 745	873 579
Deputy Mayor	706 388	706 990
Exco Members	1 448 355	1 433 519
Speaker	698 806	731 754
Councillors	6 310 824	6 557 066
	10 052 118	10 302 908

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The Accounting officer affirms that remuneration of councilors disclosed above are within the upper limmits envisaged in section 219 of the constitutionand were aligned with gazzete number 43246 issued on 24 April 2020.

#### In-kind benefits

The Mayor, Deputy Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor is entitled to stay at the mayoral residence owned by Council at no cost. The Executive Mayor has use of a Council owned vehicle for official duties.

The Mayor and the Deputy Mayor each have the use of separate Council owned vehicles for official duties.

 $\label{thm:continuous} The \ Mayor \ has \ three \ full-time \ bodyguards.$  The Deputy Mayor and speaker have two full-time bodyguards.

#### 26. Depreciation and amortisation

Property, plant and equipment Investment property Intangible assets	29 601 195 212 274 422 528	20 315 984 210 465 268 322
	30 235 997	20 794 771
27. Impairment		
Impairments Property, plant and equipment	4 120 389	3 184 560
28. Finance costs		
Interest paid	5 770	2 395

Figures in Rand	2020	2019
29. Provision for Bad debts		
Traffic Fines	320 392	3 142 186
Bad debts written off	6 747 715	1 601 217
	7 068 107	4 743 403
30. Contracted services		
Security services	3 816 616	4 052 944
Legal fees	362 302	697 543
Valuation services	51 885	263 348
Landfill Site Rental	472 517	312 945
Repairs and Maintenance	2 199 726	4 274 302
Catering	478 834	1 001 711
Event promoters	91 477	309 407
Electrification Projects	7 735 916	
Consultants and Professional Services	782 363	2 851 041
Pest control and fumigation	19 241	11 087
Audit committee fees	178 290	166 149
	16 189 167	13 940 477
31. General expenses		
Mscoa Implementation and system development	2 544 083	1 315 659
Advertising	1 827 215	2 225 931
Auditors remuneration	1 856 111	2 191 088
Bank charges	200 246	217 595
Consumables	509 725	396 786
Entertainment  Pand Traffic laws	50 493	84 609
Road Traffic levy Free Basic Services	- 966 321	2 181 790 519
Insurance	1 717 506	619 103
Operating Leases: Furniture and Office	569 264	683 355
Parking Fees	99 509	67 645
SDL	633 261	466 050
Specialised Computer Service	781 416	821 233
Fuel and oil	1 747 081	1 895 563
Postage and courier	175 772	175 290
Printing and stationery	338 550	604 247
Bursary Youth	420 756	550 176
Employment creation and assistant programme	298 961	273 800
Trainings	1 712 206	1 010 772
Software expenses	1 212 002	609 546
Ward Committees	1 152 614	882 202
Subscriptions and membership fees	822 051	764 134
Travel - local	2 252 205	3 346 843
Water and electricity	1 105 961	866 938
Uniforms/ Protective Clothing Communication costs	1 070 206 1 675 730	775 113
Computer & Network extensions and internet costs	1 675 739	1 827 732 48 758
Licence and permits	- 123 974	127 861
Community Development Programme	1 445 539	1 769 397
, , ,	27 308 767	25 410 126

Figures in Rand

**uBuhlebezwe Local Municipality**(Registration number KZN 434)
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## **Notes to the Annual Financial Statements**

32. Cash generated from operations		
Surplus	29 794 378	36 232 127
Adjustments for: Depreciation and amortisation	30 235 997	20 794 771
Transfer of assets	38 029	460 657
Impairment deficit Provisions	4 120 389 7 068 107	3 184 560 4 743 403
Movements in benefit assets and liabilities	(75 000)	
Other non-cash items	1 095 149	88 457
Changes in working capital: Inventories	(21 622)	1 282 085
Receivables from exchange transactions	(590 913)	(3 404 420)
Trade receivables from non exchange transactions	(14 438 352)	(7 417 774)
Payables from exchange transactions VAT	(5 901 766) (5 617 706)	7 187 265 (697 206)
Unspent conditional grants and receipts	(304 893)	(324 628)
	45 401 797	63 550 297
33. Financial instruments disclosure		
Categories of financial instruments		
2020		
Financial Assets		
	<b>A</b>	T-4-1
	At amortised cost	Total
Trade and other receivables from exchange transactions	5 990 627	5 990 627
Other receivables from non-exchange transactions	22 211 106	22 211 106
Cash and cash equivalents	148 839 937	148 839 937
	177 041 670	177 041 670
Financial liabilities		
	At amortised	Total
	cost	
Trade and other payables from exchange transactions	18 745 993	18 745 993
2019		
Financial assets		
	At amortised	Total
	cost	- occ - / ·
Trade and other receivables from exchange transactions Other receivables from non-exchange transactions	5 399 714 14 840 861	5 399 714 14 840 861
Cash and cash equivalents	155 455 064	155 455 064
	175 695 639	175 695 639
Financial liabilities		
	A1	<b>.</b>
	At amortised cost	Total
Trade and other payables from exchange transactions	26 181 968	26 181 968
50		

2020

2019

# uBuhlebezwe Local Municipality (Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality Annual Financial Statements for the year ended 30 June 2020

