



ANNUAL REPORT

2013/2014

KWA SANI LOCAL MUNICIPALITY





KWA SANI LOCAL MUNICIPALITY

Annual Report 2013/2014





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CHAPTER I: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 MAYOR'S FOREWORD

Another eventful financial year has just passed and as I pen this address my thoughts go to this country's greatest servant leader Tata Mandela who has touched so many lives and has had a profound influence both nationally and internationally. People now celebrate his life and the legacy he has left behind. The municipality will not seize the array of activities aimed at giving to the needy selflessly - a philosophy which our beloved former President has always propagated. I think I echo the sentiments of the ailing upright statesman when I call on all of you to make every day a Mandela Day. I have dedicated myself to doing just that.



The 2013/2014 financial year is a watershed year, as April 2014 was herald of completion of twenty years of democracy and whilst very significant achievements have been made by Kwa Sani municipality, I am mindful there are still serious challenges. We must all be reminded that there is a huge correlation between the available resources such as budgets and the extent of service delivery. However we have been blessed with capacity both in the political and administrative operations, which has enabled the maximisation of service delivery relative to those provided by other spheres of government Provincial and National.

The barometer for any organisation's strength of good governance is an unqualified audit report, and Kwa Sani Municipality can proudly acclaim to have maintained the unqualified audit opinion since 2008/2009.

War rooms have been established in the majority of the wards with the objective of effectively implementing Operation Sukuma Sakhe programme designed to institute food security, fight disease, in particular Human Immunodeficiency Virus Infection/Acquired Immunodeficiency Syndrome (HIV/AIDS) and Tuberculosis (TB), and poverty, to empower women and youth, and to instil behavioural change amongst the citizens).

Whilst South Africa is regarded as a gateway into Africa, Kwa Sani municipality is primary tourist destination in the Harry Gwala district municipality which is the home to approximately 3% of the district population. Due to its location the municipality is bordered by Umkhomazi wilderness, Greater kokstad municipality, Ingwe municipality and Impendle municipality. Kwa Sani with its outstanding natural beauty, abundant water supply and rich agricultural potential, the municipality is known to its link to Lesotho via Sani pass a tourist attraction node.

In conclusion, I must thank all the dedicated staff and Councillors who have contributed to a successful 2013/2014 financial year. Sincere thanks to the residents and businesses who continue to support Kwa Sani Municipality by ensuring that we maintain a collection rate which makes us one of the best financially viable run Municipality.



Mayor's Foreword and Executive Summary

1.2 STATEMENT BY THE MUNICIPAL MANAGER



The 2013/2014 financial year marks my first full year as the Municipal Manager, and it certainly proved to be a memorable journey a continuously challenging one. Much has been achieved in the year of which a brief overview follows, but I am very mindful of the many challenges still to be overcome. Good governance in the upper echelons had the effect of permeating the entire organisation and wholesale flouting of legislation in the name of service delivery became the norm. Further the internal controls needed to detect maladministration, irregularity; fraud and corruption were implemented. We have made giant strides in the supply chain processes and as well as changing management in the Supply Chain Unit. Systems are now in place to detect Councillors and employees who are doing business with the Council. The oversight has been considerably enhanced with the newly established portfolio committees.

In spite of a continuously moving target of the service delivery backlogs great strides have been made in recent years. Although the capital budget is never enough municipality is justifiably proud of its excellence in infrastructure delivery

and its record for the exceptional expenditure performance. This record has been achieved through effective project management.

Limited funding and exponential growth in the municipality has increased the level of backlogs. The municipality faces development pressures emanating from backlogs in access to basic services and housing, the need to rehabilitate or replace existing infrastructure, and the need to expand infrastructure services to support economic growth.

The Municipality's financial performance and position is sound mainly due to budgets being balanced, and financed from the current financial year's revenues from all sources. In addition the Municipality operates within its annual budget, as approved by Council and maintains a positive cash and investments position. The municipality is in a fortunate position to undertake much needed service delivery programmes from internally generated reserves, long term external funding and Government grants. The Municipality can boast of its sound financial position and the fact that it did not make any borrowings in the 2013/2014 financial year.

Hosting of events is a trend that is used by the cities of the world to stimulate the local economy through sport and tourism events. During the last year the municipality successfully hosted the annual events such as Sani to Sea, Cultural Food Tasting festival, Sani Stagger, Splashy Fan and Drak Challenge which were spectacle par excellence. Kwa Sani municipality has endeavoured to be the leader in holiday destinations in Harry Gwala district.

The 2013/2014 Medium Term Budget proposes a total consolidated budget of R 52.1 million, which is comprised of a R 9.7 million capital budget and an operating budget of R 42.4 million that will make provision for the continuation of the services provided by the Municipality. This includes the provision of costs to address service delivery backlogs, General expenditure, repairs and maintenance of infrastructure, employee related costs as a result of filling of vacancies and provision for salary increases, and the impact of capital spending on the operating expenditure.

In my brief overview I have touched on some of the achievements and challenges facing the Municipality. The rest of the Annual Report is a detailed coverage from the individual Departments' activities for the 2013/2014 years, which is open to public scrutiny and comments post the tabling of this Annual Report at the end of January 2015.

Finally, I wish to thank the Mayor, Councillors, Senior Managers, and all other staff members. In addition I also thank our stakeholders, the Unions, the businesses and citizens who supported the Municipality throughout the year. All your efforts have contributed in making the Kwa Sani Municipality, a World Class Municipality to be proud of.

I remain your humble servant



Mayor's Foreword and Executive Summary

1.3 VISION, MISSION AND STRATEGIC GOALS

- **Vision**

Kwa Sani to be a well governed municipality providing equitable services, sustainable development and job opportunities in a secure environment before 2030.

- **Mission Statement**

Kwa Sani strives to provide access to equitable, quality basic services on its developments. Promoting investment opportunities while providing access to skills development and job opportunities, for its people enabling sustainable economic development.

We commit to our **core values** which are:

- Dedication;
- Total dedication to serving our customers;
- Honesty and integrity;
- Complete honesty and integrity in everything we do;
- Respect;
- We have equal respect for all races, cultures and creeds;
- Welfare;
- We will promote the welfare of all our staff and councillors;
- Community participation;
- We foster an environment which encourages community participation;
- Accountability;
- Accountability for actions and decisions;
- Professionalism; and
- Professionalism in servicing our valued customers.



Mayor's Foreword and Executive Summary

• Our Strategic Goals and Targets

For this period, the following strategic objectives were developed as the goals that will enable the municipality with achieving its vision and mission.

- Restructure the organization and prioritize critical posts to ensure best capacity;
- Skills Development Programme for current staff and implementation of a Retention Policy;
- Ensure the staff have the right 'tools to do the job';
- Improve marketing of the municipal area as a first class tourist destination;
- Strengthen public private partnerships for investment and local economic development;
- Support skills development and entrepreneurship for local SMMEs and Co-operatives;
- Rural Development through high impact projects reducing migration to urban areas and outside municipal boundaries;
- Forge relationships with neighbouring country of Lesotho for trade opportunities;
- Unlock land legal issues for development;
- Establish fully functional PMU;
- Each community has recreational and social infrastructure;
- Equitable services rendered throughout the municipality;
- Sound financial management which is compliant in all respects and achieve Clean Audit;
- Embark on Revenue Enhancement Programme;
- Install adequate IT finance systems;
- Financial policies reviewed and implemented;
- Operation Clean Audit;
- Fully operational SCM Unit;
- Review municipal forums and operational structures for improved communication;
- Uphold Batho Pele Principles; and
- Improve current lines of communication to ensure more rigorous public participation.

Our implementation plan has been developed in line with these strategic goals, this had been done in conjunction with other applicable national and provincial government goals such as the Millennium Development Goals, KZN Provincial Growth and Development Strategy, National Development Plan 2030 etc.



Mayor's Foreword and Executive Summary

1.4 PERFORMANCE HIGHLIGHTS FOR 2013/2014

Infrastructure Projects:



- **Himeville Township roads upgrade** - The project entailed upgrading of existing 1.7 km gravel roads to asphalt roads in Himeville Township. The project was successfully completed in May 2014 at a cost of R3 654 000.00.



- **Construction of Mqatsheni gravel access roads** - The project entailed construction of 3.6 kms of gravel access roads at Mqatsheni through Municipal infrastructure Grants at a cost of R4.9 million. The project was successfully completed in September 2013

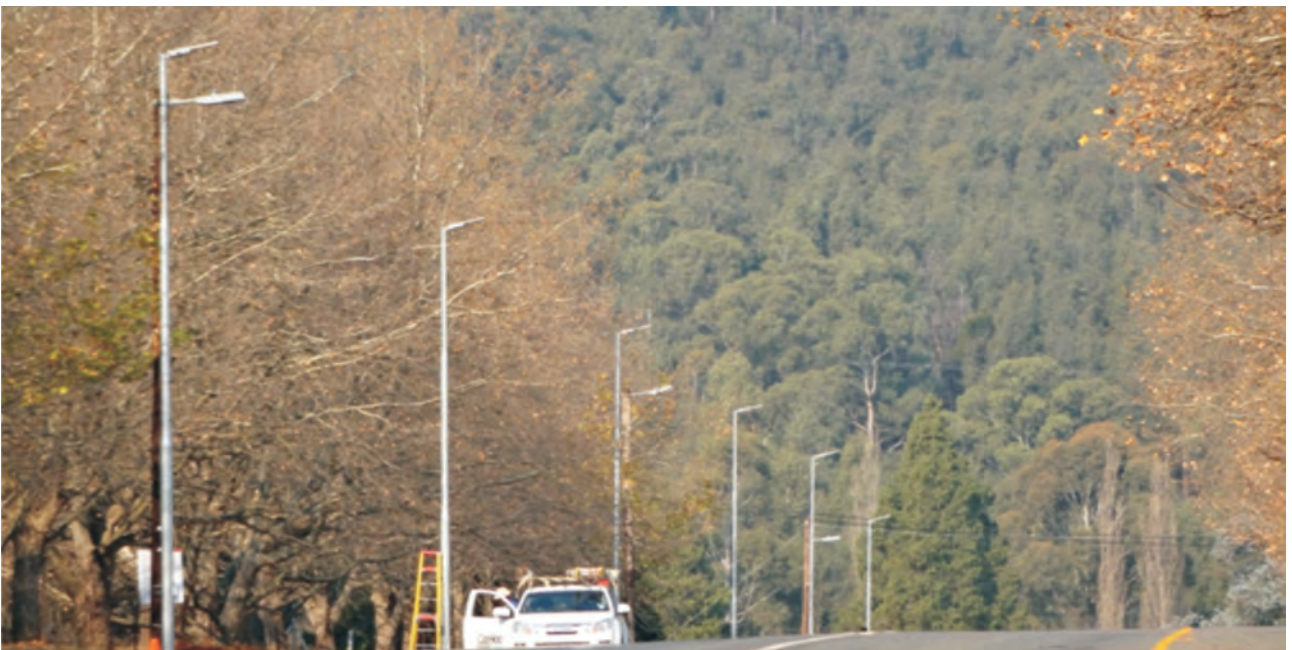


Mayor's Foreword and Executive Summary

Infrastructure Projects:



- **Construction of Ridge gravel access roads** - The project entailed construction of 1.2 kms of gravel access roads at Ridge through Municipal infrastructure Grants at a cost of R1.446 million. The project was successfully completed in April 2014



- **Street lights installation along Old Main Road Underberg CBD** - The project was for the upgrading of street lights in the CBD through Small Town Rehabilitation. The project was successfully completed at a cost of R1.357 million.



Mayor's Foreword and Executive Summary

Infrastructure Projects:



- **Welcome Sign** - Is also one of the projects implemented through Small Town Rehabilitation Programme, these are constructed at the entrances of the Underberg town. The projects was successfully complete in April 2014 at a cost of R559 000.00



- **Underberg Township Road** - The project was constructed using Expanded Public Works programme grant using labour intensive construction methods. The project was successfully completed in April 2014.



Mayor's Foreword and Executive Summary

LED Highlights:



- *The Municipality facilitating SMME skills development and competitiveness in the Catering Sector at Himeville Hall.*



- *The Municipality facilitating rural development by providing infrastructure support to rural cooperatives.*



Mayor's Foreword and Executive Summary

The Municipality facilitated the skills development of local Poultry Producers with KwaZulu-Natal Poultry Institute.

For practical learning, they visited our training farm several times, where they had to prepare a house for chicks, placing the chicks and brooding them. They also were in charge of the chicks for the whole week, so would do the morning and afternoon checks also. They also had an opportunity to do a spray vaccination and also to take some blood samples. Even though they have been growing chickens before the course, but commented on some loop-holes and they will sort all these out when they get back to their respective Co-Ops. They enjoyed the practicals; in fact they mentioned the fact that attending the course was an eye opener.

They did simple assessments according to their education level and they were all successful.

Recommendations:

- Most of this group commented on their Course Evaluation forms that they would like to do the Poultry Business Skills Course. This would benefit them a lot in making a success of their businesses. They were all enthusiastic learners.
- Further mentorship visits to the Co-ops can be arranged after they completed both these sets of training to assist them in applying their learnings on their own farms.



N Khumalo
Facilitator



A Nxumalo
Facilitator

Mayor's Foreword and Executive Summary



- *The Municipality initiated a Waste Recycling Project at Transfer Station, to reduce the amount and cost of transporting waste: 6 work opportunities created and a local recycling cooperative is being established.*



- *The Municipality facilitated a new craft design programme with DEDT at Mqatsheni with 25 work opportunities created and new markets identified!*



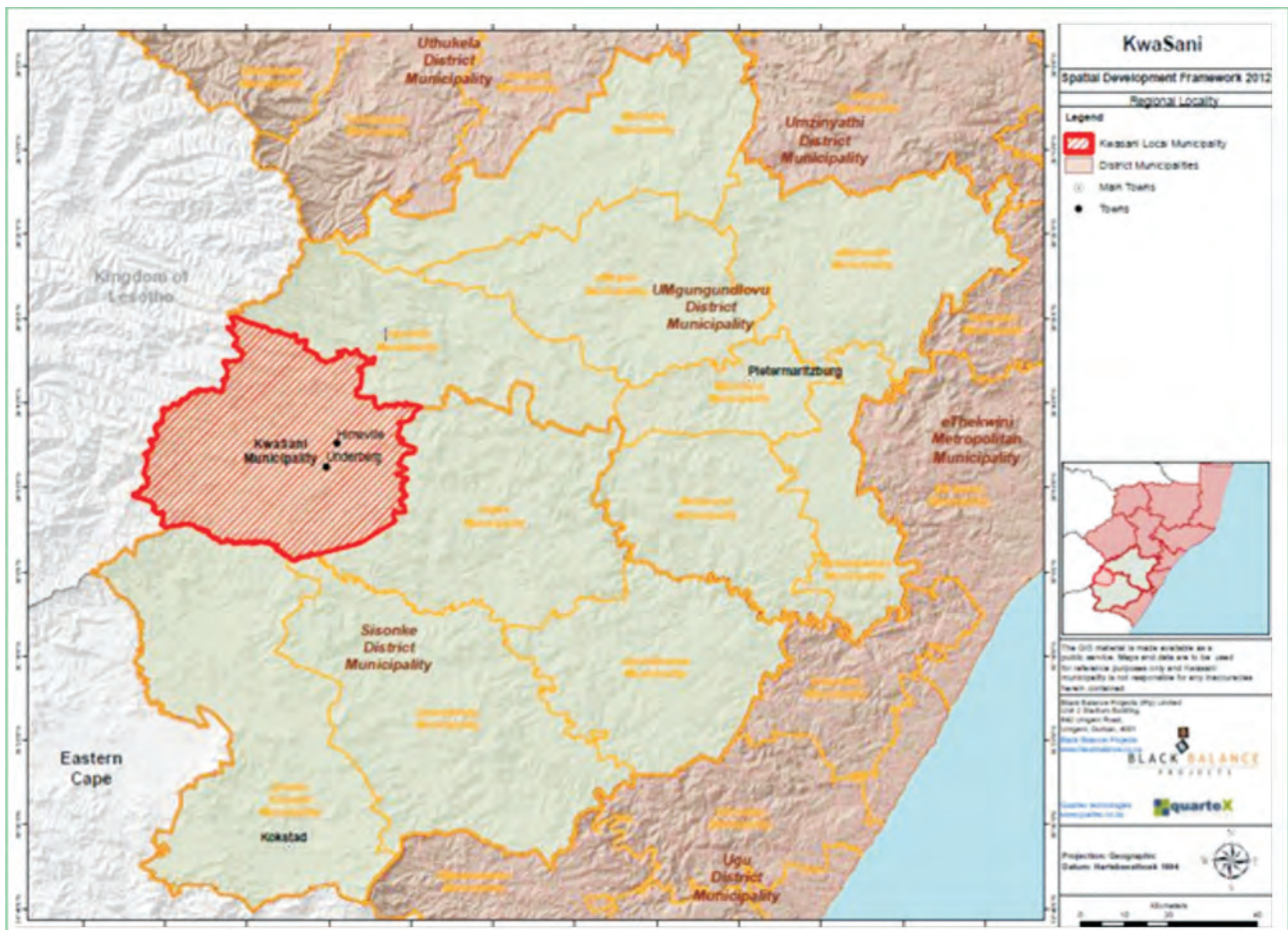
Mayor's Foreword and Executive Summary

1.5 MUNICIPAL OVERVIEW

- **Geographical Location**

Kwa Sani Municipality is located within the Sisonke District Municipal area and is the gateway to the striking Southern Drakensberg, which borders the Ukhahlamba Park and a World Heritage Site. The municipality is bordered by the Umkhomazi Wilderness Area to the West, Greater Kokstad to the South West, Eastern Cape to the South, Ingwe Local Municipality to the East and Impendle Local Municipality to the North.

Due to its locality, the area is of outstanding natural beauty, abundant water supply and rich agricultural potential. The municipality is 1180 sq kms in extent. Due to its location the terrain is very mountainous and the rural communities tend to be clustered, with the clusters being widely dispersed. The area comprises two urban areas, i.e. Underberg and Himeville, plus the following rural communities: Mqatsheni, Enhlanhleni, Kwa Pitela and Ridge.



The Ukhahlamba Drakensberg World Heritage Park forms the western edge of the municipality and the dual priorities of preserving the values of this international asset whilst simultaneously capitalising on its potential to yield developmental benefits for the regional population is a central component of developmental strategies for the area.



Mayor’s Foreword and Executive Summary

- **Overview of Kwa Sani Municipality**

The Kwa Sani Municipality is one of five local municipalities within the Sisonke District Municipality and is on the western border of the district. The other local municipalities are Umzimkhulu, Ubuhlebezwe, Greater Kokstad and Ingwe. The municipality is bordered by the Umkhomazi Wilderness Area to the West, Greater Kokstad Local Municipality to the South West, the Eastern Cape to the South, Ingwe Local Municipality to the East and Impendle Local Municipality to the North.

Kwa Sani borders the southern parapet of the Drakensberg Mountains and is the only KwaZulu- Natal (KZN) access point to the Kingdom of Lesotho by way of the Sani Pass.

	%Contribution by Sisonke to KZN GDP-R			% Contribution by Sisonke LMs to Sisonke DM GDP-R		
	2001	2005	2010	2001	2005	2010
KZN	100%	100%	100%	-	-	-
Sisonke	102%	1.1%	1.1%	100%	100%	100%
Ingwe	0.2%	0.2%	0.2%	15.6%	15.6%	15.6%
Kwa Sani	0.1%	0.1%	0.1%	6.3%	6.2%	6.3%
Kokstad	0.3%	0.3%	0.3%	23.2%	23.7%	23.7%
Ubuhlebezwe	0.3%	0.2%	0.2%	22.1%	21.9%	21.9%
UMzimkhulu	0.4%	0.4%	0.4%	32.9%	32.6%	32.5%

Table 1: Overview of Regional Economy

The Agricultural sector is the most important economic sector in the Municipality and the commercial farming sector is well-developed. The main agricultural activities are:

- Beef and Dairy Farming;
- Seed Potatoes;
- Maize;
- Sheep; and
- Timber.

The second core economy is that of tourism. Major regional tourism attractions include:

- UKhahlamba Heritage Park;
- Sani Pass;
- Vergelegen Nature Reserve;
- Lotheni Nature Reserve;
- Garden Castle;
- Hiking Trails and Rock Art;



Mayor's Foreword and Executive Summary

- Fly Fishing; and
- Events and adventure tourism.

The focus for local economic development planning in the Kwa Sani Municipality is on tourism and agriculture plus SMME support. New developments in the municipality are generally linked to the tourism sector and more detailed opportunity assessments has been focused on tourism sector developments.

• Demographic Information

According to the Census by Stats SA in 2011, the survey stated the total population as 12 897. Other than for the formal urban development in Underberg and Himeville the people of the Kwa Sani Municipality are located in dispersed rural settlements throughout the Municipality. Typical features of the settlements include:

- Informal / traditional in nature;
- Unplanned structure;
- Generally low but varying densities;
- Commercial needs served in Underberg; and
- Varying levels of access to infrastructure.

The majority of the population of the Kwa Sani Municipality is from a previously disadvantaged background. This section of the population is then also located in the dispersed rural settlements of the municipality which impacts on the ability of the municipality and other service providers to support the basic development needs of this group.

The population of the municipality is relatively young with nearly 50% of the population being 20 to 35 years. This suggests a future increase in the number of people entering the job market, as well as those that will be in need of various social and health services in the municipality. The more urgent current need is then for appropriate education, social and recreation facilities for this age group. A large number of the households are headed by females.

The following tables demonstrate the distribution of the population in terms of gender, age and classification of the heads of households.

a) Gender Distribution

	Black African	Colored	Indian/Asian	White	Other	Total
Male	5891	63	30	677	26	6 687
Female	5444	47	21	673	25	6 210
Totals	11 335	110	51	1 350	51	12 897

Table 2: Gender by Population Group



Mayor’s Foreword and Executive Summary

b) Population Distribution by Age

Population Aged 14 yrs. and younger			Population Aged 65 and Older			Population aged 16 and 64 yrs.			Dependency ratio		
1996	2001	2011	1996	2001	2011	1996	2001	2011	1996	2001	2011
3659	3887	3121	533	588	709	7601	7373	9068	55,2	60,7	42,2

Table 3: Population by Age

c) Population Distribution by Gender of Head of Household

	Male	Female
Black African	1647	1448
Coloured	22	1
Indian or Asian	2	7
White	376	155
Other	9	6
Unspecified	-	-

Table 4: Population Group by Gender of Head of Household



CHAPTER 2: GOVERNANCE

Kwa Sani municipality is committed to transparent and accountable governance. The broad range of public participation programmes and processes that took place during the year, especially relating to its IDP and Budget, bears testimony to the institutions commitment to involve its communities in its planning and decision-making processes.

This section is translated in four (4) sections:

- Component A: Political and Administrative Governance;
- Intergovernmental Relations;
- Public Accountability and Participation; and
- Corporate Governance.

Component A: Governance Structures

2.1 POLITICAL GOVERNANCE

The council is a Plenary Executive with the Ward Participatory System comprising of seven (7) part time councillors. There are four wards within the municipality and four of them are female councillors and three male councillors, four ward councillors and three PR councillors. The municipality has a functional Audit and Performance Audit Committee (APAC) whose functions include reviewing Annual Financial Statements and conducting performance assessments.

Name	Full/ Part Time	Male/ Female	Committee Allocated
1. Cllr M Banda	Part time	Male	Mayor/ speaker, PR
2. Cllr D Adams	Part time	Male	PR
3. Cllr PR Crawley	Part time	Female	PR
4. Cllr VP Majozi	Part time	Female	Ward councillor – ward 1
5. Cllr SB Mqwabi	Part time	Male	Ward councillor – ward 2
6. Cllr PN Mncwabe	Part time	Female	Ward councillor – ward 3
7. Cllr NZ Radebe	Part time	Female	Ward councillor – ward 4

Table 5: Political Governance Structure

GOVERNANCE

POLITICAL GOVERNANCE STRUCTURE



THE HONOURABLE MAYOR MD BANDA



Councillor Adams



Councillor Crawley



Councillor Majoji



Councillor Mqwabi



Councillor Mncwabe



Councillor Radebe

2.2 ADMINISTRATIVE GOVERNANCE

The administrative governance also referred to as Executive Management in Kwa Sani Municipality is led by the Accounting Officer, who is supported by 3 Section 56 Managers that are heads of departments.

The following table demonstrates the dynamics of the management and the responsibilities of each department towards achieving the strategic goals of the municipality.

Responsibility	Position Held	Department	Overall Function Of The Department
Ms. N. C James	Municipal Manager	Office of the Municipal Manager	<ul style="list-style-type: none"> • Provide leadership to the municipality & support council in fulfilling its mandate • Internal audit & Risk management • Inter-governmental relations & Organizational performance
Mr. T. L Mketsu	Chief Financial Officer	Budget and Treasury Office	<ul style="list-style-type: none"> • Finance Management; Revenue; Budgeting • Supply Chain and Asset Management
Ms S.A McAlister	Manager	Planning & Community Services	<ul style="list-style-type: none"> • Community Services, Town Planning & Building Control • Local Economic Development and Tourism • Disaster Management, Technical Services & Waste Collection • Library Services • Housing and Infrastructure Development
Mrs N Zondi Mohau	Manager	Corporate Services	<ul style="list-style-type: none"> • Human Resources & Administration, Policy Development & Legal Services, Information Technology • Public Participation & Monitoring and Evaluation

Table 6: Executive Management



Component B: Intergovernmental Relations

As part of the 2013/2014 strategic key priority issues, KSM committed to developing and reviving the intergovernmental and administrative structures for the advancement of service delivery with the municipal jurisdiction. Throughout the year, the municipality has been involved in municipal intergovernmental forums with the district municipality, sister municipalities and various government departments such as CoGTA, Department of Trade and Industry.

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1 National & Provincial Intergovernmental Relations

- KZN Department of Justice
- Home Affairs
- KZN Department of Social Development
- KZN Department of Transport
- KZN Department of Health
- KZN Department of Education
- KZN Department of Cooperative Governance & Traditional Affairs
- KZN Department of Economic Development and Trade
- KZN Department of Human Settlements
- KZN Department of Sports and Recreation
- KZN Department of Labour
- KZN Provincial Treasury
- National Treasury

2.3.2 District Intergovernmental & Other Stakeholders

- Sisonke District Municipality
- Underberg Farmers Association
- Community Tourism Organisation
- Ratepayers Association
- Vukuzithathe Community Health and Welfare Development
- KZN Liquor Authority

GOVERNANCE

Component C: Public Accountability and Participation

Among the municipal programmes that the community is invited to participate in, we had IDP Road Shows, Public meetings and Operation Sukuma Sakhe meetings where the relevant stakeholders, Ward Committees and Community Care Givers were invited to address social issues. The Annual Report, Budget and IDP copies were made available for public consumption in the Municipal Offices and Library building in Underberg.

Ward committees are used to increase the participation of community in the Kwa Sani Municipality and to provide a link between the community and municipal council. They make recommendations to the Ward Councillors who in turn passes those recommendations to the municipal council on issues affecting the ward.

2.4 PUBLIC MEETINGS

For the preparations of the 2013/2014 financial year, the municipality held an array of stakeholder meetings to collect their inputs as highlighted in the table below:

Nature of Meeting	Date	Venue
Public Meeting	17/02/2013	Jabulani Hall: Ward 02
Public Meeting	27/02/2013	Underberg: Ward 03
IDP Roadshow	17/11/2012	Underberg Ward 03
IDP Roadshow	18/11/2012	Ekhubeni Ward 04 & Himeville Ward 02
IDP Roadshow	22/11/2012	Goxhill: Ward 02
Joint Meeting between Kwa Sani Local and Sisonke District Municipalities	23/11/2012	Underberg: Ward 03
IDP Roadshow	27/11/2012	Ridge & Emhlangeni: Ward 01
IDP Roadshow	02/ 12/2012	Enhlanhleni: Ward 02
IDP Roadshow	05/12/2012	Emqatsheni: Ward 01
IDP Roadshow	02 /03/2013	KwaPitela: Ward 01
IDP Roadshow	03/03/2013	Bergview Primary School: Ward 04
IDP Forum	11/03/2013	Kwa Sani Municipal Boardroom

Table 7: List of Public Participation Meetings



2.5 IDP PARTICIPATION AND ALIGNMENT

International, national and provincial policies and guidelines provided the strategic direction for planning and development in the Kwa Sani Municipality. The development vision and objectives for each of the national key performance areas focused on by the Kwa Sani Municipality were underpinned by an understanding of the national and provincial government objectives (goals) and targets as set out in:

- The Million Development Goals;
- The National Spatial Development Perspective;
- The KZN Provincial Growth and Development Strategy;
- The KZN Provincial Spatial Economic Development Strategy; and
- The Sisonke District Integrated Development Plan.
- National Development Plan 2030
- Outcome 9;
- Cabinet Lekgotla;
- State of the Nation Address;
- COP 17; and
- Municipal Turnaround Strategy (MTAS).

The development and alignment of the IDP are elaborated in the following table:

IDP Participation and Alignment Criteria	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIS as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

Table 8: IDP Participation and Alignment

Component D: Corporate Governance

One of the priorities in Kwa Sani is good and ethical corporate governance. Hence, the municipality has a Risk Analysis and action plan that was developed and implemented for the 2013/2014 financial year. The Internal Audit Unit is responsible for executing this plan and reporting on the implementation to the Management and Audit Committee.

GOVERNANCE

2.6 RISK MANAGEMENT

The Municipality with the assistance of Morar Incorporated developed and implemented the following risk register that was implemented to mitigate the risks identified within the various departments.

Department	Link to Municipality long term objectives	Risk Category	Sub-Process	Risk Description	Likelihood	Impact	Inherent risk	Current Controls in place	Perceived Control Rating	Residual Risk	Method assessed / source	Responsible person	Risk Category
FINANCE	Financial viability and management	Purchases & Payables	Creditors payments	Fraudulent accounts created and authorised for payment.	3	4	Medium	2 Expenditure accountant and CFO approve payments loaded on online banking facility.	Moderate	2	Walkthrough of system	Expenditure accountant and CFO	Financial
FINANCE	Financial viability and management	Purchases & Payables	Reimbursements	Lack of supporting documents or invalid supporting documents may be produced for reimbursive expenditure.	3	4	Medium	2 All payments are supported by invoices, which are reviewed by Expenditure accountant and CFO before being released for payment.	Strong	1	Walkthrough of system	Expenditure accountant and CFO	Financial/Operational
FINANCE	Financial viability and management	Purchases & Payables	Creditors Payments	Lack of review of creditors may result in overpayments.	2	5	Medium	2 Creditors reconciliations are not performed.	Weak	3		Expenditure accountant	Financial
FINANCE	Financial viability and management	Purchases & Payables	Payments	Fruitless and wasteful and unauthorised expenditure maybe incurred due to the lack of review for the authorisation of cheque or EFT payment listing.	3	5	High	3 Expenditure accountant and CFO approve payments loaded on online banking facility.	Moderate	2	Walkthrough of system		Financial/Business
FINANCE	Financial viability and management	Purchases & Payables	Payments	Payments may be made for goods and services not received or rendered resulting in financial loss.	3	5	High	3 Goods received slip(GRS) completed for all goods received.	Strong	1	Walkthrough of system	SCM Unit	Financial
FINANCE	Financial viability and management	Purchases & Payables	Payments	Creditors payment may be invalid and inaccurate and may not take place in according to Section 11 (1) of the MFMA.	2	3	low	1 All payments are supported by invoices, which are reviewed by Expenditure accountant and CFO before being released for payment.	Strong	1		Expenditure accountant and CFO	Financial/Business
FINANCE	Financial viability and management	Purchases & Payables	Payments	Fraudulent payments may occur due to inappropriate safeguarding and control of unused cheques and EFT systems.	3	4	Medium	2 Unused cheques are locked in strong room, and EFT systems password controlled.	Strong	1	Walkthrough of system	Expenditure accountant	Financial/Business