#### **Notes to the Annual Financial Statements**

	es in Rand	2020	2019
33. I	Financial instruments disclosure (continued)		
	Commitments		
Autho	orised capital expenditure		
Alrea	ndy contracted for but not provided for		
	Infrastructure	794 856	16 549 78
• (	Comminity	3 623 985	5 064 92
• '	Vehicles	6 481 403	
•	Buildings	16 341 125	36 747 86
•	Intangible assets	1 263 170	
		28 504 539	58 362 56
	anital approximants		
	capital commitments dy contracted for but not provided for	28 504 539	58 362 56
Alrea		28 504 539	58 362 56
Alread Autho	orised operational expenditure  ady contracted for but not provided for	28 504 539	58 362 56
Alread Autho	dy contracted for but not provided for  orised operational expenditure	28 504 539 18 746 225	
Alread Autho	orised operational expenditure  ady contracted for but not provided for Operating Expenditure		58 362 56 18 438 99
Autho Alrea Total	orised operational expenditure  ady contracted for but not provided for		
Autho Alrea Total Alrea	dy contracted for but not provided for  orised operational expenditure  dy contracted for but not provided for  Operating Expenditure  operational commitments	18 746 225	18 438 99
Autho Airea Fotal Airea	orised operational expenditure  ady contracted for but not provided for Operating Expenditure  operational commitments dy contracted for but not provided for	18 746 225	18 438 99
Author Alrea  Total Alrea  Total  Total	orised operational expenditure  ady contracted for but not provided for Operating Expenditure  operational commitments dy contracted for but not provided for commitments	18 746 225	18 438 99
Autho Alrea  Total Alrea  Total Autho  Total Autho	dy contracted for but not provided for  orised operational expenditure  dy contracted for but not provided for Operating Expenditure  operational commitments dy contracted for but not provided for  commitments commitments	18 746 225 18 746 225	18 438 99 18 438 99

#### Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	198 754	596 264

Operating Leases relates to the rental of photocopying mechines which is currently on month to month Basis

#### 35. Contingencies

#### **Contingent liabilities**

The contingent liabilities as at 30 June 2020 is the amount of R 350 000 which relates to the outstanding rentals and eviction proceedings (Legal Cost).

#### **Contingent assets**

The contingent assets as at 30 June 2020 is the amount of R11 Million in terms of Taxed costs relating to a litigation on a sale of council property.

# uBuhlebezwe Local Municipality (Registration number KZN 434)

(Registration number KZN 434)
Trading as uBuhlebezwe Local Municipality
Annual Financial Statements for the year ended 30 June 2020

#### **Notes to the Annual Financial Statements**

Figures in Rand	2020	2019
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#### 36. Related parties

There were related party transactions in the currrent financial year. The two related party transactions were the Municipalities councillors and s57 employees as per Grap 20

(Registration number KZN 434)
Trading as uBuhlebezwe Local Municipality
Annual Financial Statements for the year ended 30 June 2020

#### **Notes to the Annual Financial Statements**

Figures in Rand
36. Related parties (continued)
Remuneration of key management

Councillors

2020

	Basic salary	Total
Name Councillors	10 182 136	10 182 136
2019		
	Basic salary	Total

9 901 684

9 901 684

#### Section s57 Employees

2020

Name Councillors

	Basic salary	Bonuses and performance related payments	Other benefits received	Total
Name				
Municipal manager	904 419	-	455 806	1 360 225
Chief Financial Officer	-	-	92 197	92 197
Corporate Services Manager	670 363	-	121 999	792 362
Social Development Manager	583 170	65 855	366 511	1 015 536
Technical Manager	209 524	-	290 334	499 858
	2 367 476	65 855	1 326 847	3 760 178

(Registration number KZN 434)
Trading as uBuhlebezwe Local Municipality
Annual Financial Statements for the year ended 30 June 2020

#### **Notes to the Annual Financial Statements**

Figures in Rand

#### 36. Related parties (continued)

2019

	Basic salary	Bonuses and performance related payments	Other benefits received	Total
Name				
Municipal manager	958 638	169 185	320 907	1 448 730
Chief Financial Officer	639 891	-	251 083	890 974
Corporate Services Manager	67 826	-	10 915	78 741
Social Development Manager	590 820	107 014	351 384	1 049 218
Technical Manager	782 063	105 368	302 052	1 189 483
	3 039 238	381 567	1 236 341	4 657 146

(Registration number KZN 434)
Trading as uBuhlebezwe Local Municipality
Annual Financial Statements for the year ended 30 June 2020

#### **Notes to the Annual Financial Statements**

Figures in Rand	2020	2019

#### 37. Change of Accounting estimation Uncertainties and Adjustments

#### **Change in Accounting estimates**

In terms of GRAP 17 - Property, Plant and Equipment, the municipality is requirred to assess the useful lives and depreciation methods at each reporting period date. In the current financial year, the management have revised the useful lives of 68 assets which had a remaining useful life of less than a year. The revision was accounted for a change in accounting estimates. the remaining useful lives were reviewed based on the condition assessment carried out during physical verification.

Impact on Statement of Financial Perfomance	Old Basis	Impact due to the change of estimate	New Basis
Depreciation ( Plant and machinery )	871 683	(905)	870 778
Depreciation ( Motor Vehicles )	1 807 719	(1 634 820)	172 899
Depreciation(IT Equipment )	760 057	(39 152)	720 905
Depreciation ( furniture and fixures )	659 790	(43 102)	616 688
	4 099 249	(1 717 979)	2 381 270

#### Key sources of estimation, uncertainty and judgement.

- Useful live and residual value.
- Recoverable amount of property, plant and equipment.
- Present Value of defined benefit.
- Provision for doubtful debt.
- Determining the collectable amount for traffic fines issued.
- Valuation of properties for the purposes of rates billing.

#### 38. Going concern

We draw attention to the fact that at 30 June 2020, the municipality had an accumulated surplus of 491 438 722 and that the municipality's total assets exceed its liabilities by 491 812 509.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

#### 39. Risk management

#### Financial risk management

#### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

(Registration number KZN 434)
Trading as uBuhlebezwe Local Municipality
Annual Financial Statements for the year ended 30 June 2020

#### Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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#### 39. Risk management (continued)

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2020	2019
Cash & cash equivalents	148 838 937	155 455 064
Trade and other receivables from exchange	5 990 627	5 399 714
Trade and other receivables from non - exchange	22 211 106	14 840 861

#### 40. Events after the reporting date

Management is aware of events that occurred post balance sheet date identified during the year.