GOVERNANCE

Department	Link to Municipality long term objectives	Risk Category	Sub-Process	Risk Description	Likelihood	Im-pact	Inherent risk	Current Controls in place	Perceived Control Rating	Residual Risk	Method assessed / source	Responsible person	Risk Category
FINANCE	Financial viability and management	Purchases & Payables	Bank reconciliations	Unauthorised and fraudulent payments may not occur and not easily detected due to inappropriate review and authorisation of the bank reconciliation statements.	2	3	low	1 The CFO reviews the bank reconciliations and signs as evidence of review.	Weak	3	Walkthrough of system	CFO	Financial/ Business
FINANCE	Financial viability and management	Assets Management	Asset control	Incomplete and inaccurate recording of fixed asset transfers, acquisitions, dispositions and related depreciation	5	3	High	3 Asset removal forms are utilised for transfer of assets. Asset management policy in place.	Moderate	2			Financial/ Business
FINANCE	Financial viability and management	Assets Management	Municipal Vehicles	Abuse of the municipal assets such as vehicles and non monitoring of fuel consumption.	5	3	High	3 None	Weak	3			Financial/ Business
FINANCE	Financial viability and management	Assets Management	Asset control	Fixed assets may be lost, damaged, stolen, misappropriated or misused.	5	3	High	3 Inventory lists used which hold each employee responsible for assets in their respective offices.	Weak	3			Financial/ Business
FINANCE	Financial viability and management	Assets Management	Assets register	Outdated or inaccurate fixed assets register.	5	3	High	3 Reconciliation of the Fixed Asset Register to the General Ledger is performed annually.	Weak	3			Financial/ Business
FINANCE	Financial viability and management	Inventory Management	Segregation of duties	Misappropriation of stock without accountability and payment for goods not received due to inappropriate segregation of duties between ordering, receiving and payment.	5	3	High	3 Ordering and receiving is done by the Procurement department. Payment is done by Finance department after authorisation by the CFO.	Strong	1			Financial/ Business
FINANCE	Financial viability and management	Inventory Management	Ordering	Fruitless and wasteful expenditure due to goods being accepted even if they are not ordered.	3	4	Medium	2 Goods received is matched to purchase requisition and order.	Moderate	2	Walkthrough of system	SCM Unit	Financial/ Business
FINANCE	Financial viability and management	Supply Chain Management	Ordering	Long outstanding orders may not be followed due to manual system drawback.	3	4	Medium	2 None	Moderate	2		SCM Unit	Financial/ Business

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Department	Link to Municipality long term objectives	Risk Category	Sub-Process	Risk Description	Likelihood	Im-pact	Inherent risk	Current Controls in place	Perceived Control Rating	Residual Risk	Method assessed / source	Responsible person	Risk Category
FINANCE	Financial viability and management	Supply Chain Management	Selection of suppliers	Unapproved suppliers used resulting in negative impact on business continuity if supplier business interrupted (alternative suppliers).	1	5	low	A database of suppliers is maintained	Moderate	Low			Financial / Business
FINANCE	Financial viability and management	Supply Chain Management	Procurement plan	Lack of a procurement plan could result to non compliance with SCM.	2	3	low	The end-user departments submit procurement plans for the year.	Strong	Low	Performance Information Audit		Financial / Business
FINANCE	Financial viability and management	Supply Chain Management	Quality	Goods and services of inferior quality may be purchased resulting in services of poor standards being offered by the municipality thus tarnishing the image of the municipality.	2	3	low	The department requiring goods obtains a minimum of 3 quotations together with the requisition is forwarded to the relevant HOD for approval of the most suitable quotation in terms of quality, prices and time.	Moderate	Low		SCM Unit	Financial / Business
FINANCE	Financial viability and management	Supply Chain Management	Budget	The budget may not be checked prior to acquisition of goods/services resulting in overspending of the allocated budget.	3	3	low	Order clerks check authorised requisition against budget before placing of order.	Strong	Low		SCM Unit	Financial / Business
FINANCE	Financial viability and management	Supply Chain Management	Procurement processes	Procurement processes may not be conducted in a fair, transparent, competitive and cost effective manner.	3	4	Medium	SCM Policy is in place.	Moderate	Medium			Financial / Business
FINANCE	Financial viability and management	Supply Chain Management	Procurement processes	Goods and services could be procured out as an emergency in order not to follow SCM policy resulting in irregular expenditure.	4	4	High	Emergency procurements are authorised by CFO in consultation with MM.	Weak	High		CFO	Financial / Business
FINANCE	Financial viability and management	Supply Chain Management	Procurement processes	A list of sole suppliers is not maintained, thus suppliers could be tagged as being "sole suppliers" in order not to follow SCM Policy resulting in irregular expenditure.	3	4	Medium	No approved list of sole suppliers.	Weak	Medium			Financial / Business



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FINANCE	Financial viability and management	Supply Chain Management	Policies	Procurement practices may not be in line with SCM policy, BBBEE, SMI regulations, MFMA and other relevant regulations.	4	3	Medium	Quarterly Submission of Deviation Reports to Council.	Strong	Low			Financial / Business
FINANCE	Financial viability and management	Supply Chain Management	Service delivery	Goods or services may not be procured on a timely basis resulting to the impairment of service delivery.	4	3	Medium	Goods and services procured on demand by the end user.	Moderate	Medium			Financial / Business / Strategic
FINANCE	Financial viability and management	Supply Chain Management	Committees	Bid committee members may have no or limited procurement experience to be able to meet the requirements of the tendering process, when setting bid specification, evaluating and awarding contracts.	2	3	low	Nothing done so far to improve mentioned risk.	Weak	Low			Business / Strategic
FINANCE	Financial viability and management	Supply Chain Management	Delegation	Goods and services may be procured by personnel without approved delegation of authority.	2	3	low	Delegations are per the SCM Policy.	Strong	Low			Financial / Business
FINANCE	Financial viability and management	Supply Chain Management	Open tender	Procurements above a transaction value of R500 000 may not be conducted by way of an open tender.	2	3	low	SCM Policy is applied for all procurements.	Moderate	Low			Financial / Business
FINANCE	Financial viability and management	Supply Chain Management	Ethics	Officials and other role players in the supply chain management system of the municipality may lack ethical standards, and may not perform their functions in a fair and impartial manner and also avoid conflict of interest.	2	3	low	Declaration of interest by bid Committee members.	Strong	Low	SCM Policy		Financial / Business

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FINANCE	Financial viability and management	Supply Chain Management	Advertisements	The Bids may be advertised in newspaper that are not accessible by all potential suppliers resulting in other tenders not bidding for the job to the detriment of the municipality.	2	3	low	1 Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the Kwa Sani Municipality or any other appropriate ways	Moderate	Low	SCM Policy		Financial / Business / Information
FINANCE	Financial viability and management	Revenue & Receivables	Revenue	Cash received is diverted, lost or otherwise not reported accurately to accounts receivable	3	5	High	3 Bank reconciliations done on a monthly basis and reviewed by CFO.	Weak	High			Financial / Business
FINANCE	Financial viability and management	Revenue & Receivables	Segregation of duties	Inappropriate segregation of duties between opening of mail, cash on delivery sales, cash receiving, cash balancing and banking.	2	3	low	1 Cashier does receiving of cash, Expenditure accountant does reconciliations and Security company used for banking.	Strong	Low			Financial / Business / Operational
FINANCE	Financial viability and management	Revenue & Receivables	Bad Debts	High levels of bad debts and non recovered monies due to ineffective credit control policies and management of bad debts.	4	3	Medium	2 Credit control and debt collection policy is in place.	Strong	Low			Financial / Business
FINANCE	Financial viability and management	Revenue & Receivables	Cash flow	Insufficient cash flow or excess cash at the primary bank account due to inaccurate forecast cash balances to maximize short-term investment income and to avoid cash "shortfalls"	2	3	low	1 Banking and Investment Policy in place.	Strong	Low			Financial / Business
FINANCE	Financial viability and management	Revenue	Grant revenue	Conditions of the grant might not be complied with.	2	5	Medium	2 Expenditure statements and progress reports submitted in a monthly basis.	Moderate	Medium			
FINANCE	Financial viability and management	Revenue	Traffic revenue	Incomplete revenue could be received from the Department of Justice, and this not identified as no reconciliations of income received and fines charges is done.	2	5	Medium	2 None	Weak	Medium			



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FINANCE	Financial viability and management	Revenue & Receivables	Revenue	Failure to maximise revenue at the municipality due to Lack of regular review of sources of revenue and incorrect billing information.	2	3	low	1 Credit control and debt collection policy is in place.	Strong	1 Low			Financial / Business
FINANCE	Financial viability and management	Revenue & Receivables	Petty cash	Petty cash may be misappropriated or stolen which could result to financial losses.	2	3	low	1 Petty cash kept in cash box in the safe room which is locked.	Strong	1 Low			Financial
FINANCE	Financial viability and management	Revenue & Receivables	Cash	There may be inadequate segregation of duties as the cashier is responsible for receiving, capturing and reconciliation of cash received against the daily cash summary.	2	3	low	1 None	Weak	3 Low			Financial
FINANCE	Financial viability and management	Revenue & Receivables	Tariffs	Under collection of revenue and public complaints may occur due to: tariffs may not be uniformly, equitable and fairly determined and applied resulting in public complaints or under collection of revenue. Public consultation and communication may not be conducted when setting or revising tariffs.	3	4	Medium	2 Tariffs Policy in place.	Moderate	2 Medium			Financial / Business
FINANCE	Financial viability and management	Revenue & Receivables	Revenue	Incorrect billing information due to lack of review when new valuation amounts are loaded onto the system.	3	4	Medium	2 A reconciliation between the valuation roll and the amounts recorded in the system is performed by Budget Control Officer and it is reviewed by the CFO. Both sign this reconciliation as evidence of performing these functions.	Weak	3 Medium			Financial / Business
FINANCE	Financial viability and management	Revenue & Receivables	Revenue	Loss of revenue to municipality due to the abuse of the indigent status.	3	4	Medium	2 Indigent debtor application forms are sent to CFO for approval.	Moderate	2 Medium		CFO	Financial / Business

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FINANCE	Financial viability and management	Revenue & Receivables	Collection	Monies due to the municipality may not be collected promptly, recorded and banked daily.	2	3	low	1 Credit control and debt collection policy is in place.	Strong	1 Low			Financial
FINANCE	Financial viability and management	Revenue & Receivables	Collection	Debtors statements may not be delivered or posted to clients on time resulting in delays in revenue collection.	2	3	low	1 Debtors statements compilation and distribution has been outsourced.	Strong	1 Low			Financial
FINANCE	Financial viability and management	Revenue & Receivables	Banking	The municipality's bank account/s may not be maintained in a responsible and transparent manner to comply with Section 7 of the MFMA.	2	4	low	1 Monthly bank reconciliations are done.	Weak	3 Low			Financial / Business
FINANCE	Financial viability and management	Budgeting		Inaccurate / unrealistic budget set and approved by council due to : Other departments not involved in the budget preparation process and Public participation may be not catered in the budget processes.	2	3	low	1 Department heads submit their departmental budgets to the CFO / budget controller.	Strong	1 Low			Financial / Business / Strategic
FINANCE	Financial viability and management	Budgeting		Budget may not be aligned to IDP priorities.	2	3	low	1 Budget Process Policy is in place.	Strong	1 Low			Financial / Business / Strategic
FINANCE	Financial viability and management	Budgeting		Budget may be approved after the start of the financial year which could lead to over/under expenditure in other areas.	2	3	low	1 Budget Process Policy is in place.	Strong	1 Low			Financial / Business / Strategic
FINANCE	Financial viability and management	Budgeting		Budget may not comply to the prescriptions of National Treasury and Legislation.	2	3	low	1 Budget Process Policy is in place.	Strong	1 Low			Financial / Business / Strategic



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FINANCE	Financial viability and management	Budgeting		Inputs and comments by National and Provincial Treasuries, other organs of state and local community may not be submitted timeously which could delay tabling of such comments to the Council and approval thereof and non-compliance with MFMA.	2	3	low	Budget Process Policy is in place.	Strong	Low			Financial / Business / Strategic
FINANCE	Financial viability and management	Budgeting		Lack of a formalized, approval and communication process of budget calendar setting out timeframes and key deadlines for the submission of inputs by heads of department, tabling of the draft budget which could result in budget input not submitted timeously and budget not approved by the Council before the commencement of the ensuing financial year.	2	3	low	Budget Process Policy is in place.	Strong	Low			Financial / Business / Strategic
FINANCE	Financial viability and management	Budgeting		Cognizance of the national and provincial budgets and Division of Revenue Act may not be taken into account when budget is prepared which could result to uninformed budget and non-compliance with MFMA.	2	3	low	Budget Process Policy is in place.	Strong	Low			Financial / Business / Strategic
FINANCE	Financial viability and management	Budgeting		Consultation of the District municipality, other Local municipalities, Provincial Treasury and or National Treasury and other state organs who are responsible for basic needs of the communities and infrastructural development may not take place which could result to uninformed budget and non-compliance with MFMA.	2	3	low	Budget Process Policy is in place.	Strong	Low			Financial / Business / Strategic

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FINANCE	Financial viability and management	Budgeting		The publicized budget may be a complicated document and not in a language which is easily understood by the local community or not explained in a lay man's language making it difficult for the community to interact with the budget and make informed representations which could render the publication process ineffective and a fruitless exercise.	2	3	low	1 Budget Process Policy is in place.	Strong 1	Low			Information
FINANCE	Financial viability and management	Budgeting		Unauthorised changes may be performed in the uploaded budget.	2	4	low	The CFO / budget controller officer review the uploaded budget and prepare a budget locking certificate to be signed by municipality manager. The municipality manager before signing the certificates review the budget against what was presented to the council meeting if agree, sign the certificate and lock the budget to ensure that no one can make changes.	Moderate 2	Low			Financial / Business/ Strategic
FINANCE	Financial viability and management	Budgeting		The council may not have a meaningful input on the budget presented due to lack of capacity and skills required to interpret finance	2	3	low	Budget Process Policy is in place.	Strong 1	Low			Financial / Business/ Strategic
FINANCE	Financial viability and management	Investments		Excessive cash investment in stock may occur by failing to maintain an economic limit of stock held in stores.	2	3	low	Investment policy is in place	Strong 1	Low			Financial



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FINANCE	Financial viability and management	Investments		Excess cash may not be invested to the maximum benefit of the municipality.	2	3	low	1 Before making any call or fixed deposits, the Chief Financial Officer, shall obtain quotations from at least three financial institutions.	Strong	1		CFO	Financial
FINANCE	Financial viability and management	Investments		Investments made by the municipality may / not offer the maximum return at unacceptable level of risk and may not be made in terms of regulation 6 of the MFMA	2	3	low	1 Where large sums of money are available for investment the chief financial officer shall ensure that they are invested with more than one institution, wherever practicable, in order to limit the risk exposure of the municipality.	Strong	1			Financial
FINANCE	Financial viability and management	Finance department		Instability of Finance Department.	4	5	Critical	4 None	Weak	3			Financial / Business / Strategic
FINANCE	Financial viability and management	Financial Reporting	Preparation	Financial statements may not be prepared timeously affecting the accuracy of future financial planning by the municipality.	2	3	low	1 None	Weak	3			Financial / Business
FINANCE	Financial viability and management	Financial Reporting	Accuracy	Financial statements may not be reliable due to not being accurately prepared or software fault reporting.	3	4	Medium	2 Draft financial statements are reviewed by Internal Audit Department before being submitted to AG.	Weak	3			Financial / Business
FINANCE	Financial viability and management	Financial Reporting	Compliance	Non-compliance with accounting practices and policies (GAMAP & GRAP).	3	4	Medium	2 None	Weak	3			Financial / Business
COMMUNITY SERVICES	Service Delivery and Infrastructure	Supply Chain Management	Non Performance	Non / under performance by service providers which could result to poor service delivery by the municipality.	5	3	High	3 Performance agreements are entered into between the service provider and the Municipality.	Moderate	2			Financial / Business

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COMMUNITY SERVICES	Service Delivery and Infrastructure	Housing Development	Allocation	Allocation of houses may be conducted in an unfair, unequitable and untransparent manner resulting in the indigent /poor/needy people not benefiting.	3	4	Medium	House allocation criteria is determined by Council.	Moderate	Medium			Business
COMMUNITY SERVICES	Service Delivery and Infrastructure	Housing Development	Beneficiary	Incorrect beneficiary information/details or fictitious beneficiaries may be created resulting in misallocation of houses to non qualifying beneficiaries	3	4	Medium	The applications for housing are sent to the province department of Human Settlement for review and final screening.	Moderate	Medium			Business
COMMUNITY SERVICES	Service Delivery and Infrastructure	Housing Development	Beneficiary	Beneficiaries may not use the houses for the intended purposes or even sell their houses and go back to informal settlements comprising the objective of provision for housing.	4	3	Medium	None	Weak	Medium			Business
COMMUNITY SERVICES	Service Delivery and Infrastructure	Housing Development	Quality	Houses of poor quality and workmanship could be built which could compromise safety of the beneficiaries.	5	3	High	None	Weak	High			Business / Financial
COMMUNITY SERVICES	Service Delivery and Infrastructure	Library Services	Books	Theft of Books resulting in financial losses.	5	3	High	None	Weak	High			Financial
COMMUNITY SERVICES	Service Delivery and Infrastructure	Library Services	Fines	Untimely collection of fines for late submission resulting in financial losses	5	3	High	None	Weak	High			Financial
COMMUNITY SERVICES	Service Delivery and Infrastructure	Service Delivery	Quality	Outdated infrastructure	5	5	Critical	None	Weak	High			Strategic
COMMUNITY SERVICES	Service Delivery and Infrastructure	Licensing	Licence centre	Collusion with Law enforcement officers on the roads resulting in fraud, corruption and financial losses.	5	3	High	None	Weak	High			Operational
COMMUNITY SERVICES	Service Delivery and Infrastructure	Protection services	Security	Collusion with security personnel resulting in theft of municipal assets.	5	3	High	None	Weak	High			Financial