- An amount of R273 538 466.35 was subsequently condoned and written off by council on the 28 of October 2020 after an investigation by MPAC.
- On the 17 of September 2020 assets in poor condition to a value of R196 741,03 were written of by the council
- Assets not previously verified to a netbook value of R23 843.25 were written off by council subsequently from the investgation conducted by the investgative committee
- Stolen Laptop with the Value of R5682.04 was written Off.

#### 41. Fruitless and wasteful expenditure

Condoned during the year	(113 182) <b>5 770</b>	113 182
Interest incurred during year	5 770	2 395
Opening balances	113 182	110 787

Fruitless and wasteful expenditure in the current year relates to interest charged by Eskom, Telkom and Harry Gwala District as a result of receiving invoices late.

#### 42. Irregular expenditure

Opening balance Add: Irregular Expenditure - current year	258 948 204 27 698 788	12 525 707 81 290 966
Add : Irregular Expenditure - Prior years	-	165 580 514
Less: Amounts written/condoned	(12 076 724)	(448 983)
	274 570 268	258 948 204
Analysis of expenditure awaiting condonation per age classification		
Analysis of expenditure awaiting condonation per age classification  Current Year	27 698 788	81 290 966
	27 698 788 246 871 480	81 290 966 177 657 238

Figures in Rand		2020	2019
42. Irregular expenditure (continued)			
The Irregular expenditure disclosed above is exclusive	ve of Value Added Tax		_
Details of irregular expenditure condoned	0 1 11 ( 1)		
Amount investigated by MPAC and subsequently condoned by council	Condoned by (council)	12 07	6 724

(Registration number KZN 434)
Trading as uBuhlebezwe Local Municipality
Annual Financial Statements for the year ended 30 June 2020

#### **Notes to the Annual Financial Statements**

Figures in Rand 2020 2019

#### 43. Prior period errors

The correction of the error(s) results in adjustments as follows:

#### 1. Payables from exchange transactions

Payables from exchange transactions are adjusted in 2018/19 year end as a result of ovestating of accruals in 2017/2018 financhical year and were one of the qualification items in 2018/2019 financial year. An amount of R1 414 396 could not be supported. The municipality embarked in a process of obtaining the supporting documents and the initial entry that resulted the overstatement which was accordingly obtained and an adjutment was also effected as shown in a note below.

#### 2. Intangible Asset

Prior year correction on intangible assets amortisation value not writen offs in 2018/19.

#### 3. Property, plant and equipment

#### Reassessment of usefull lives

In the prior year, there were assets which were approaching the end of their previously expected useful life. The municipality did not review the useful lives of these assets at reporting date in accordance with GRAP 17.

#### Newly found assets

In the past certain infrastracture assets were not included in the asset register, recognition these assets which were previously omitted has been made.

#### Assets not capitalised timeously

Golf course roads were completed in the prior year and not timeously capitalised.

Nokweja Gym Park completed in the prior year and not timeously capitalised.

#### Assets not capitalised timeously (Depreciation impact)

A correction was processed for depreciation of assets which were completed in the prior year and not capitalised.

#### 4. Investment Property

Correction of Land not accounted for in the prior years.

#### 5. Motor Vehicles

Revision of useful lives ( Prior Year error)

(Registration number KZN 434)
Trading as uBuhlebezwe Local Municipality
Annual Financial Statements for the year ended 30 June 2020

#### **Notes to the Annual Financial Statements**

Figures in Rand 2020 2019

#### 43. Prior period errors (continued)

#### 6. Electrification

Electrification grant incorrectly recognised as revenue instead of being imidiately expense as regarded as a third party where the municipality act as an agent

#### 7. Leave Pay Provision

Correction of Prior year understated leave provision

#### 8. Depreciation

Correction of Prior year due to the revision of the useful lives of assets.

#### 9. Retention (Trade and Other Payables)

Correction of Prior year retentions that was raised, released but not cleared on the retention supplier accounts.

#### 10. Other Creditors

This relates to old creditors without movement, it was also catered in the advert where the municipality requested that if there are unclaimed invoices, Suppliers must come to the forth and lodge a claim of unpaid invoice, none of the suppliers came to lodge a claim and a decision has been taken to clear this balance.

#### 11. Land

In the past certain assets ( Land portions ) were not included in thefixed assets register, correction has been made to account for those ommitions.

#### 12.Plant and Mechinery

Revision of useful ives (prior year error)

#### 13. Furniture and Fixtures

Revision of useful ives (prior year error) and correction of current year additions.

#### 14.IT Equipment

Revision of useful ives (prior year error)

#### 15. Operational Grant

Recognising long outstanding grants that was fully spent but not cleared in ledger.

#### 16. Inventory

Correction of Land portion sold in prior years not accounted for as proceeds

(Registration number KZN 434)
Trading as uBuhlebezwe Local Municipality
Annual Financial Statements for the year ended 30 June 2020

#### Notes to the Annual Financial Statements

Figures in Rand 2020 2019

#### 43. Prior period errors (continued)

#### 6. Electrification

Electrification grant incorrectly recognised as revenue instead of being imidiately expense as regarded as a third party where the municipality act as an agent

**Leave Pay Provision** 

Correction of Prior year understated leave provision

8.

7.

Depreciation

Correction of Prior year due to the revision of the useful lives of assets.

9.

Retention (Trade and Other Payables)

Correction of Prior year retentions that was raised, released but not cleared on the retention supplier accounts.

10. Other

This

Creditors

relates to old creditors without movement, it was also catered in the advert where the municipality requested that if there are unclaimed invoices ,Suppliers must come to the forth and lodge a claim of unpaid invoice, none of the suppliers came to lodge a claim and a decision has been taken to clear this balance.

11. Land

In the past certain assets ( Land portions ) were not included in thefixed assets register, correction has been made to account for those ommitions.

**12**.

**Plant and Mechinery** 

Revision of useful ives (prior year error)

13. Furniture and Fixtures

Revision of useful ives (prior year error) and correction of current year additions.

14.IT Equipment

Revision of useful ives ( prior year error )

15. Operational Grant

Recognising long outstanding grants that was fully spent but not cleared in ledger.

16. Inventory

Correction of Land portion sold in prior years not accounted for as proceeds and Correction of duplicates.

#### 17.AdvancePayments

Reversal of debtors with credit balances not reversed in the prior year, a reversal journal has been processed and effected correctly.

18.Irregular.Expenditure

This emanated from incorrect formulation of the committees to be exact a bid adjudication committee, expenditure of all contracts awarded by these committees were carefully scrutinised, quantified and disclosed as irregular which significantly increased the prior year figures by R201 625 852 see note 42 for details and breakdown

19.Employee.Related.Costs

This was due to the correction of leave pay provision which was understated in the previous financial year. **20.Remuneration.Of.Councillors** 

Pension fund for other councillors were mapped under employee related costs and it was remmapped correctly under Remenration of councillors

\_ .

Figures in Rand		2020	2019
43. Prior period errors (continued)			
Statement of Financial Position	Amount previously reported	Adjusment	Total
Trade payables from exchange transactions	<b>(2018/19)</b> 17 868 488	(1 414 393)	16 454 095
2. Intangible assets	1 403 658	339 787	1 743 445
3. Property, plant and equipment - Buildings	22 988 018	1 762 430	24 750 448
3. Property, plant and equipment - Infrastracture	126 276 917	1 701 735	127 978 652
3. Property, plant and equipment - Community assets	105 859 332	1 730 042	107 589 374
4. Investment Property	20 670 810	3 014 000	23 684 810
5. Motor Vehicles - Accumulated Depreciation	5 197 830	164 789	5 362 619
7. Leave pay provision 9. Retention	3 264 536	1 489 585	4 754 12
9. Retention 10.Other Creditots	9 599 272 256 092	(4 285 249) (256 092)	5 314 02
11. Land	250 092	4 179 000	4 179 000
12. Plant and Machinery	3 050 602	123 549	3 174 15
13. Furniture and Fixture	1 353 540	276 374	1 629 91
14. IT Equipment	1 745 865	(149 240)	1 596 62
15. Operational Grant	446 667	(446 667)	
16. Inventory	9 199 474	(549 737)	8 649 737
17. Advance Payments	4 159 752	(1 790 302)	2 369 450
17. Accumulated Surplus	443 983 197	17 661 147	461 644 344
	777 324 050	23 550 758	800 874 808
Statement of Financial Performance	Amount previously	Adjustment	Total
	previously reported	-	Total
8. Electrification	previously reported 3 662 000	(3 662 000)	
8. Electrification 9. Depreciation	previously reported	-	20 706 676
	previously reported 3 662 000 20 831 259	(3 662 000) (124 583)	20 706 676 63 452 68
8. Electrification 9. Depreciation 19. Employee Related Costs	previously reported 3 662 000 20 831 259 62 083 872	(3 662 000) (124 583) 1 368 815	20 706 676 63 452 68 10 302 908
8. Electrification 9. Depreciation 19. Employee Related Costs 20. Remuneration of Councillors  44. Additional disclosure in terms of Municipal Finance Management Act	previously reported 3 662 000 20 831 259 62 083 872 10 182 136	(3 662 000) (124 583) 1 368 815 120 772	20 706 670 63 452 68 10 302 900
8. Electrification 9. Depreciation 19. Employee Related Costs 20. Remuneration of Councillors  44. Additional disclosure in terms of Municipal Finance Management Act Contributions to organised local government Current year subscription / fee	previously reported 3 662 000 20 831 259 62 083 872 10 182 136	(3 662 000) (124 583) 1 368 815 120 772	20 706 676 63 452 68 10 302 908 <b>94 462 27</b>
8. Electrification 9. Depreciation 19. Employee Related Costs 20. Remuneration of Councillors  44. Additional disclosure in terms of Municipal Finance Management Act Contributions to organised local government Current year subscription / fee	previously reported 3 662 000 20 831 259 62 083 872 10 182 136	(3 662 000) (124 583) 1 368 815 120 772	20 706 676 63 452 687 10 302 908 <b>94 462 27</b>
8. Electrification 9. Depreciation 19. Employee Related Costs 20. Remuneration of Councillors  44. Additional disclosure in terms of Municipal Finance Management Act Contributions to organised local government  Current year subscription / fee Amount paid - current year	previously reported 3 662 000 20 831 259 62 083 872 10 182 136	(3 662 000) (124 583) 1 368 815 120 772	20 706 676 63 452 68 10 302 906 <b>94 462 27</b>
8. Electrification 9. Depreciation 19. Employee Related Costs 20. Remuneration of Councillors  44. Additional disclosure in terms of Municipal Finance Management Act Contributions to organised local government Current year subscription / fee Amount paid - current year  Audit fees	previously reported 3 662 000 20 831 259 62 083 872 10 182 136	(3 662 000) (124 583) 1 368 815 120 772	20 706 676 63 452 68 10 302 908 <b>94 462 27</b> 72 462 (72 462
8. Electrification 9. Depreciation 19. Employee Related Costs 20. Remuneration of Councillors  44. Additional disclosure in terms of Municipal Finance Management Act  Contributions to organised local government  Current year subscription / fee  Amount paid - current year  Audit fees  Current year subscription / fee	previously reported 3 662 000 20 831 259 62 083 872 10 182 136	(3 662 000) (124 583) 1 368 815 120 772 (2 296 996)	20 706 676 63 452 683 10 302 908 <b>94 462 27</b> 72 462 (72 462
8. Electrification 9. Depreciation 19. Employee Related Costs 20. Remuneration of Councillors  44. Additional disclosure in terms of Municipal Finance Management Act  Contributions to organised local government  Current year subscription / fee  Amount paid - current year  Audit fees  Current year subscription / fee	previously reported 3 662 000 20 831 259 62 083 872 10 182 136	(3 662 000) (124 583) 1 368 815 120 772 (2 296 996)	20 706 676 63 452 68 10 302 908 <b>94 462 27</b> 72 462 (72 462
8. Electrification 9. Depreciation 19. Employee Related Costs 20. Remuneration of Councillors  44. Additional disclosure in terms of Municipal Finance Management Act  Contributions to organised local government  Current year subscription / fee  Amount paid - current year  Audit fees  Current year subscription / fee  Amount paid - current year	previously reported 3 662 000 20 831 259 62 083 872 10 182 136	(3 662 000) (124 583) 1 368 815 120 772 (2 296 996)	20 706 676 63 452 68 10 302 908 <b>94 462 27</b> 72 462 (72 462
8. Electrification 9. Depreciation 19. Employee Related Costs 20. Remuneration of Councillors	previously reported 3 662 000 20 831 259 62 083 872 10 182 136	(3 662 000) (124 583) 1 368 815 120 772 (2 296 996)	72 462 (72 462 2 191 088 (2 191 088 (9 791 885 (9 791 885