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COMMUNITY SERVICES	Service Delivery and Infrastructure	Protection services	Security	Safeguarding of Cash resources may be compromised due to collusion with security personnel.	3	2	low	Function has been outsourced to a security company, who would have to be bound by contract.	Moderate	Low			Financial
CORPORATE SERVICES		Health and Safety		Loss of skilled employees due to the negative impact of HIV on the workforce.	5	3	High	HIV and AIDS and Life threatening diseases policy.	Moderate	Medium			Operational/ Business
CORPORATE SERVICES		Human Resources	Personnel File	Inadequate management and safeguarding of information on personnel files resulting in manipulation of information contained within.	4	4	High	The files are in a locked cabinet with only the Acting HR Manager who has these keys to the cabinets.	Strong	Low			Business / Financial
CORPORATE SERVICES		Human Resources	Payroll	Lack of review for calculation of PAYE, other statutory deductions and salaries resulting in overpayments or underpayments.	2	3	low	The payroll is reviewed by the CFO.	Strong	Low			Financial
CORPORATE SERVICES		Human Resources	Payroll	Lack of review of payroll resulting in ghost employees being created and fictitious payments made thereof.	1	1	Minimum	The payroll is reviewed by the CFO.	Strong	#/N/A			Financial
CORPORATE SERVICES		Human Resources	Payroll	Lack of review of overtime payments resulting in unnecessary financial costs being incurred.	3	5	High	The payroll is reviewed by the CFO.	Strong	Low			Financial
CORPORATE SERVICES		Human Resources	Payroll	Lack of review of leave register and attendance registers may result in employees being paid for hours not worked resulting in a financial loss.	4	3	Medium	Leave form and attendance register are kept at municipal premises	Weak	Medium			Financial
CORPORATE SERVICES		Human Resources	Payroll	Unauthorized personnel may gain access to payroll information which could result in unauthorised payments being made.	4	2	low	Finance department is access controlled.	Moderate	Low			Business / Financial
CORPORATE SERVICES		Human Resources	Payroll	There is no review by senior independent person of changes made to the payroll master file.	4	4	High	Cfo	Weak	High			Business / Financial

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CORPORATE SERVICES		Human Resources	Payroll	Leave pay provision is based on leave register which is not reviewed by senior independent person.	4	5	Critical	No controls	Weak	High			Business / Financial
CORPORATE SERVICES		Human Resources	Payroll	Payments could continue to be made after the employee has passed away.	3	5	High	A copy of late employee's death certificate is used to stop salary payment and is kept in personnel file.	Weak	High			Business / Financial
CORPORATE SERVICES		Human Resources	Leave Administration	Lack of review of leave records resulting in fraudulent leave being taken.	4	3	Medium	Before authorising the leave, the Acting HR manager checks the number of days available for the employee.	Moderate	Medium			Financial
CORPORATE SERVICES	Municipal Transformation and Institutional Development	Human Resources	Staff retention	High staff turnover due to job dissatisfaction and/or uncompetitive remuneration which could result to loss of corporate knowledge and delay in service delivery.	5	3	High	None	Weak	High			Operational / Business
CORPORATE SERVICES	Municipal Transformation and Institutional Development	Human Resources		Reliance on key personnel, which could result in disruptions to service delivery.	5	5	Critical	None	Weak	High			Operational / Business
CORPORATE SERVICES	Municipal Transformation and Institutional Development	Human Resources	Recruitment	Inability to acquire sufficient number of appropriately qualified personnel due shortage of skilled people in the area and lack of incentives to attract people from other areas.	5	3	High	None	Weak	High			Operational / Business
CORPORATE SERVICES	Municipal Transformation and Institutional Development	Human Resources	Recruitment	Appointment of undesirable staff due to no recruitment policy or non compliance to policy.	5	3	High	Recruitment and selection policy in place.	Strong	Low			Operational / Financial
CORPORATE SERVICES	Municipal Transformation and Institutional Development	Human Resources	Staff performance	Poor performance due to the lack of performance management system.	5	3	High	Quarterly performance reports submitted to MM.	Moderate	Medium			Operational



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CORPORATE SERVICES		Human Resources	Sick leave	Non compliance with sick leave policy as sick leave are approved without supporting documents or are not approved by HR and HOD.	5	3	High	Sick leave policy in place.	Moderate	Medium			Operational
CORPORATE SERVICES		Registry and Auxiliary Services	Mail	Incoming mail may be misplaced prior to being recorded resulting in municipal services being negatively affected.	5	3	High	Incoming and outgoing mail register in place.	Moderate	Medium			Information
CORPORATE SERVICES	Municipal Transformation and Institutional Development	Registry and Auxiliary Services	Registry room	Limited access to the registry office is not adhered, resulting in the lost of records or records being manipulated.	5	3	High	The access to Registry is limited to authorised staff and is access controlled.	Strong	Low			Information
CORPORATE SERVICES	Municipal Transformation and Institutional Development	Human Resources	Recruitment	Inappropriate/non qualified candidate being recruited or on the basis of staff nepotism.	2	4	low	Recruitment and selection policy in place.	Moderate	Low			Operational
CORPORATE SERVICES	Municipal Transformation and Institutional Development	Human Resources	Recruitment	Recruitment and selection process may be cumbersome, inefficient, ineffective, uneconomical and not in line with the best practice which could result in delays compromising service delivery objectives.	4	3	Medium	Recruitment and selection policy in place.	Moderate	Medium			Business / Operational
CORPORATE SERVICES	Municipal Transformation and Institutional Development	Human Resources	Recruitment	No employment equity plan or inadequate employment equity plan which is non-compliance with Employment Equity Act.	2	3	low	Employment Equity Policy is in place.	Moderate	Low			Business
CORPORATE SERVICES	Municipal Transformation and Institutional Development	Human Resources	Administration	Employee's key performance areas and performance appraisals not performed on a regular basis which could affect service delivery.	5	3	High	Performance Management System Policy.	Moderate	Medium			Operational / Business

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CORPORATE SERVICES	Municipal Transformation and Institutional Development	Human Resources	Termination	Labour disputes due to terminations not done in accordance with Basic conditions of employment Act, Labour Relations Act and Employment Equity Act. And also unfair and inequitable application of disciplinary processes.	2	3	low	HR personnel informs Payroll administrator immediately the resignation, dismissal and or retirement letter has received.	Weak	Low			Operational / Business
CORPORATE SERVICES		Human Resources	Training	Inadequate, ineffective or no training be performed, compromising staff performance and service delivery.	5	3	High	EWP Programme in place.	Weak	High			Operational / Business
CORPORATE SERVICES		Human Resources	Segregation of duties	Inappropriate segregation of duties between salaries administration and leave records, processing, salaries payments, and deduction payments which could lead to fraud and error.	2	3	low	Payroll is segregated between HR and finance.	Moderate	Low			Operational / Business
CORPORATE SERVICES		Human Resources	Compliance	Non compliance to BCEA, OHS, and Labour Relations Act resulting in fines, negative impact on image, and or possible industrial action.	4	3	Medium	None	Weak	Medium			Operational / Business
CORPORATE SERVICES		IT	IT Systems	IT systems may not be aligned to the business strategies and processes.	2	3	low	IT Steering Committee in place.	Strong	Low			Information
CORPORATE SERVICES		IT	IT Resources	Lack of IT humans resources, thus compromising service delivery and effective IT support.	5	3	High	IT function is outsourced.	Strong	Low			Operational
CORPORATE SERVICES		IT	Usage	The abuse of IT systems by users.	5	3	High	The server room door is locked and only three people have the key i.e CFO, Hopewell Tyler and Tanya.	Moderate	Medium			Information/operational/Financial



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CORPORATE SERVICES		IT	Users	IT users not consulted of the strategic direction of IT systems resulting in systems that are implemented not being user friendly.	2	3	low	IT Steering Committee in place.	Strong	1			Operational / Business	
CORPORATE SERVICES		IT	IT Systems	No IT Disaster Recovery Plan in place to effectively manage information security and recovery.	5	3	High	Disaster recovery plan in place.	Moderate	2			Information	
CORPORATE SERVICES		IT	IT Systems	The lack of maintenance plan or regular checks of IT equipment may compromise business operations.	5	3	High	None	Weak	3			Business	
CORPORATE SERVICES		IT	Software licences	Lack of review of Software licenses may result in criminal prosecution or penalties for the operation of illegal software.	5	3	High	Software licenses are reviewed on an annual basis by the Steering Committee.	Strong	1			Information/ Financial	
CORPORATE SERVICES		IT	Back up	Lack of regular backups of IT information may increase the risk of lost information.	5	3	High	System automatically backs up daily to the server.	Strong	1			Information	
CORPORATE SERVICES		IT	Software licences	Employees may load unlicensed software onto the IT system thus increasing the risk of data losses and system corruption.	5	3	High	Software licenses are reviewed on an annual basis by the Steering Committee.	Strong	1				Information
CORPORATE SERVICES		IT	Access	Access rights to the IT Systems may not be limited, resulting in unauthorised individuals gaining access. e.g. hackers.	5	3	High	IT systems are access controlled per user function.	Moderate	2				Information
CORPORATE SERVICES		IT	IT Skills	Having people without the required IT skill levels, at operational, supervisory and management level and therefore not utilising the efficiencies and benefits of new and emerging technology.	5	3	High	IT function is outsourced.	Strong	1				Operational

GOVERNANCE

Department	Link to Municipality long term objectives	Risk Category	Sub-Process	Risk Description	Likelihood	Im- pact	Inherent risk	Current Controls in place	Perceived Control Rating	Residual Risk	Method assessed / source	Responsible person	Risk Category
CORPORATE SERVICES	Local Economic Development	IT	IT Systems	Inaccurate information may be produced by IT systems due to lack of regular reviews of data integrity.	3	5	High	None	Weak	3	High		Information
CORPORATE SERVICES	Local Economic Development	Local Economic Development †		Inadequate local economic development strategy resulting in uneconomical projects being implemented.	3	3	low	LED Strategy is in place.	Strong	1	Low		Business / Strategic
CORPORATE SERVICES	Local Economic Development	Local Economic Development †		Lack of relevant skills and competencies due to lack of dedicated official to carry out LED related projects.	3	3	low	The Municipality has an LED Officer to carry out LED projects.	Strong	1	Low		Business / Strategic / Financial
COUNCIL	Financial viability and management	Local Economic Development †		Unavailability of the necessary infrastructure to sustain the LED Strategy.	3	3	low	None	Weak	3	Low		Business / Strategic / Financial
COUNCIL		Business continuity		No Revenue enhancement Strategy.	2	5	Medium	Revenue enhancement strategy is part of the IDP.	Strong	1	Low		Business / Strategic / Financial
COUNCIL		Strategic	Service Delivery	Inadequate performance management systems resulting in poor service delivery and lack of accountability.	2	4	low	Quarterly performance reports submitted to MM.	Moderate	2	Low		Business / Strategic / Financial
COUNCIL		Strategic	Stakeholder	Unrealistic expectations from the community created by political motives.	5	3	High	None	Weak	3	High		Business / Strategic
COUNCIL		Strategic	Bureaucracy	Internal bureaucracy resulting in delays to service delivery.	2	4	low	None	Weak	3	Low		Business / Strategic
COUNCIL	Financial viability and management	Strategic	Resources	Insufficient resources to fulfill all service delivery promises.	5	4	Critical	None	Weak	3	High		Business / Strategic / Financial
COUNCIL		Strategic	Funding	Insufficient funding from government.	4	4	High	None	Weak	3	High		Business / Strategic / Financial
COUNCIL		Strategic	Human Resource	Inadequate skills and expertise within Municipality.	4	4	High	None	Weak	3	High		Business / Strategic



Department	Link to Municipality long term objectives	Risk Category	Sub-Process	Risk Description	Likelihood	Impact	Inherent risk	Current Controls in place	Perceived Control Rating	Residual Risk	Method assessed / source	Responsible person	Risk Category
COUNCIL	Service Delivery and Infrastructure	Litigation	Litigation	Lawsuits against the municipality as a result of claims by employees, the public, service providers and other third parties.	1	2	Minimum	None	Weak	#N/A			Business / Strategic / Financial
COUNCIL	Good Governance	Service Delivery	Civil unrest	Strikes by community due to poor service delivery by the municipality.	4	4	High	None	Weak	High			Business / Strategic / Financial
COUNCIL		Service Delivery	Public Participation	Inadequate public participation by communities.	4	3	Medium	After discussing the budget the council provisionally approve the budget for public comments.	Moderate	Medium			Business / Strategic / Financial
COUNCIL		Compliance / Regulatory	Regulatory	Failure to monitor or enforce compliance of the Municipality with relevant laws and regulations.	3	5	High	Audit Committee in place.	Strong	Low			Business / Strategic / Financial
COUNCIL		Reputation		The municipality's reputation, public perception and image may be bad due to high levels of fraud and corruption and culture of poor service offered to the public.	1	2	Minimum	None	Weak	#N/A			Business / Strategic / Financial
MM OFFICE		Social Environment		Deterioration of socio-economic environment could result to increasing unemployment and increasing crime	2	2	Minimum	None	Weak	#N/A			Business / Strategic / Financial
MM OFFICE		Integrated Development Planning		Lack of co-ordination and alignment of priority goals between the local municipality, district municipality and sector departments due to the difference in financial year end and resulting to delays in finalisation of IDP and also of service delivery.	4	3	Medium	Quarterly meetings with sector department, district IDP management project Cogta and Forum meetings	Weak	Medium			Business / Strategic

GOVERNANCE

Department	Link to Municipality long term objectives	Risk Category	Sub-Process	Risk Description	Likelihood	Im-pact	Inherent risk	Current Controls in place	Perceived Control Rating	Residual Risk	Method assessed / source	Responsible person	Risk Category
MM OFFICE		Policies and procedures		Poor Organisational governance due to lack of formalised written policies and procedures to effectively govern all critical business operations and related transactions such as IT, Finance, HR, Procurement, and safeguarding and maintenance of assets	2	3	low	1 Policies in place.	Strong	1			Business / Strategic
MM OFFICE		Laws & Regulations		Withdrawal of government grants and high penalties in the event the municipality does not comply with all laws and regulations.	3	3	low	1 None	Weak	3			Financial / Business / Strategic
TECHNICAL SERVICES	Service Delivery and Infrastructure	Knowledge and Information Management		Loss of knowledge and information due staff lack of information sharing within/with other departments and lack of retention and safeguarding of information measures.	4	4	High	3 None	Weak	3			Business / Strategic / Information
TECHNICAL SERVICES	Service Delivery and Infrastructure	Development and planning	Development and planning	Un-planned rural development patterns and settlements (building high density area, umkhukhu, flood plain).	5	3	High	3 None	Weak	3			Business / Strategic
TECHNICAL SERVICES		Public Works, Refuse removal management	Public Works, Refuse removal management	Unclean towns due to there being no or non performance of maintenance and cleaning schedule in place.	3	4	Medium	2 None	Weak	3			Business / Strategic
TECHNICAL SERVICES		Estates		Fixed Property such as Community Halls may be vandalised and furniture stolen.	4	4	High	3 None	Weak	3			Financial / Business / Strategic



2.7 ANTI-CORRUPTION AND FRAUD

As one of the strategies to prevent corruption, fraud and theft, the Municipality adopted an anti-fraud and corruption strategy. The strategy focuses mainly on the implementation of codes of conducts for councillors and staff members, the vetting of municipal employees as well as preventative measures.

2.8 SUPPLY CHAIN MANAGEMENT

In 2013/2014 compliant SCM policies and procedures were implemented. The implementation and monitoring was under the supervision of the Chief Financial Officer. Resultantly, the turnaround time for procurement of goods and services improved throughout the quarters.

The vacant post for the Procurement Clerk was filled in quarter three, which improved the capacity in the Supply Chain Management Unit. The structure within the SCM unit comprises of the Chief Financial Officer, Supply Chain Officer, Creditors Clerk and Procurement Clerk.