#### **Notes to the Annual Financial Statements**

	10 917 824	5 300 118
VAT receivable VAT payable	10 917 824 -	5 300 118 -
VAT		
	-	-
Amount paid - current year	(14 332 450)	
Current year subscription / fee	14 332 450	13 151 532
Pension and Medical Aid Contributions		
44. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Figures in Rand	2020	2019

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

(Registration number KZN 434)
Trading as uBuhlebezwe Local Municipality
Annual Financial Statements for the year ended 30 June 2020

#### **Notes to the Annual Financial Statements**

Figures in Rand	2020	2019
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#### 44. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Supply chain management regulations

In terma of section 36 of the Municipal supply chain management regulations ,any diviation from the supply chain management policy need to be approved / condoned by the accounting officer and noted by council. The expenses incured as listed hereunder have benn approved by the accounting officer and have been noted buy council. Furthermore ,management did not note any material non compliance with the municipal Finance Management Act

Section 36 deviations and reasons  The municipality required renewal of software license of the previous financial system for auditing	Amount 174 241
purposes as well as extraction of historical Data ,The Auditor General wanted the excess to the system in	
order for them to be able to audit transactions and data for the 2018 /2019 financial year. Bytes system	
intergration is the sole provider and distributor of SAMRAS system. The municipality had to apply	
regulations 39 of the SCM regulation to procure the required services since it was impractical to follow	
normal SCM processess.	
The Municipality was going to hold an inhouse workshop for womens forum representative ,the maximum	11 800
that was expected per ward from all 14 wards was 9 deligate per ward .Since those delegates were	
coming from all over ubuhlebezwe ,lts was then impractical to organise a tTaxi per ward as the Taxi has	
the maximum capacity of 15 passengers. Due to the above reason , the municipality has to apply	
regulation 36 of SCM regulations to provide the required serrvise on the ground of being impractical and	
impossible to follow normal SCM processes. A cheque was issued to Miss N. Mbanjwa (Secretary to the	
executive Mayor ) and reimbursment was done to each delegate for transport cost incurred.  In the effort of complying with the health and safety measures in the workplace ,The municipality urgenity	47 265
needed to procure COVID 19 relief PPE for essential service workers. Due to the nature of emergency	47 203
and lockdown that we were under ,the municipality was unable to follow the normal SCMprocesses to	
source quatations falling within R30 000 to R200 000threshhold.Its was with the above reasons that the	
municipality has to apply Regulation 36 of SCM regulations for the procurement of COVID 19 PPE on the	
grounds of urgency and impractical ro follow the normal SCM processes.	
In the effort of complying with the health and safety measures in the workplace ,The municipality urgenity	16 089
needed to procure COVID 19 relief PPE for essential service workers .Due to the nature of emergency	
and lockdown that we were under ,the municipality was unable to follow the normal SCMprocesses to	
source quatations falling within R30 000 to R200 000threshhold. Its was with the above reasons that the	
municipality has to apply Regulation 36 of SCM regulations for the procurement of COVID 19 PPE on the	
grounds of urgency and impractical ro follow the normal SCM processes.	
	249 395

Paragraph 12 (1)(d)(i) of government gazzette no 27636 issued in 30 May 2005 stats that a supply chail management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazzettee states that the accouning officer may dispense with the official procurement process in certain circumstances ,provided that he records the reasons for any deviations and reports them to the next meeting of the council and include a note to the Annual Financial statements.

Deviations from the tender stipulations in terms of the municipality's supply chain management policy were presented to the committees ,which condoned the various cases.