2.9 BY-LAWS

The municipality compiled and approved its by-laws in year 2006. However, due to capacity constraints and costs associated with gazetting of the by-laws, the municipality has not reviewed the by-laws annually as required.

The Department of Cooperative Governance and Traditional Affairs has indicated that a generic format of by-laws will be made available to municipalities for customization.

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents Published on the Municipality's Website	Yes/No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	14/06/2013
All current budget-related policies	Yes	14/06/2013
The previous annual report (2012/2013)	Yes	26/06/2013
This annual report (2013/2014) to be published	Yes	01/09/2014
All current performance agreements and resulting scorecards for 2013/2014	Yes	22/08/2013
All service delivery agreements for 2013/2014	Yes	05/03/2014
All long-term borrowing contracts for 2013/2014	Yes	23/06/2014
All Supply Chain Management contracts above R200 000 for 2013/2014	Yes	27/06/2014
An information statement containing a list of assets that have been disposed during 2012/2013	Yes	20/03/2014
Contracts agreed in 2013/2014 to which subsection (1) of section 33 of the MFMA	No	None
Public-private partnership agreements in terms of section 120 made in 2013/2014	No	None
All quarterly reports tabled in the council in terms of section 52(d) during 2013/2014	Yes	22/07/2013

Table 9: Municipal Website: Content and Currency of Material



Service Delivery Performance (Performance Report Part I)

CHAPTER 3: SERVICE DELIVERY PERFORMANCE (Performance Report Part I)

Component A: Basic Services

Kwa Sani Municipality is committed to quality service delivery to the residents of Himeville and the surrounding areas, and to provide basic services to those that were previously deprived.

In terms of the Constitution and our strategic mandate, our functions and powers include; building regulation enforcement, municipal parks & recreation, municipal roads, cemeteries, storm water management, refuse removal/waste management, street trading, public nuisance control, firefighting services.

3.1 WATER AND SANITATION

Water and Sanitation is a function of a district municipality. We engage with the district through quarterly infrastructure meetings which are held between the District and other Local Municipalities. All the challenges and progress on projects are discussed in these meetings.

3.2 ELECTRICITY

This is a function of District Municipality. However, Kwa Sani initiated the provision of electricity of approximately 16% of households. This project was completed in quarter two of the Financial Year.

3.3 WASTE MANAGEMENT

Only a third of households in the municipality currently have access to refuse removal services. A further third indicated that they make use of their own refuse dump and 27% indicated that they have no access to refuse removal. Refuse collection is a challenge for the municipality as there is no refuse site or landfill site and the refuse which is only collected in the two urban villages of Underberg and Himeville is transported to Shongweni at a very high cost.

Despite these challenges the municipality managed to provide at least 3000 households (including residents, businesses, hotels and government departments) with access to refuse removal for at least once a month.

The following table illustrates the contribution and related expenditure of employees that work with the waste management function.



Service Delivery Performance (Performance Report Part I)

Financial Performance 2013/2014: Waste Management				
Details	2012/2013	2013/2014		
	Actual	Original Budget	Adjustment Budget	Actual
Total Operational Revenue	R 2 393 627	R 2 232 545	R 2 202 456	R 3 681 899
Expenditure:				
Employees	R 490 613	R 602 034	R 595 036	R 416 889
Repairs and Maintenance	R 70 968	R 66 388	R 84 412	R 125 534
Other	R 1 034 146	R 1 163 552	R 1 113 866	R 978 143
Total Operating Expenditure	R 1 595 727	R 1 831 974	R 1 834 436	R 1 479 443
Net Operational Expenditure	R 797 900	R 400 571	R 368 020	R 2 161 333

Table 10: Financial Performance for Waste Management

3.4 HOUSING

In the previous financial year, 333 units were outstanding due to a dispute of the quality of the houses and gale strong winds that were causing damage and this matter was resolved. During 2013/2014, the construction of 333 units is still in progress and due for completion at the end of September 2014. The municipality is also in a process of purchasing an additional 14 ha of land in Underberg. To date, we have built 134 and 210 houses in Himeville and Underberg respectively.

3.5 FREE BASIC SERVICES AND INDIGENT SUPPORT

The District Municipality is responsible for the free basic services in terms of water and sanitation services. Kwa Sani Municipality is responsible for the provision of free electricity through the funding provided by Eskom as well as waste management services.

The Municipality embarked on a process of reviewing and updating the indigent register and ensure that all indigent households were provided with subsidized electricity.

Kwa Sani is providing the free basic refuse services to 344 low income households.

Component B: Road and Transport

Underberg and Himeville being the main urban nodes in Kwa Sani have tar roads, whilst the remainder of the municipality is serviced by gravel roads. Most of the settlement areas are reached via gravel roads from the main roads.

The Municipality finalized the Infrastructure Development Plan was reviewed and updated with road projects to be implemented for the next MTREF years.

During the year, 3.2kms and 1.2kms access roads were constructed in Mqatsheni and Ridge respectively. 1.7kms in Himeville Township was upgraded successfully.

Service Delivery Performance (Performance Report Part I)

The following tables elaborate the roads infrastructure projects that were completed.

3.6 GRAVEL ROADS INFRASTRUCTURE

Gravel Roads Infrastructure Kilometers				
Financial Year	Total Gravel Roads	New Gravel Roads Constructed	Gravel Roads Upgraded to Tar	Gravel Roads Maintained/Graded
2011/2012	32	0	8	14
2012/2013	32	1.9	0	30
2013/2014	34	4.4	1.7	30

Table 11: Gravel Roads Infrastructure

3.7 TARRED ROADS INFRASTRUCTURE

Tarred Roads Infrastructure Kilometers				
Financial Year	Total Tarred Roads	New Tar Roads	Existing Tar Roads Re-tarred	Existing Tar Roads Re-sheeted
2011/2012	2	8	0	0
2012/2013	10	0	0	0
2013/2014	10	1.7	0	0

Table 12: Tarred Roads Infrastructure

3.8 COST OF CONSTRUCTION/ MAINTENANCE

Cost of Construction/Maintenance R'000				
Financial Year	Gravel	Tar		
	New	Maintained	New	Maintained
2011/2012	R 0	R 600 000	R 4 500 000	R 400 000
2012/2013	R 1 600 000	R 600 000	R 0	R 400 000
2013/2014	R 4 500 000	R 600 000	R 3 200 000	R 400 000

Table 13: Cost of Construction/Maintenance



Component C: Planning and Development

The focus for local economic development planning in the Kwa Sani Municipality is on tourism and agriculture plus SMME support. New developments in the municipality are generally linked to the tourism sector and more detailed opportunity assessments has been focused on tourism sector developments.

3.9 PLANNING

As part of the planning strategies, our economic development strategy was developed taking the following priorities into consideration:

- **Agriculture and Land Reform**
 - Development of livestock, game, timber & vegetable farming potential on Trust land: address stock theft;
 - Support land reform beneficiaries: this requires a farm worker strategy for the area, and consider opportunities for land reform beneficiaries in agri-tourism;
 - Improve road linkages across UMzimkhulu;
 - Develop UMzimkhulu as agricultural service centres; and
 - Develop Ixopo, Underberg, Kokstad as agricultural service and agri-processing centres.
- **Tourism**
 - Drakensberg: ensure adequate control of land use, improve direct road link between Central & Southern Berg, link to Midlands Meander through Impendle & Nottingham Road; and
 - Ingwe / Paton tourism development.
- **Services**
 - Formalize and plan UMzimkhulu to position for investment; and
 - Provide adequate affordable housing and related services in nodes.

3.10 LOCAL ECONOMIC DEVELOPMENT

Several projects that were implemented in this financial year focused more on raising awareness and skills/business development. Our major highlights include the following projects:

- 15 SMMEs that were trained on Pre-finance module;
- A Business Act Compliance Workshop with 24 businesses that participated;
- 28 SMMEs that were trained on catering services;
- Sent 18 individuals to attend a Fashion Design Workshop that was hosted at UMzimkhulu;
- Established a Local Livestock Association for rural owners; and
- Participating in the Royal Show that took place in Pietermaritzburg.



Service Delivery Performance (Performance Report Part I)

One of the major objectives of these projects is to create job opportunities for people living in Kwa Sani. The following tables demonstrate the jobs created through the Local Economic Development initiatives as well the Extended Public Works Programmes.

Job Created During 2013/2014 by LED Initiatives (Excluding EPWP projects)				
Top 3 Initiatives	No . of Jobs Created	No. of Jobs Lost/Displaced by Other Initiatives	Net Total Jobs Created	Method of Validating Jobs Created
Reichenau Mission Tourism Initiative	15	0	15	Project Reports
Sidewalk	15	0	15	Project Reports
1 Village 1 Product**	25	0	25	Project Report

**Funded by Department of Economic Development

Table 14: LED Initiatives

Job Creation through EPWP projects		
Details	No . of EPWP Projects	Jobs Created through EPWP Projects
2012/2013	3	45
2013/2014	3	36

Table 15: Job Creation through EPWP

Component D: Community and Social Services

3.11 LIBRARIES, GALLERIES AND COMMUNITY FACILITIES

Most communities have access to community halls and recreational facilities with the exception of Ward 4, largely due to it being mostly commercially owned farms and private land. The library located in Underberg and Himeville hall are used for many public initiatives and outreach programmes.



Component E: Sports and Recreation

3.12 SPORTS AND RECREATION

A project to build the Ridge Sport field was rolled-over from the 2012/2013 financial year. The service provider to construct the sport field was appointed in quarter two of the 2013/2014 financial year. The project is still in progress.

However, there are other sports and recreation initiatives that were conducted during this financial year, including the three sports codes (Soccer, Netball and Volley Ball) that were selected to participate in KwaNaloga Games and Senior citizens that were selected and trained to participate in the Districts sports tournament in Newcastle.

Component F: Corporate Policy Offices and Other Services

3.13 EXECUTIVE AND COUNCIL

The executive office is established in terms of chapter 4, Sections 42-82, of the Internal Structures and Functions and Part 1, Sections 42-53, of Executive Committees of the Local Government Municipal Structures Act, Act No.117 of 1998.

There are various programmes that were designed for the Councillors in terms of capacitating their roles and responsibilities.

3.14 FINANCIALS

All our financial policies were reviewed for the 2013/2014 Financial Year. The municipality initiated a data cleansing exercise of the billing information as one of the initiatives to ensure an improved revenue collection.

The variance between the billed and collected amounts is elaborated in the table below.

Services Rendered	Debt Recovery R'000			
	2012/2013		2013/2014	
	Actual Billed for the year	% Collection of the Value Billed	Actual Billed for the year	% Collection of the Value Billed
Property Rates	R 11 739 422	86%	R 12 487 756	82%
Refuse	R 2 286 284	86%	R 2 123 402	82%

Table 16: Debt Recovery



Service Delivery Performance (Performance Report Part I)

3.15 HUMAN RESOURCE MANAGEMENT

During 2013/2014 the organogram was reviewed and approved by Council and the vacant posts were filled including Debtors Clerk, Procurement Clerk, 3X Finance interns, Finance Cashier. Various training programmes were initiated throughout the year including an on-going training of Senior Managers, Finance Interns trained on CPMD and other training programmes as per the Workmen's Skills Plan.

3.16 INFORMATION AND COMMUNICATION TECHNOLOGY

The ICT Services was previously outsourced due to limited capacity in the municipality. During quarter two of 2013/2014 Financial Year, a full time IT Official was employed to provide IT services.

3.17 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT

The Legal Section is located within the Corporate Services directorate. However, other legal services are outsourced as when needed. Risk Management and Procurement are crucial aspects at Kwa Sani Municipality to ensure an effective, efficient and transparent system of risk management and financial management.

Component G: Organisational Scorecard



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
OMM 1	Deepen democracy through a refined Ward Committee model	Good Governance & Public Participation	Adopted IDP	To adopt 2014/2015 IDP	1	2014/2015 Integrated Development Plan adopted	Yes - adopted IDP	Adopted IDP by 30 June 2014	N/A	N/A	N/A
OMM 2			2 IDP Rep. Forum meeting held in November 2013 and February 2014	To hold 2 IDP Rep Forum meetings	2	2 IDP Rep Forum meetings held	2 IDP Rep. Forum meetings in by 30-09-2013 and 30-04-2014	1 IDP Rep Forum 9 Roadshows meetings held in 4 wards by 30-09-2013 and 30-04-2014	2 IDP Rep Forum meetings by 30-09-2013 and 30-04-2014	Target was not met	Not met due to unforeseen circumstances
OMM 3			4 quarterly stakeholders meeting (Championed by the Mayor) in Q 1,2,3,4.	To hold 4 quarterly stakeholders meeting (Championed by the Mayor)	3	4 quarterly stakeholders meeting (Championed by the Mayor) held	To hold 4 quarterly stakeholders meeting(championed by the Mayor) held by 30-09,30-12-2013, 30-03 and 30-05-2014	2 quarterly stakeholders meetings held	1 quarterly stakeholders meeting (championed by the Mayor) held by 30-09-2013	Target was not met	N/A
OMM 4			Establish strategic partnerships for development through Sukuma Sakhe meetings and private sector	To establish strategic partnerships for development through Sukuma Sakhe meetings and private sector	4	Established partnership for development through Sukuma Sakhe meetings	4 meetings held through Sukuma Sakhe and private sector	4 meetings held	1 meeting held	1 meeting was held on the 17th October 2013	N/A
OMM 5			Finalise, adopt and implement communication strategy	Communication strategy finalised, adopted and implemented	5	Implemented communication strategy	Communication policy/strategy developed and adopted by Council 30-06-2014	Achieved	Communication strategy developed by 30-04-2014	Communication strategy developed and with GCIS for review	N/A
OMM 6			Review policies/delegations by council	Review annually	6	Workshops held	Review policies/delegations by council	Achieved	N/A	N/A	N/A
OMM 7			Ward Committees-1 training of ward committees and 4 ward committee meetings	1 Training of Ward committees	7	2 Ward Committees trained	1 training of ward committees by 30-09-2013	Not Achieved	1 training of ward committees by 30-09-2013	N/A	N/A
OMM 8			Number of Ward Committee meetings held	To hold 4 ward committee meetings	8	4 Ward Committee meetings held	4 Ward committee meetings by 30-06-2014	4 meetings held	N/A	N/A	N/A
OMM 9			Facilitate the publication of SDBIP within 14 days of SDBIP approval	SDBIP publicized within 14 days of approval	9	Publicised SDBIP within 14 days of approval	Facilitate the publication of SDBIP within 14 days of SDBIP approval	SDBIP adopted by Council on its meeting held on 30th June 2014 and publicised on Fever newspaper dated 11 July 2014	N/A	N/A	N/A

Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Comment	Q3		Block-ages/ Comments	Q4		Block-ages/ Comments	Responsible Department	Budget	Planned Measure/s for Improvement	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
N/A	N/A	N/A	N/A	N/A	N/A	Yes - IDP adopted by Council by 28 June 2014	IDP 2014/2015 adopted by Council on 30 June 2014 which is in line with Cogta's deadline for adoption of IDP	N/A	OMM	Opex	N/A	1. Adopted IDP 2. Signed minutes 3. Council Resolution
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OMM	R 0	To be aligned to IDP Framework and Process Plan	1. Signed attendance register 2. Signed minutes
1 quarterly stakeholders meeting (championed by the Mayor) held by 30-09-2013	Target was not met	N/A	1 quarterly stakeholders meeting (championed by the Mayor) held	1 quarterly stakeholders meeting (championed by the Mayor) held on 27 March 2014	N/A	1 quarterly stakeholders meeting (championed by the Mayor) held	1 quarterly stakeholders meeting (championed by the Mayor) held on 26 June 2014	N/A	OMM	R 0	N/A	1. Signed attendance register 2. Signed minutes
1 meeting	1 meeting was held on this quarter	N/A	1 meeting	N/A	N/A	1 meeting	One Operation Sukuma Sakhe and AIDS Council meeting held on the 18th June 2014	N/A	OMM	Opex	N/A	1. Signed attendance register 2. Signed minutes
Communication strategy developed by 30-04-2014	Communication strategy developed and with GCIS for review	N/A	1 communication strategy adopted	Communication strategy adopted on 30-03-2014	N/A	Communication strategy developed	Communication strategy developed and with GCIS for review	N/A	OMM	R 0	N/A	1. Adopted Communication policy/strategy 2. Council Resolution
N/A	N/A	N/A	N/A	Policies and delegations were reviewed during the Strategic planning workshop held from the 19th -21st February 2014	N/A	Reviewed policies and delegations and adopted by Council by 28 June 2014	Policies and delegations were reviewed during the Strategic planning workshop held from the 19th -21st February 2014	N/A	OMM	R 0	N/A	1. Reviewed policies 2. Council resolution
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OMM	R 62,000	Ward Committee trainings will be conducted in 2014/2015 financial year due to budget constraints	1. Signed attendance register /proof of attendance signed by members 2. Expenditure report 3. Training report
N/A	N/A	N/A	4 ward committee meetings held	4 ward committee meetings held	N/A	N/A	N/A	N/A	OMM	R 0	Maintain and improve the good performance	1. Signed attendance Register 2. Signed minutes
N/A	N/A	N/A	N/A	N/A	N/A	Facilitate the publication of SDBIP within 14 days of SDBIP approval	SDBIP adopted by Council on its meeting held on 30th June 2014 and publicised on Fever newspaper dated 11 July 2014	N/A	OMM	Opex	N/A	1. Council resolution of approval of SDBIP 2. Public Notice



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
OMM 10			Submission of 4 ward reports to Council	4 Ward reports submitted to council covering needs and priorities for wards, feedback on the performance	10	4 Ward reports submitted to council covering needs and priorities for wards, feedback on the performance	4 ward reports and 1 plan (for Ward 1) submitted to the council covering needs and priorities for the ward, feedback on the performance of the councils various line /service functions and their impact on the ward by 30-09-2013	Not Achieved	1 Ward report submitted to Council 30-09-2014	N/A	Lack of knowledge on how to compile reports
OMM 11			Appoint an Audit Committee for Kwa Sani	Audit Committee for Kwa Sani appointed	11	Audit Committee for Kwa Sani appointed	Appointment of Audit Committee for Kwa Sani	Achieved	Audit Committee appointed for Kwa Sani and 1 Audit Committee meeting held by 30-09-2013	1 Audit Committee meeting held on	N/A
OMM 12			Develop Language policy	Language policy developed and adopted by council	12	Developed and adopted language policy	Language policy developed and adopted by council	Achieved	N/A	N/A	N/A
OMM 13			Establishment of IGR Forums	IGR Forums established	13	IGR Forums established and adopted by	IGR Forums established and adopted by Council	Achieved	IGR Forum meetings held	In July 15-17 OSS meeting were held in Kwa Sani during the Public Service Week and two meetings were held in August and on the 12th September food parcels were provided to needy families within Kwa Sani	N/A
YSP 1			Local AIDS Council Coordination and HIV/AIDS and TB Awareness Campaign	Local AIDS/TB programme coordinated	14	12 Local AIDS Council meetings coordinated	Local AIDS/TB programme coordinated by 30-06-2014	Achieved	3 LAC meeting held by 30-09-2013	Through public service week the HIV/AIDS was held at Gxalingenwa on the 17th July, food parcels were provided to needy families. Held on the 06th September the HIV/AIDS awareness campaign at Khubeni, three taxi, sound system, tent, generator, refreshment and ID campaign was assisted with photos,	N/A

Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Com-ment	Q3		Block-ages/ Com-ments	Q4		Block-ages/ Com-ments	Respon-sible Department	Budget	Planned Measure/s for Improve-ment	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
1 Ward report submitted to Council 31-12-2013	Target not met	Lack of knowledge on how to compile reports	1 Ward report submitted to Council	1 Ward report submitted to Council	N/A	1 Ward report submitted to Council	4 ward reports	N/A	OMM	R 0	N/A	1. Ward committee reports 2. Council resolution
1 Audit Committee meeting held on	1 Audit Committee meeting held on	N/A	1 Audit Committee meeting held on	1 Audit Committee meeting held on	N/A	1 Audit Committee meeting held	1 Audit Committee meeting held on	N/A	OMM	Opex	N/A	1. Appointment letters 2. Attendance register 3. Minutes
N/A	N/A	N/A	N/A	N/A	N/A	Language policy developed and adopted by Council	Draft Language policy was developed and tabled to Council meeting and was sent back for amendments	Needs to be amended	OMM	Opex	After amendments has been done the policy will be taken to Council for adoption	1. Approved Language Policy 2. Council Resolution
Three Operation Sukuma Sakhe meetings held	Three operation Sukuma Sakhe meetings held on the 05 November 2013, 01 December 2013	N/A	Three Operation Sukuma Sakhe meetings held	N/A	N/A	Three Operation Sukuma Sakhe meetings held	One joint Operation Sukuma Skahe and AIDS Council meeting held	N/A	OMM	Opex	N/A	1. Attendance register 2. Minutes
3 LAC meeting held by 30-12-2013	LAC forms part of the OSS and three OSS meetings held in October and 5 November 2013 and 1st December at Himeville Hall	N/A	3 LAC meeting	4 Ward Aids Council established and trained on the 18th, 19th and 20th March 2014	N/A	3 LAC meeting held	One joint OSS and AIDS Council meeting held	N/A	Youth/Special Programmes	R 11 595.00	Ensure proper adherence to the planned SDBIP	Attendance Register and minutes



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
YSP 2				TB Awareness campaign held	15	1 TB Awareness campaign held	TB Awareness campaign by 30-06-2014	Achieved	N/A	N/A	N/A
YSP 3			Mayoral Cup/Local Salga Games Selection	Conduct Local Salga Games Selections and participate in District and Provincial Salga Games	16	Establishment and coordination of structures	3 Codes (Soccer, Netball and Volley Ball) participated in KwaNaloga Games/Mayoral Cup by 30-09-2013	Not Achieved	Support development and Salga Games Local selection by 30-09-2013	The games were held in July 2013 and prizes handed out to the teams and payments of referees done. Transportation of participating codes to district Salga selection at UMzimkhulu/ Ixopo.	N/A
YSP 4			Operation Sukuma Sakhe meeting (OSS)	Coordinate Operation Sukuma Sakhe	17	12 Operation Sukuma Sakhe meeting	Coordinate Operation Sukuma Sakhe meetings 30-09.30-12-2013, 30-03 and 30-06-2014	Partially Achieved	3 Operation Sukuma Sakhe meetings held by 30-09-2013	In July 15-17 OSS meeting were held in Kwa Sani during the Public Service Week and two meetings were held in August and on the 12th September food parcels were provided to needy families within Kwa Sani	N/A
YSP 5			Conduct Music and Dance festival	To prepare for district and local Music festival	18	Hold preparatory meeting	4 Music and Dance Forum meetings coordinated by 30-06-2014	Not Achieved	Preparatory meeting held by 30-09-2013	Meeting held to prepare for ward selection and district selection	N/A
YSP 6			Record and promote 1 music group	To meet with Music and Dance structure to identify the group to be assisted with recording	19	1 group recorded and promoted	Recording company appointed and 1 music group recorded 30-06-2014	Not Achieved	Planning meeting by 30-09-2013	Not met	Still waiting for district selection to target the group
YSP 7			Youth Summit Commemoration and Kwa Sani Youth Council Launch	To conduct the Youth Summit and Commemoration	20	1 Youth Summit commemoration held	1 Youth Summit commemoration held	Not Achieved	1 Youth Summit and Commemoration held	N/A	Budget constraints

Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Comment	Q3		Block-ages / Comments	Q4		Block-ages / Comments	Responsible Department	Budget	Planned Measure/s for Improvement	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
TB Awareness Campaign held	TB/HIV AIDS Awareness Campaign held on the 6th of September 2013 at Khubeni Community in partnership with Vukuzithathe NGO four taxis were provided, sound system and tent. world aids day held on the 1st of December 2013 at Himeville Jabulani hall, 11 taxi was provided by Kwa Sani and two local artist.	N/A	1 TB Awareness campaign	1 TB Awareness campaign held at eKhubeni Community in Q 2 on the 6th September 2013	N/A	N/A	N/A	N/A	Youth/Special Programmes	R 60 000.00	N/A	1. Attendance register 2. Photos 3. expenditure report
Sports Council meeting held	Meeting not held	Not met because of conflict between committee members	N/A	N/A	N/A	N/A	N/A	N/A	Youth/Special Programmes	R 69 510.00	To engage their higher structure (Committee members)	Chairpersons letter
Three Operation Sukuma Sakhe meetings held	Three OSS meetings held in October, 5 November 2013 and 1st December at Himeville Hall	N/A	N/A	N/A	N/A	Three Operation Sukuma Sakhe meetings held	One OSS and AIDS Council held	N/A	Youth/Special Programmes	R 14 445.00	Ensure proper adherence to the planned SDBIP	1. Attendance register 2. Expenditure report 3. Photos
Preparatory meeting held by 30-09-2013	Meeting held to prepare for ward selection and district selection	This was moved to Tourism Department	One Music and dance forum meeting	Music and dance forum meeting held	N/A	N/A	N/A	N/A	Youth/Special Programmes	R 58,000.00	To liaise with the tourism section on progress of this project	1. Attendance register 2. Expenditure report 3. Photos
Appointment of the recording company and recorded group	Recording company not appointed	Not met. Project now handled by Tourism Section	N/A	N/A	N/A	N/A	N/A	N/A	Youth/Special Programmes	R 28,000	To liaise with the tourism section on progress of this project	Name of recorded group
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Budget constraints	Youth/Special Programmes	R 28,000	This programme didn't happen due to budget constraints and human capacity	1. Attendance register 2. Expenditure report 3. Photos



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
YSP 8			Establish the Kwa Sani Youth Council	1 Kwa Sani Youth Council	21	-	1 Kwa Sani Youth Council launched	Not Achieved	1 Kwa Sani Youth Council launched	N/A	Budget constraints
YSP 9			Gender Programme	To coordinate a Women at Work Round	22	Gender Related Programs Coordinated by 30-09-2013	1 Women's Day Celebrated and Gender Related Programs Coordinated by 30-09-2013	Achieved	Gender Related Programs- 1 Women's Day Celebrated by 30-09-2013	On the 22/08/13 Women's Day celebration and awareness was held at KwaPitela and District Women's Day held on 29/09/13 at UMzimkhulu	N/A
YSP 10			Career Exhibition-Matric Motivation Programme	To coordinate Matric Motivation Programme	23	3 high schools identified to participate in Matric Motivation Programme	To coordinate Matric Motivation Programme	Achieved	N/A	N/A	N/A
YSP 11			Men's Forum meeting and Men's Imbizo	Coordination of men's forum by 30-06-2014	24	Men's forum established and 4 forum meetings coordinated by 30-06-2014	1 men's forum established and 4 forum meetings coordinated by 30-06-2014	Not Achieved	Men's Forum meeting and 1 Imbizo by 30-09-2014	Men's Imbizo/Awareness held on the 19/07/13 at Himeville Hall, District Men's Imbizo held at Emadungeni Ubuhlebezwe LM)	N/A
YSP 12			Regeneration Programmes	Attend uMkhosi woMhlanga	25	One meeting with Onomehlo and coordinate participation of Izintombi on Reed Dance Ceremony	Coordinated and participated in Umkhosi Womhlanga (Moral Regeneration) 30-09-2013	Achieved	One meeting with Onomehlo (Maidens) and coordinate participation of Izintombi (Virginity) on reed dance by 30-09-2013	Preparatory meeting held on the 19/08/13 at Himeville hall	N/A
YSP 13			Crime Awareness Campaign	To coordinate 2 Crime awareness campaign	26	2 Crime awareness campaign coordinated	1 Crime Awareness Campaign held by 30-03-2014	Achieved	Crime awareness campaign conducted in advance by 30-03-2014	The event was held on the 18th July 2013 at Underberg. (it was held in Q1 instead of Q3 due to Mandela Public Service Week)	N/A



Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Com-ment	Q3		Block-ages/ Com-ments	Q4		Block-ages/ Com-ments	Respon-sible Department	Budget	Planned Measure/s for Improve-ment	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
1 Kwa Sani Youth Council meeting held	N/A	N/A	1 Kwa Sani Youth Council meeting held	N/A	N/A	1 Kwa Sani Youth Council meeting held	N/A	Budget constraints	Youth/Special Programmes	R 25,000	This programme didn't happen due to budget constraints and human capacity	1. Attendance register 2. Expenditure report 3. Photos
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Youth/Special Programmes	R 51 000.00	N/A	1. Attendance register 2. Expenditure report 3. Photos
N/A	N/A	N/A	1 Career exhibition campaign	Our youth participated at the Mandela Expo and career exhibition held at Ixopo on the 19th March 2014.	N/A	N/A	N/A	N/A	Youth/Special Programmes	Funded by the Office of Premier	N/A	Photos
Coordination of Men's Forum and Men's Imbizo	Imbizo Yamadoda held on the 30th December 2013	N/A	1 men's forum meeting held	1 men's forum meeting held at Mqatsheni on the 30th March 2014	N/A	One Men's Forum meeting	N/A	N/A	Youth/Special Programmes	R 84 300.00	Ensure proper adherence to the planned SDBIP	None
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Youth/Special Programmes	R 11 270.56	N/A	1. Attendance register 2. Expenditure report 3. Photos
Crime awareness campaign conducted in advance by 30-03-2013	The event was held on the 18th July 2013 at Underberg. (it was held in Q1 instead of Q3 due to Mandela Public Service Week)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Youth/Special Programmes	R 19 479.00	N/A	1. Attendance register 2. Expenditure report 3. Photos



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
YSP 14			Senior Citizens	To hold Senior Citizens programme	27	1 Senior Citizens programme held	Coordinate Senior Citizens programmes by 30-06-2014	Achieved	N/A	N/A	N/A
YSP 15			Tertiary Institution Registration fees support	To support needy children with institutions registration	28	4 Children supported with institution registration	Support four learners from needy background with the registration fees at tertiary level 30-06-2014	Achieved	N/A	N/A	N/A
YSP 16			Back to School campaign	To promote the quality of education	29	1 back to school campaign held	Back to school campaign by 30-06-2014	Achieved	N/A	N/A	N/A
YSP 17			Disability Day	Identify people with disability	30	Needs analysis done and one project supported	Disability - Needs analysis done (Kwa Sani LM area) by 30-09-2013	Not Achieved	Needs analysis done, one project supported and disability day celebrated by 30-09-2013	Not met- Need to establish Forums in wards	Need to establish ward forums first
YSP 18			Disability Day celebration	1 celebration for Disability Day	31	Disability Forum Preparatory meeting	Disability Forum preparatory meeting	Not Achieved	Disability day event held	N/A	N/A
YSP 19			Children focused programmes	To conduct a Child Protection Campaign	32	1 Child Protection Campaign held	1 Child Protection Campaign held	Not Achieved	Children protection campaign planning meeting held	N/A	N/A

Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Comment	Q3		Block-ages / Comments	Q4		Block-ages / Comments	Responsible Department	Budget	Planned Measure/s for Improvement	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
Sports tournament for senior citizens	Senior were assisted during practise for District games transported to participate at district sports tournament august 2013 and those selected were assisted when attending provincial games at Newcastle on the 26 to 28 August 2013. On the 1st October 2013 they attended Senior Citizens Parliament at Kwanokweja	N/A	1 Senior citizens programme held	Senior citizens participated at the district Golden Games and Provincial Golden Games held at New Castle on the 27th August 2014 sports tournament	N/A	N/A	N/A	N/A	Youth/Special Programmes	R 388.00	We need to Implement our own Sports Day for Senior Citizens	1. Attendance register 2. Expenditure report 3. Photos
N/A	N/A	N/A	4 learners assisted with the registration fees	8 learners were supported in conjunction with the district	N/A	N/A	N/A	N/A	Youth/Special Programmes	R 850.00	N/A	Waiting for proof of payment form district. Expenditure report
N/A	N/A	N/A	One back to school campaign held	Back to school campaign held on 16th March 2014. learners were supported with 10 calculators ,5 dictionaries and sanitary towels.	N/A	N/A	N/A	N/A	Youth/Special Programmes	Funded by the Harry Gwala District Municipality	N/A	Photos
Disability Forum meeting	Re-establishment of the Local Disability Forum. Disability event held on the 19th November 2013 at Ridge Community Hall where a Municipal Forum was established	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Youth/Special Programmes	R 24 200.00	To be aligned with CDW and DSD to re-establish the local forum on the disability day	1. Attendance register 2. Expenditure report 3. Photos
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Youth/Special Programmes	R 30,000	This programme didn't happen due to budget constraints and human capacity in this office	1. Attendance register 2. Expenditure report 3. Photos
Children protection campaign planning meeting held	Campaign not held	Budget constraints	N/A	N/A	N/A	N/A	N/A	N/A	Youth/Special Programmes			1. Attendance register 2. Expenditure report 3. Photos