#### 45. Other revenue

Other income	863 490	327 895
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# VOLUME III OVERSIGHT REPORT 2019/2020

#### **UBUHLEBEZWE**

#### **MUNICIPALITY 2019/2020**

#### **DRAFT OVERSIGHT**

#### **REPORT**

Staff: GM Sineke Municipal Manager

MP Mbatha Acting Chief Financial

Officer

P Luswazi Director: Corporate Services

Acting Director: Infrastructure

S Mkhwanazi Planning and Development

NC Mohau Director Social Development

ZM Khumalo Manager: IDP/PMS

P Ndamase Manager: Internal Audit

Councillors: Cllr HC Jili MPAC Chairperson

Cllr M Nkontwana Member

Cllr SP Maluleka Member
Cllr BM Khuboni Member
Cllr ZC Khumalo Member
Cllr B Mpungose Member
Cllr SM Msimango Member

#### **Audit Committee and Performance Audit Committee Members:**

Mr T Tsabo Chairperson
Mr M Litile Member
Mr D Mpanza Member
Mr J Mhlongo Member

Others: Stakeholders

Auditor-General's Office Provincial COGTA Provincial Treasury

#### **CONTENT**

- 1. Terms of Reference of the MPAC / Oversight Committee (Appendix A)
- 2. Process Plan and Time Frames for the adoption of the Oversight Report and the Annual 2. Process Plan and Time Frames for the adoption of the Oversight Rep Report (Appendix B)
   3. Annual report Check list (Appendix C)
   4. Auditor-General's Report 2018/2019
   5. Annual Audit and Performance Audit Committee's Report 2018/2019
   6. Action Plan to address issues raised by the Auditor-General
   7. Comments by the public
   8. Comments received from COGTA
   9. Comments by the MPAC / Oversight Committee
   10. Recommendation/s of the MPAC / Oversight Committee

#### 1. TERMS OF REFERENCE: OVERSIGHT COMMITTEE

All political parties are represented on the MPAC / Oversight Committee, and the Performance and Audit Committee members act as advisory members of the committee.

That the following five (5) non-executive members/ Councillors were elected to serve on the MPAC / Municipal Oversight Committee to develop a program to address the queries raised in the Auditor-General's Report:

. 1. ANC: HC Jili

M Nkontwana

**B** Mpungose

ZC Khumalo SP Maluleka

2. Independent BM Khuboni

. 3. IFP: SM Msimango

4. Madzikane Traditional

Council Inkosi MSI Zulu

- 5. That the elected MPAC / Municipal Oversight Committee will submit a report addressing the queries raised by the Auditor General to Council for deliberations.
- 6. That the Committee will table the Oversight Report to Council as per the following programme:

STRUCTURE	DATE	ACTIVITY
Notice to local papers for public viewing of the annual report	01 February 2021 and 06 May 2021	Advert on local and provincial news paper
Council	28 January 2021 and 29 April 2021	Tabling of the annual report
Auditor-General	29 April 2021	Submission of the annual report
COGTA and Treasury	30 April 2021 and May 2021	Submission of the annual report
Oversight / MPAC meeting	21 April 2021	Formulation of draft oversight report
Ward Committee	03 March 2021	Public participation
Council-Oversight Report	27 May 2021	Tabling of the oversight report to Council

The functions of the MPAC / Oversight Committee are to:

Undertake a review and analysis of the Annual Report going forward
Invite, receive and consider inputs from Councilors and Portfolio Committees, on the Annual Report.
Allow the local community or any organs of state to make representations on the Annual Report
Receive and consider Councils' Audit Committee views and comments on the annual financial statements and the performance report.
Prepare the Oversight Report taking into consideration, the views and inputs of the public, representative(s) of the Auditor General, Organs of State, Councils' audit committee and Councilors.

The Oversight report is the final major step in the annual reporting process of a municipality. Section 129 of the MFMA requires the council to consider the annual reports of its Municipality and Municipal entities and to adopt an oversight report containing the council's comments on annual report, which must include a statement whether the council-

- (a) has approved the annual report with or without reservations;
- (b) has rejected the annual report; or
- (c) has referred the annual report back for revision of those components that can be revised.

The MPAC / Oversight Committee may use the attached checklist to organize its Report and to manage request for additional information. The questions suggested may be used by all councilors to gain clarification on contents of reports and also to verify compliance with the MFMA and MSA. Responses to many of these questions should be provided by the Accounting Officer of the Municipality.

#### **APPENDIX B**

# 2. PROCESS PLAN FOR THE ADOPTION OF THE OVERSIGHT REPORT AND THE ANNUAL REPORT

ACTIVITY	RESPONSIBILITY
Council Establishes the MPAC / Oversight Committee	Council
Advertise the availability of the Annual Report for Comments	Accounting Officer
Submit a copy to Provincial Department responsible for Local Government and the Office of the Auditor General	Accounting Officer/IDP/PMS Manager
1st Meeting of the MPAC / Oversight Committee	Members
Last date for the submission of Comments and Public Participation Process	Accounting Officer/IDP/PM Manager
Submission of Recommendations by the Accounting Officer	Accounting Officer
Meeting of the MPAC / Oversight Committee: Discussion of the Draft Oversight Report Recommendation for the Adoption of the MPAC / Oversight Committee	Members
Report by Council	EXCO
Adoption of the MPAC / Oversight Committee Report	Council
Make Oversight Report Public	Accounting Officer/IDP/PM Manager
Submit minutes of the meeting to the Auditor-General	Accounting Officer/IDP/PM Manager
Submit Oversight Report to Provincial and National Treasury	Accounting Officer/IDP/PM Manager
Submit Oversight Report to Provincial Department responsible for Local Government	Accounting Officer/IDP/PM Manager

#### 3. ANNUAL REPORT CHECKLIST

1. Annual Financial	For Consideration	Response(s)
Statements –		
Section 121 (3) & (4) MFMA		
121 (3)(a) The annual financial statements (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General	Where the municipality has sole or effective control of a municipal entity, consolidated financial Statements are required.  The AFS are to be in the form as required by the applicable Accounting standards. MFMA Circular 18 with annexure, 23 June 2005, provides guidelines on the	Audited Annual Financial Statements have been included in the Annual Report as Volume II Page 287
	new accounting standards for Municipalities.	
121 (3)(a)	The above applies to the AFS of municipal entities.	N/A
121 (3)(b) The Auditor-General's reports on the financial statements of the municipality.		The audit report has been included in Chapter 6 of the Annual Report. Page 267
121 (4)(b)	The above applies to the AFS of municipal entities.	N/A
121 (3)(h) Any explanations that may be necessary to clarify issues in connection with the financial statements	The accounting standards require that notes accompany the statements to provide explanations of issues and matters reported. Refer also points below on information in notes to AFS.	The Annual Financial Statements in Volume II have included notes
121 (4)	The above applies also to the AFS of municipal entities.	N/A
121 (3)(e) An assessment by the accounting officer on any arrears on municipal taxes and service charges, including municipal entities	·	An Accounting Officer has made an assessment on arrears on municipal taxes and service charges in Chapter 5
121 (4)(c)	Above applies to AFS of municipal entities.	N/A
121 (3)(g) Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports	The conclusions of the annual audit may be either — - An unqualified audit opinion with or without management issues, which means that the financial statements are acceptable; - A qualified audit opinion setting out reasons for qualification, which	The municipality has obtained a Qualified audit opinion, the audit action plan to address findings is included in Chapter 6 of the Annual Report Page 272

# 1. Annual Financial Statements – Section 121 (3) & (4) MFMA

Section 121 (3) & (4) MFMA		
	means that certain issues need to	
	be addressed before an unqualified	
	opinion can be achieved; or	
	- The auditor will disclaim the	
	statements and not offer an opinion	
	In this case there may be	
	serious financial issues to be addressed.	
	The objective of the municipality should be to achieve an unqualified	
	audit opinion.	
121 (4)(0)	Above applies to AFS of municipal	N/A
121 (4)(e)	entities.	N/A
	entities.	
121 (3)(i)&(k) Any information as	Review all other information	The information
determined by the municipality,	contained in the Annual Report.	contained in the Annual
entity or its parent municipality	·	Report is relevant and has
		been reviewed.
121 (4)(h)	Applies to municipal entities.	N/A
121 (4)(d)	Agreements between the	N/A
An assessment by the municipal	municipality and its entities for	
entity's	service delivery are to include	
Accounting officer of the entity's	measurable performance	
performance against any	objectives. This will include	
measurable performance	measures of services delivered to	
objectives	the community, financial targets,	
set in terms of the service		
delivery 121 (3)(j) and 121 (4)(g)	Conclusions on these	The audit committee
Recommendations of the audit	recommendations and the actions	recommendations and
committee in relation to the AFS	required should be incorporated in	report has been attached as
and audit reports of the	the oversight report.	an Appendix in the Annual
municipality	the oversight report.	Report.
and its entities		Page 281
Disclosures – Allocations		
received and made – S 123 &		
125		
MFMA		
123 (1)(a)	The annual financial statements	All le l
Allocations received by the	must disclose:	All disclosures have been
municipality from an organ or	2. Details of allocations	included in the AFS in
state,	received from another	Volume II of the Annual
a municipal entity or another municipality.	organ of state	Report
municipanty.		
Annual Financial Statements -		
Section 121 (3) & (4) MFMA		
125 Other compulsory disclosures	Municipalities and entities are	All disclosures have been
	reminded of the requirement to	included in the AFS in

**For Consideration** 

Response(s)

1. Annual	For Consideration	Response(s)
Financial Statements –		
and information in relation to outstanding debtors and creditors of the municipality and entities	include, in their annual financial statements, amounts owed to them and persistently delayed beyond 30 days, by national or provincial departments and public entities. Other disclosures required; Contributions to organised local labour and amount outstanding at year end	Volume II of the Annual Report
	Total amounts paid in audit fees, taxes, levies, duties and pensions and medical aid contributions and whether there where amounts outstanding at year end	
	Name of bank where accounts held and year end balances Summary of investments held Contingent Liabilities Material irregular, fruitless or Wasteful expenditure Details of unauthorised Expenditure Particulars of non compliance with the MFMA The comments of the Auditor- General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information.	
123 (1)© – (f) Information in relation to the use of allocations received	Section 123 of the MFMA and  MFMA guidance circular 11, require that the municipality provide information per allocation received per vote and include:  1. The current year and details of spending on all previous conditional grants, for the previous two financial years. Information is to be provided per vote.  (For example, municipalities must report on all transfers received from provincial housing departments for housing subsidy grants for three financial years, and indicate how such funds were spent, and for what projects.	The AFS includes the use of all allocations – Volume II of the Annual Report

1. Annual Financial	For Consideration	Response(s)
Statements – Section 121 (3) & (4) MFMA		
3ection 121 (3) & (4) WI WIA		
	2. Information stating whether the municipality has complied with the conditions of the grants, allocations in terms of section 214(1)© of the Constitution and allocations	
Performance Management System	performance report reflecting the performance of the municipality and each service provider, a comparison of the performance with targets set for the previous year and measures taken to improve performance. The report must form part of the annual report. In terms of key functions or services, how has each performed? E.g. have backlogs for water, sanitation and electricity been reduced? What are the refuse collection volumes, library usage statistics etc?	Annual Performance Report included, where targets were not met, corrective measures have been recorded (Chapter 3 of the annual report)  Page 193
	To what extent has performance achieved targets set by council? Is the council satisfied with the performance levels achieved? Is the community satisfied with performance? Has a customer satisfaction survey been undertaken and, if so, how do the results align with the annual report contents? What were the outcomes of public consultation and public hearings?	
	To what extent have actions planned for the previous year been carried over to the financial year reported upon? Have any actions planned in the reported year been carried over to the current or future years? If so are any explanations been provided by the municipal manager and are these satisfactory?	
Audit reports on performance	Section 45, MSA requires that the Auditor-General must audit the results of performance measurements, as part of the internal auditing processes and	AG report is included in the Annual Report, there were no material findings on Performance Management

1.	Annual Financial	For Consideration	Response(s)
-	Statements –		
	Section 121 (3) & (4) MFMA	annually.	
•	Performance of municipal entities and municipal service providers	The annual report of the municipality should provide an assessment of the performance of the municipal entities and all contracted service providers. This is in addition to the separate annual reports of the entities.  The report should evaluate the effectiveness of these services and whether alternative mechanisms should be considered. Is the council satisfied with the evaluation and conclusions of the municipality?  What other actions are considered necessary to be taken by the	Performance of the external service providers have been included in Chapter 3 of the annual report
6 1 1 2 2 3 4 8	For municipal entities – an assessment of the entity's performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and municipality	accounting officers?  This is the separate report of the municipal entity and should contain details of service delivery agreements with the municipality and the performance measures therein.  Council should consider similar issues to that outlined above for municipal performance to determine a view on the performance of municipal entities.  To what extent were the objectives and performance measures of the entity aligned to the overall strategic objectives of the municipality and its IDP?  Is the report of the municipal entity consistent with the conclusions on performance evaluation by the municipality?  What specific actions should be taken by the entity and the municipality to improve performance?	N/A
r	Relevant information on municipal entities	The municipality should disclose all information relating to the municipal entities under the sole or effective control of the municipality.  Information to be disclosed includes	N/A

1. Annual Financial	For Consideration	Response(s)
Statements –		
Section 121 (3) & (4) MFMA	names and types of entities, members of the board, addresses	
	and contact details for entities, the	
	purpose of the entity, the functions	
	and services provided, the type and	
	term of service level agreements with the entities.	
Service delivery performance on	This may be a high level summary,	A summary of the service
key services provided	in addition to detailed information	delivery performance has
	on performance, which sets out	been included throughout
	overall performance under the	the annual report
	strategic objectives of the municipality. Overall results on the	
	strategic functions and services	
	should be summarised. This should	
	cover all services whether provided	
	by the municipality, entities or	
	external mechanisms. Council may draw conclusions on the overall	
	performance of the municipality.	
	This information may be found in an	
	executive summary section of the	
	annual report or in statistical tables.	
Information on long-term	Details of all long-term contracts	All long term contracts have been included
contracts	including levels of liability to the municipality should be included.	been included
	Council should ensure all	
	information is correctly supplied.	
Compliance with statutory	Council should consider how	It is included in the annual
obligations	effectively the IT services support	Report 283
	and facilitate performance of the municipality and whether value for	
	money has been obtained.	
	Details of any future IT proposals	
	should be summarised. Council	
	should comment and draw	
	conclusions on the information provided.	
Three year capital plan for	A summary of the long-term capital	A summary of a capital plan
addressing infrastructure	plans and how these address the	have been disclosed Page
backlogs	backlogs of services in the	85.
in terms of the Municipal	municipality should be provided.	
Infrastructure Grant (MIG) framework	This should include details of types	
Halliework	and scale of backlogs, projected cost implications, strategies to	
	address the backlogs and plans	
	proposed and/or approved. The	
	summary here should cross	

1.	Annual Financial	For Consideration	Response(s)
	Statements – Section 121 (3) & (4) MFMA		
		reference to the performance reports in the annual report and also will be highlighted in the coming budgets. Council should consider whether the plans appropriately address the backlogs and are consistent with the strategic policy directions of council and needs of the community.	
	Supply Chain Management Regulations and Policy	Certain disclosures on Supply Chain matters are required to be in included in the Annual Report.	The Supply Chain matters have been disclosed in the AFS
	Timing of reports		The Annual Report was tabled on the 28th of January 2020 and the Amended report on 29 April 2021
	Payment of performance bonuses to municipal officials	Refer to Section 57 MSA as amended. Bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal council. Preferably such evaluation should be considered along with the annual report. The basis upon which performance is evaluated for payment of bonuses should be reconciled with the municipal performance reported in the annual report. Conclusions and comments on the evaluation and payment of performance bonuses of council should be included in the oversight report.	Payment of performance bonuses have been disclosed In the AFS chapter 4 of the annual report

#### 4. AUDITOR-GENERAL'S REPORT 2019/2020

Page 272 of the annual report

## 5. ANNUAL AUDIT AND PERFORMANCE AUDIT COMMITTEE REPORT 2019/2020

Page 281 of the annual report

# 6. ACTION PLAN TO ADDRESS ISSUES RAISED BY THE AUDITOR – GENERAL IN THE AUDIT REPORT FOR THE 2019/2020 FINANCIAL YEAR

It must be noted that the municipality obtained a qualified audit opinion, there are issues that require attention, hence an action plan has been developed attached on page 272 of the annual report. The action plan will be implemented and monitored by the Internal Audit Unit

#### 7. COMMENTS BY THE PUBLIC

As per section 127 (5) (i) & (ii) of the Municipal Finance Management Act, No.56 of 2003, a notice was published on the newspapers (Local and Provincial Newspapers) dated the 01 February 2021, advising the public that the Annual Report was available for their viewing and comments, After amendments were made to the Annual Report, another notice was published on th 06<sup>th</sup> May 2021. There were no comments received.

#### 8. COMMENTS RECEIVED FROM COGTA

There were no comments received from COGTA

#### 9. COMMENTS BY THE MPAC / OVERSIGHT COMMITTEE

Council has approved the annual report with the reservation that once the external Audit process is finalized, the Annual Financial Statement, Audited Annual Performance Report, AG report and Audit report will be included in the Annual Report. These documents have been included in the Annual Report and the Oversight Committee has reviewed the amended 2019/2020 Annual Report.

#### 10. COMMENTS BY COUNCIL

Following the inclusion of the outstanding documents into the Annual Report, ie. Audited AFS, Audited APR, AG's report and the Action Plan to address AG's findings. Council approved the annual report without reservations.

#### 11. RECOMMENDATIONS

- a. That the report be noted..
- b. That the Oversight report on the 2019/20 Annual Report be adopted and approved by Council without reservations.
- c. That the Oversight report be made public by the Municipal Manager in accordance with section 129 of the MFMA.