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
PD 1	Improving Access to Basic Services	Service Delivery & Infrastructure Management	Coordinate provision of access to potable (drinkable) water through attendance of 4 IDF meetings at HGDM	4 IDF meetings attended	33	4 IDF meetings attended 1 per quarter	4 IDF meetings attended 1 per quarter	3 meetings attended	1 IDF meeting attended 1 per quarter	1 IDF meeting attended	N/A
PD 2				100% attendance	34	100% attendance	100% attendance	75% achieved	25% attendance	25% attendance	N/A
PD 3			Coordinate provision of access to potable (drinkable) water at schools	4 IDF meetings attended	35	4 IDF meetings attended	4 IDF meetings attended	3 meetings attended	1 IDF meeting held	1 IDF meeting held	N/A
PD 4				100% attendance	36	100% attendance	100% attendance	75% achieved	25% attendance	25% attendance	N/A
PD 5			Coordinate provision of access to potable (drinkable) water at clinics	4 IDF meetings attended	37	4 IDF meetings attended 1 per quarter	4 IDF meetings attended 1 per quarter	3 meetings attended	1 IDF meeting held 1 per quarter	1 IDF meeting held	N/A
PD 6				100% attendance	38	100% attendance	100% attendance	75% achieved	25% attendance	25% attendance	N/A
PD 7			Coordinate provision of access to sanitation to consumers	4 IDF meetings attended	39	4 IDF meetings attended 1 per quarter	4 IDF meetings attended 1 per quarter	3 meetings attended	1 IDF meeting held 1 per quarter	1 IDF meeting held	N/A
PD 8				100% attendance	40	100% attendance	100% attendance	75% achieved	25% attendance	25% attendance	N/A
PD 9			Coordinate provision of access to sanitation to schools	4 IDF meetings attended	41	4 IDF meetings attended 1 per quarter	4 IDF meetings attended 1 per quarter	3 meetings attended	1 IDF meeting held 1 per quarter	1 IDF meeting held	N/A
PD 10				100% attendance	42	100% attendance	100% attendance	75% achieved	25% attendance	25% attendance	N/A
PD 11			Coordinate provision of access to sanitation to clinics	4 IDF meetings attended	43	4 IDF meetings attended 1 per quarter	4 IDF meetings attended 1 per quarter	3 meetings attended	1 IDF meeting held 1 per quarter	1 IDF meeting held	N/A



Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Comment	Q3		Block-ages/Comments	Q4		Block-ages/Comments	Responsible Department	Budget	Planned Measure/s for Improvement	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
No IDF meeting scheduled in December	No IDF meeting scheduled in December	No meeting held in December 2013 due to holidays	1 IDF meeting held	1 IDF meeting attended	N/A	1 IDF meeting attended	1 IDF meeting attended	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register
25% attendance	0% attendance	No meeting held in December 2013 due to holidays	25% attendance	25% attendance	N/A	25% attendance	25% attendance	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register
1 IDF meeting held	No IDF meeting scheduled in December	No meeting held in December 2013 due to holidays	1 IDF meeting held	1 IDF meeting attended	N/A	1 IDF meeting attended	1 IDF meeting attended	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register
25% attendance	0% attendance	No meeting held in December 2013 due to holidays	25% attendance	25% attendance	N/A	25% attendance	25% attendance	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register
1 IDF meeting held 1 per quarter	No IDF meeting scheduled in December	No meeting held in December 2013 due to holidays	1 IDF meeting held 1 per quarter	1 IDF meeting attended	N/A	1 IDF meeting attended	1 IDF meeting attended	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register
25% attendance	0% attendance	No meeting held in December 2013 due to holidays	25% attendance	25% attendance	N/A	25% attendance	25% attendance	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register
1 IDF meeting held 1 per quarter	No IDF meeting scheduled in December	No meeting held in December 2013 due to holidays	1 IDF meeting held 1 per quarter	1 IDF meeting attended	N/A	1 IDF meeting attended	1 IDF meeting attended	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register
25% attendance	0% attendance	No meeting held in December 2013 due to holidays	25% attendance	25% attendance	N/A	25% attendance	25% attendance	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register
1 IDF meeting held 1 per quarter	No IDF meeting scheduled in December	No meeting held in December 2013 due to holidays	1 IDF meeting held 1 per quarter	1 IDF meeting attended	N/A	1 IDF meeting attended	1 IDF meeting attended	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register
25% attendance	0% attendance	No meeting held in December 2013 due to holidays	25% attendance	25% attendance	N/A	25% attendance	25% attendance	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register
1 IDF meeting held 1 per quarter	No IDF meeting scheduled in December	No meeting held in December 2013 due to holidays	1 IDF meeting held 1 per quarter	1 IDF meeting attended	N/A	1 IDF meeting attended	1 IDF meeting attended	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
PD 12				100% attendance	44	100% attendance	100% attendance	75% achieved	25% attendance	25% attendance	N/A
PD 13			Coordinate provision of free basic water to households	4 IDF meetings attended	45	4 IDF meetings attended 1 per quarter	4 IDF meetings attended 1 per quarter	3 meetings attended	1 IDF meeting held 1 per quarter	1 IDF meeting held	N/A
PD 14				100% attendance	46	100% attendance	100% attendance	75% achieved	25% attendance	25% attendance	N/A
PD 15			Coordinate provision of free basic sanitation to households	4 IDF meetings attended	47	4 IDF meetings attended 1 per quarter	4 IDF meetings attended 1 per quarter	3 meetings attended	1 IDF meeting held 1 per quarter	1 IDF meeting held	N/A
PD 16				100% attendance	48	100% attendance	100% attendance	75% achieved	25% attendance	25% attendance	N/A
PD 17			3000 households (residents, businesses, hotels, government department) with access to refuse removal at least once	Number of consumer units with access to refuse removal at least once a month by 30-06-2014	49	Number of consumer units with access to refuse removal at least once a month by 30-06-2014	3000 consumer units with access to refuse removal at least once a month by 30-06-2014	Achieved	3000 consumer units with access to refuse removal at least once a month by 30-06-2014	1593 consumer units with access to refuse removal at least once a month	N/A
PD 18			Mqatshehi Gravel Access Roads	3.2 km gravel access roads completed	50	Kilometres of gravel roads constructed	To upgrade 3.2 kms Mqatshehi gravel access roads complete by 30-12-2013	Achieved	Contractor appointed construction started	Constructor appointed in June 2013 because the project was brought forward to fast track expenditure completed	N/A
PD 19				Ridge Gravel Access Roads	1.2 km gravel access roads completed		51	1.2 km gravel access roads completed by 30-03-2014	Achieved	Preliminary designs, designs specifications and tender	Project in tender stage at end of the quarter

Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Comment	Q3		Block-ages / Comments	Q4		Block-ages / Comments	Responsible Department	Budget	Planned Measure/s for Improvement	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
25% attendance	0% attendance	No meeting held in December 2013 due to holidays	25% attendance	25% attendance	N/A	25% attendance	25% attendance	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register
1 IDF meeting held 1 per quarter	No IDF meeting scheduled in December	No meeting held in December 2013 due to holidays	1 IDF meeting held 1 per quarter	1 IDF meeting attended	N/A	1 IDF meeting attended	1 IDF meeting attended	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register
25% attendance	0% attendance	No meeting held in December 2013 due to holidays	25% attendance	25% attendance	N/A	25% attendance	25% attendance	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register
1 IDF meeting held 1 per quarter	No IDF meeting scheduled in December	No meeting held in December 2013 due to holidays	1 IDF meeting held 1 per quarter	1 IDF meeting attended	N/A	1 IDF meeting attended	1 IDF meeting attended	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register
25% attendance	0% attendance	No meeting held in December 2013 due to holidays	25% attendance	25% attendance	N/A	25% attendance	25% attendance	N/A	Planning Dept.	R 0	N/A	1. Invitation to IDF meeting 2. Attendance register
3000 consumer units with access to refuse removal at least once a week by 30-06-2014	1593 consumer units with access to refuse removal at least once a month	N/A	3000 consumer units with access to refuse removal at least once a month by 30-06-2014	1593 consumer units with access to refuse removal at least once a month	N/A	3000 consumer units with access to refuse removal at least once a month by 30-06-2014	1593 consumer units with access to refuse removal at least once a month	N/A	Planning Dept.	R 0	Refuse collection is a daily activity and the fact that it was not reported on was a mere oversight. This will be corrected going forward. Agreed that baseline was incorrect- this will be amended.	Refuse Revenue Report
Construction complete	Target met	N/A	Construction complete	Target met	N/A	3,2kms gravel access roads completed	gravelling completed	N/A	Planning Dept.	R 4 129 790.93	N/A	Completion certificate
Evaluation and adjudication complete, appointment not done	Target not met. The contractor will be appointed in January and the implementation will be fast tracked to complete the project during quarter 3	Target not met	85% complete	Target not met.	N/A	1.2kms surfaced roads completed	1.2 kms surfaced roads completed	N/A	Planning Dept.	R 1 209 892.55	N/A	Completion certificate



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
PD 20			Himeville Township roads upgrade	1.7 surfaced roads completed	52	Kilometres of surfaced roads constructed	1.7km surfaced roads by 30-12-2013	Achieved	Contractor appointed construction started	Contractor on site, the project was brought forward during 2012/13 FY , the contractor was appointed in May 2013	N/A
PD 21			Upgrade of Himeville and Underberg Townships Street Lights	80 street lights installed	53	No of street lights installed	80 street lights installed	Achieved	Preliminary designs, final designs specifications and tender	Preliminary report completed	N/A
PD 22			Ridge Sports Field	1 sports field completed fenced with ablation block	54	Sports infrastructure provided	1 sports field completed fenced with ablation block by 30-12-2013	Not Achieved	Contractor appointed construction in progress	The project was rolled over from 2012/13. The service provider was terminated.	The service provider was terminated
TD 1			Traffic Law enforcement	Traffic department to make a turnover of R200 000 annually	55	Turnover of R50 000 (at least stop and fine 15 vehicles per day	To make a turnover of R200 000 per annum by 30-06-2014	Not Achieved	Traffic department to make turnover of R50 000 (at least stop and fine 15 vehicles per day)	R41 690.00 turnover	Fines issued to residents out of the magisterial district are struck off the court. Short of resources and manpower
DD 1			Conduct 12 Community awareness campaigns on Fire Awareness and to conduct risk profile inspections	12 Community awareness campaigns on Fire Awareness and to conduct risk profile inspections	56	Attend to all incidents including fire fighting throughout the year and submit reports to council on quarterly basis	Conduct 12 Community Awareness campaigns on fire awareness . To conduct risk profile inspections by 30-06-2014	Not Achieved	Campaigns conducted in winter season	Two fire awareness campaigns conducted and it is on-going	N/A
DD 2			Disaster Management	Assess disaster incidents and coordinate relief measures	57	Disaster management by 30-06-2014	Assess disaster incidents and coordinate relief measures by 30-06-2013	Achieved	Attend to all incidents including the fire fighting throughout the year and submit reports to council on quarterly basis. Coordinate fire breaks and arrange awareness campaigns in partnership with SDM	Attended all incidents including the fire fighting throughout the year and submit reports to council on quarterly basis. Coordinate fire breaks and arrange awareness campaigns in partnership with SDM	N/A
DD 3			Fire breaks	To burn fire breaks annually	58	Fire breaks burnt annually	Burning of all fire breaks by 30-06-2014	Achieved	All fire breaks burnt	All fire breaks were burnt by during fire season	N/A

Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Comment	Q3		Block-ages/ Comments	Q4		Block-ages/ Comments	Responsible Department	Budget	Planned Measure/s for Improvement	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
Construction complete	The project is still in progress, completion was delayed due to problems experienced in the project	The project is still in progress, completion was delayed due to problems experienced in the project	Construction in progress	The project is still in construction 95% complete	N/A	Practical completion, completion certificate	Complete	N/A	Planning Dept.	R 2 992 875.52	N/A	Completion certificate
Contractor appointed, site establishments and construction commences	Not met The project is in tender stage, tender closed on 08 January 2014. The evaluation, adjudication and award will be fast tracked	The project is in tender stage, tender closed on 08 January 2014. The evaluation, adjudication and award will be fast tracked	Construction in progress	Project awarded on 11 March 2014	N/A	Project completed	Construction is in progress, the project is 80% complete	N/A	Planning Dept.	R 674 335.67	The project is due for completion on 11 July 2014, but extension of time will be evaluated	Design report
Contractor appointed construction in progress	Not met SCM is in the process of appointing the new service provider	SCM is in the process of appointing the new service provider	Contractor appointed construction in progress	Project still in construction	Target not met.	N/A	Project complete	N/A	Planning Dept.	R 1 977 470.80	N/A	Completion certificate
Traffic department to make turnover of R50 000 (at least stop and fine 15 vehicles per day)	Target not met	Fines issued to residents out of the magisterial district are struck off the court. Short of resources and manpower	Traffic department to make turnover of R50 000 (at least stop and fine 15 vehicles per day)	At least stop and fine 15 vehicles per day	Target not met. Fines issued to residents out of the magisterial district are struck off the court. Short of resources and manpower	To achieve turnover of R50 000	R 11,150.00	N/A	Traffic Dept.	R 0	All fines to be paid in the municipality. Target need to be adjusted since we receive lots of SOR from the Magistrate Court.	Fine book (copy of fines issued)
Conduct 3 Community awareness campaigns on Fire Awareness and to conduct risk profile inspections	Two fire awareness campaigns conducted and it is on going	N/A	Conduct 3 Community awareness campaigns on Fire Awareness and to conduct risk profile inspections	Two fire awareness campaigns conducted and it is on going	N/A	Conduct 3 Community awareness campaigns on Fire Awareness and to conduct risk profile inspections	Five fire awareness campaigns conducted and it is on going	N/A	Disaster Dept.	R 0	N/A	School principal slips
Attend to all incidents including the fire fighting throughout the year and submit reports to council on quarterly basis. Coordinate fire breaks and arrange awareness campaigns in partnership with SDM	Attended all incidents including the fire fighting throughout the year and submit reports to council on quarterly basis. Coordinate fire breaks and arrange awareness campaigns in partnership with SDM	N/A	Effective response to disaster incidents/disasters	All incidents that occurred were attended total 18	N/A	Effective response to disaster incidents/disasters	All incidents that occurred were attended total 62	N/A	Disaster Dept.	R 0	N/A	Assessment forms will be made available on request
All fire breaks burnt	All fire breaks were burnt by during fire season	N/A	All fire breaks burnt	All fire breaks burnt winter season	N/A	All fire breaks burnt	All fire breaks burnt winter season	N/A	Disaster Dept.	R 0	N/A	Daily time sheets



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
DD 4			Quarterly reports to Council	4 Quarterly reports are submitted to Council	59	4 Quarterly reports submitted to Council	Submit 4 quarterly reports to Council by 30-06-2014	Not Achieved	1 quarterly report submitted to council by 30-09-2014	Not met	N/A
LED 1	Implementation of the Community Work Programme	Local Economic Development	Emerging Farmer Support	Food Security and Emerging Markets Development (Crop Production Development)	60	Emerging Farmer Support by 30-06-2014	Food Security and Emerging markets development (Crop production development) by 30-06-2014	Not Achieved	Soil assessment . Provision of fencing	Soil samples conducted. Tractor services applied for and confirmed. Awaiting final delivery of fencing materials	N/A
							4 PSC meetings	1 meeting attended	N/A	N/A	N/A
LED 2			Business Skills Development	SMMEs and Cooperatives Business Skills Development	61	Business Skills Development by 30-06-2014	No. of SMMEs trained and workshops	Not Achieved	Identify businesses. Assess Skills gap	Recruit /Identify 10 SMMEs conduct skills gap analysis by 30 Sept. 2013	N/A
								Achieved	N/A	N/A	N/A
							15 SMMEs including coops trained in business management and other critical areas	Achieved	N/A	N/A	N/A
							Register 20 Informal groups as Cooperatives	Not Achieved	N/A	N/A	N/A
							15 Catering SMMEs & Coops trained	Not Achieved	N/A	N/A	N/A
							10 SMMEs & Coops partaking in programme	Not Achieved	N/A	N/A	N/A
							No. of Business License issued	5 businesses licenced	N/A	N/A	N/A
LED 3			Handcraft promotion	Creative Industries/Craft Development	62	Kuhle Handcraft promotion by 30-06-2014	Number of events attended	4 Events attended	1 event to be attended	2 event attended. Food Tasting Show and the Underberg Garden Show	N/A

Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Comments	Q3		Block-ages / Comments	Q4		Block-ages / Comments	Responsible Department	Budget	Planned Measure/s for Improvement	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
1 quarterly report submitted to council by 30-09-2013	Not met	N/A	1 quarterly report submitted to council	Nil	Target not met	1 quarterly report submitted to council by 30-09-2013	Not met	N/A	Disaster Dept.	R 0	Reports will be tabled to Council in December 2013	Copy of reports
Provision of fencing	Fencing materials delivered and some areas planted with maize	N/A	Complete provision of fencing to identified Coops and groups	Fencing is complete for 4 Coops. 4 ha is under maintenance of respective group/cops	N/A	Assist emerging farmers with harvesting equipment	The requests which we received were more than our available budget	N/A	LED	R 56 534.00	Will be done in the next financial year	Request letter
N/A	N/A	N/A	4 PSC meetings	1 PSC meeting	N/A	N/A	No meeting held	N/A	LED		It is noted that the PSC meeting was not mentioned on the scorecard. However the target has not been changed as PSC meeting was part of the program.	1. Minutes 2. Attendance register
Appoint SP to conduct training on Business Plan preparation	Target not met	Target not met	Train 10 SMMEs on Pre-finance module	15 SMMEs (1 Coop) trained on pre-finance	Target met	Monitor and evaluate	N/A	N/A	LED	R 26 163.58	N/A	Attendance Register
N/A	N/A	N/A	1 x business workshop	24 business participated in the Business Act Compliance Workshop	Target met	5	5 certificates received for cooperatives	N/A	LED		N/A	1. Certificate of Incorporation 2. Budget expenditure
N/A	N/A	N/A	Business Licencing compliance workshop	24 Business workshopped on Business Act Compliance	Target met	30 SMMEs	28 SMMEs trained on catering services	N/A	LED		N/A	1. Attendance register 2. Expenditure report
N/A	N/A	N/A	Receive Cooperatives Certificates of Incorporation	10 Certificate received so far (5 more)	Target met	Participate in National/Provincial Programmes	18 attended Fashion Design workshop hosted at uMzimkhulu	N/A	LED		N/A	Expenditure report
N/A	N/A	N/A	Appoint Service Provider	Service provider not appointed as yet	Target not met	N/A	N/A	N/A	LED		N/A	Receipt
N/A	N/A	N/A	Participate in National/Provincial programme	Attended the Information day with DTI for Local	Target met	N/A	N/A	N/A	LED		N/A	Budget expenditure report
N/A	N/A	N/A		5 businesses licenced	Ongoing	Issue 53 Renew street traders permit	20 street traders permit issued	N/A	LED		N/A	Applications
1 x exhibition show	Attended East Griqualand show	N/A	0 events and 2 X Gazebo's	0 Events and Gazebo's has been procured	N/A	1 event	Attended Royal Show as from the 23 May - 01 June 2014	N/A	LED	R 25 798.50	N/A	Pictures



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
							Support to crafters	Achieved	N/A	N/A	N/A
							% income earned by crafters	Achieved	N/A	N/A	N/A
LED 4			Livestock Production	Livestock assets Improvement	63	Livestock improvement production by 30-06-2014	Establish Local Livestock Association for Rural Owners	Not Achieved	Identify Rural Livestock Owners	Meeting with affected community members at Makholweni held, may need to support the construction of the cattle dip which is championed by Agriculture.	N/A
							No. of poultry farmers trained	5 Coops trained	N/A	N/A	N/A
						Waste recycling	No. of tons making recyclable waste	10 000 tons	N/A	N/A	N/A
TO 1			KwaSani Tourism Awareness Campaign	Campaign conducted 1 community per quarter	64	Kwa Sani Tourism Awareness Campaign by 30-06-2014	Kwa Sani Tourism Awareness campaign conducted 1 ward per quarter by 30-06-2014	Achieved	Attend local and district shows	2 Local Events attended. Food Tasting Show & Underberg Farmers show	N/A
TO 2			Marketing & Attending Tourism Trade Consumer Shows	Identify with the CTO marketing shows to be attended	65	Royal show 2014.	Attend Royal Show.	Achieved	N/A	N/A	N/A
						Tourism Indaba 2014	Attend Tourism Indaba Exhibitions	Achieved	N/A	N/A	N/A
					67	Conduct one Kwa Sani Culture & Food Tasting Expo event by 30-09-2013	One Kwa Sani Culture and Food Expo event conducted by 30-09-2013	Achieved	Conduct one Kwa Sani Culture & Food Tasting Expo event	Kwa Sani Culture and Food Expo was held on the 14th August 2013	N/A

Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Com-ment	Q3		Block-ages/ Com-ments	Q4		Block-ages/ Com-ments	Respon-sible Department	Budget	Planned Measure/s for Improve-ment	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
N/A	N/A	N/A	N/A	N/A	N/A	Monitoring and evaluation	2 x crafters were sent on a 1 day training workshop	N/A	LED		N/A	Expenditure report
N/A	N/A	N/A	N/A	N/A	N/A	N/A	± R1300 sale were done at Royal Show	N/A	LED	R 0	N/A	
Identify Rural Livestock Owners	Ward 1 Livestock Association and committee established.	N/A	Launch Local Livestock Association	The Association is established must be introduced to Local municipal leadership before launch	Met	Livestock Owners Celebration day	The celebration did not occur	N/A	LED	R 31 790.70	N/A	Attendance Register
Enrol Coop members to training and mentorship	Awaiting proposal from KZNPI	N/A	Enrol 4 Coops to KZNPI	5 Coops attending training at KZNPI	Target met	3 X Ward level Livestock Association	3 X Livestock Association meetings held	N/A	LED		N/A	Attendance Register
N/A	N/A	N/A	10 000 tones	10 000 tones	N/A	No. of tons making recyclable waste	A number of meetings have taken place with prospective recyclers who are willing to partner Kwa Sani. Contracts for onsite employees are renewed.	N/A	LED	R 863.94	It is noted that the this project was omitted from the Operational Plan but it is in the IDP implementation plan and thos will be corrected going forward	Attached proposal from ubuhle bokusizan Recycling
2 Local Events attended. Food Tasting Show & Underberg Farmers show	2 Local Events attended. Food Tasting Show & Underberg Farmers show	N/A	Conduct 1 awareness	1 awareness conducted	N/A	Conducted Tourism Awareness in Ward 4 (27 June 2014)	1	N/A	Tourism Office	R 8 490.48	N/A	1. Attendance register 2. Pictures
N/A	N/A	N/A	N/A	N/A	N/A	Attended Royal Show in Pietermaritzburg 23 May- 1 June 2014	1	N/A	Tourism Office	R 128 440.58	N/A	1. Attendance Register 2. Monthly report 3. Pictures
N/A	N/A	N/A	N/A	N/A	N/A	Attend Tourism Indaba exhibitions from 9 - 12 May 2014	1	N/A	Tourism Office		N/A	1. Monthly Report 2. Pictures 3. Indaba contract 4. Correspondence
Conduct one Kwa Sani Culture & Food Tasting Expo event	Kwa Sani Culture and Food Expo was held on the 14th August 2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Tourism Office		N/A	1. Attendance Register 2. Monthly report with photos 3. Expenditure report



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
TO 3			Advertising	Advertising in publications, local media, re design posters for display in exhibitions	66	Look out for advertising opportunities that will be of benefit for the area	N/A	Not Achieved	Advertising in publications, local media, redesign posters for display in exhibitions	N/A	N/A
TO 4			Tourism Graduate Programme	Aimed at providing work experience to tourism graduate	68	2 learners placed in KSM tourism office, learners to be circulated within museum, tour operators or LED Unit	N/A	Not Achieved	6 months in service learner , 1 year internship learner	N/A	N/A
TO						Local Tourism forum	Coordinate and host 4 local tourism meeting	Not Achieved	N/A	N/A	N/A
CS 1	Implement a Differentiated Approach to Municipal Financing, Planning and Support	Municipal Institution Capacity & Transformation Support	Conduct Skills Audit	Conduct Skills Audit annually	69	Conduct Skills Audit by 30-06-2013	Conduct Skills Audit annually 30-06-2013	Achieved	Skills plan in place	Developed skills plan	N/A
CS 2			Succession Policy/Plan	Development of Succession Plan	70	Succession policy/plan by 29-06-2013	Development of Succession policy/plan and approved by council	Achieved	Succession plan/policy submitted and adopted by council	Submitted and adopted by Council on the 29 June 2013	N/A
CS 3			Review organogram	Review organogram annually	71	Review of organogram	Reviewed organogram	Achieved	N/A	N/A	N/A
CS 4			Employee Awareness Programme	To hold Employee Awareness Program	72	Employee Awareness Programme by 30-06-2014	To hold 4 employee awareness programme by 30 June 2014	Achieved	Hold employee awareness	Awareness done by Natal Joint Municipal Pension Fund. Funeral scheme and medial aid awareness.	N/A
CS 5			Local Labour Forum	Local Labour Forum	73	Local Labour Forum meetings	4 Local Labour Forum meetings held 1 per quarter by 30-06-2014	Achieved	1 Local Labour Forum meeting	1 Local Labour Forum meeting held on the 27 September 2013	N/A

Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Com-ment	Q3		Block-ages/ Com-ments	Q4		Block-ages/ Com-ments	Respon-sible Department	Budget	Planned Measure/s for Improve-ment	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
Advertising in publications, local media, redesign posters for display in exhibitions	N/A	N/A	Advertising in publications, local media, redesign posters for display in exhibitions	N/A	N/A	Advertising in publications, local media, redesign posters for display in exhibitions	N/A	N/A	Tourism Office	R 48,351	It is noted that Advertising was not reported on , however there are PoEs to confirm that it took place.	1. Copies of advetts and articles 2. Munsoft Expenditure Report
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Tourism Office	DEDT Budget	We note that this program is not reported on , however two learners were placed by DEDT as this was their program.	1. Correspondence 2. Report prepared by the responsible official and signe d by the HOD 3. Perofrmance agrements signed by the participating intern and the municipal official
N/A	N/A	N/A	Host 1 local tourism meeting	1 local tourism meeting hosted	N/A	N/A	N/A	N/A	Tourism Office	R 1 489.30	We acknowledge that this was not on the SDBIP and there was no budget allocated to it except for catering which was already budgeted for in PCS Departement	1. Signed attendance Register 2. Minutes 3. Expenditure report
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Corporate Services Dept.	R 0	N/A	Skills Plan
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Corporate Services Dept.	R 0	N/A	Minutes and Attendance register
N/A	N/A	N/A	Selection and recruitment process taking place as per the organogram	Selection and recruitment of Debtors Clerk, Procurement Clerk, 3X Finance interns, Finance Cashier	N/A	Reviewed and approved organogram by Council	Organogram approved by Council on 30 June 2014	N/A	Corporate Services Dept.	R 0	N/A	1. Organogram 2. Council resolution
Hold employee awareness	Informative session on importance of Medical Aids, Funeral Policies, Local Labour Forum etc.	N/A	To hold 4 employee awareness programme by 30 June 2014	Hold 1 employee awareness campaign	N/A	Conduct 1 employee awareness programme	1 employee awareness programme conducted on 30 June 2014	N/A	Corporate Services Dept.	R 0	N/A	1. Attendance register
1 Local Labour Forum meeting held	1 Local Labour Forum meeting held on 13 December 2013	N/A	4 Local Labour Forum meetings held 1 per quarter by 30-06-2014	1 Local Labour Forum meeting held	N/A	N/A	N/A	N/A	Corporate Services Dept.	R 0	Scheduled for 16 April 2014	1. Minutes 2. Attendance register



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
CS 6			Staff training program appropriate to LG employees	Staff training programme appropriate to LG employees	74	Staff training in line with WSP giving priority to skills shortage in municipality by 30-06-2014	No. of staff trained in line with WSP by 30-06-2014	Partially achieved	Provide training accredited by the training institute	Training provided on CPMD	N/A
CS 7			HR Policy Review	Review of policies annually	75	23 reviewed HR policies adopted by Council by 28 June 2014	All HR policies reviewed and adopted by Council by 28 June 2014	Achieved	N/A	N/A	N/A
CS 8			Performance Management System	Performance Management System cascaded to all staff	76	Implementation of Performance Management System by 30-06-2014	4 quarterly reviews conducted 1 per quarter by 30-06-2014	Not Achieved	1 quarterly review to be conducted	Not met - the 1st quarter will be discussed on our next APAC meeting	N/A
CS 9			Incentive Packages for staff	Develop Incentive Packages for staff	77	Develop incentive packages for staff by 30-12-2013	To develop incentives packages for staff and approved by council by 30-12-2013	Not Achieved	N/A	N/A	N/A
CS 10			Fill critical posts	Filling of all critical posts	78	Filling of critical posts by 30-06-2014	Filling of all critical posts by 30-06-2014	Achieved	Filling of all critical posts by holding interviews and appoint suitable candidates	All critical posts filled	N/A
CS 11			Staff & Councillors workshop on Batho Pele and Municipal core values	Annual staff and Councillors workshop on Batho Pele and Municipal core values	79	1 workshop on Batho Pele and municipal core values take place	1 workshop on Batho Pele and municipal core values take place	Not Achieved	N/A	N/A	N/A
FD 1	Improving the Financial and Administrative Capabilities of Municipalities	Financial Management and Viability	Adherence to SCM policies and procedures	To ensure proper supply chain management	80	Improved Service delivery & SCM integrity	To ensure proper supply chain management	Achieved	On-going process	Proper supply chain management and improve turnaround time for procurement - on going process.	N/A

Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Comment	Q3		Block-ages / Comments	Q4		Block-ages / Comments	Responsible Department	Budget	Planned Measure/s for Improvement	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
Providing training	Providing training Ongoing trainings e.g. CPMD	N/A	1. Continued training on Senior Managers, Finance Interns trained on CPMD. 2. CFO, Budget Control Officer, and Expenditure Accountant trained on Case ware 3. HR Officer and Secretary trained on Samras	Training on Caseware basic, intermediate, SCM training on SAMRAS, CPMD additional modules for Senior Managers	N/A	1. Continuous training on Senior Managers, finance interns trained on CPMD 2. Training for Supply Chain Officer on CPMD and LED secretary trained on LED	SCO started her training on CPMD, Continuous training on 3 Senior Managers (CPMD)	N/A	Corporate Services Dept.	R 431 786.34	N/A	Attendance register
N/A	N/A	N/A	N/A	N/A	N/A	18 HR policies reviewed	IT policies and HR were adopted	N/A	Corporate Services Dept.	R 0	N/A	1. Adopted policies 2. Council Resolution
1 quarterly review to be conducted	Target not met - Formal assessments will be done end of January	Not met	1 quarterly review to be conducted	Q3 is scheduled to take place on the 10th April 2014	Still within the time frame to conduct Q3 assessments	1 quarterly review conducted (formal)	Q4 is scheduled to take place end of July 2014	Target to be met before end July	Corporate Services Dept.	R 0	N/A	1. Attendance register 2. Report
Incentive packages for staff developed and approved by council by 30-12-2013	Target partially met. Incentive packages for staff developed and approved by council	Target partially met	N/A	N/A	N/A	N/A	N/A	N/A	Corporate Services Dept.	R 20 100.00	N/A	1. Reports 2. Attendance register
Hold interviews, appoint suitable candidates	Interviews held and appointed IT Officer, Revenue Officer, Senior Accountant, Senior Technical Officer	N/A	Appointment of Debtors Clerk, Procurement Clerk, 3X Finance Interns, Finance Cashier, Works Clerk	Appointment of Debtors Clerk, Procurement Clerk, 3X Interns, Finance Cashier, Works Clerk	N/A	Filling Budget Control Officer and Technical Officer posts	Appointment of Budget Control, Technical Officer and Financial Intern	N/A	Corporate Services Dept.	R 302 163.00	N/A	1. Appointment letters 2. Adverts
N/A	N/A	N/A	1 staff and councillors workshop held on Batho Pele and municipal core values	A request was sent to Cogta to conduct the workshop but no response was received, follow ups were done, still no proper response	N/A	N/A	N/A	N/A	Corporate Services Dept.	R 0	Will do a follow up with Cogta	Attendance register
On-going process	Proper supply chain management and improve turnaround time for procurement	N/A	Proper SCM and improve turnaround time for procurement	Proper supply chain management and improve turnaround time for procurement	N/A	Proper SCM and improve turnaround time for procurement	Procurement and implementation of policies and procedures has been improved. Procurement has been processed within reasonable time	N/A	Finance Dept.	R 0	N/A	SCM monthly and quarterly Reports



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
FD 2			Implementation MPRA	To ensure all properties within municipality urban area are valued	81	Increased revenue base.	To ensure all properties within municipality urban area are valued	The supplementary was done on the second and forth quarter	Interim valuation	None	N/A
FD 3			Free Basic services and Indigent Support	To ensure all indigent households are registered to indigent register	82	Free basic services and indigent support	To ensure all indigent households are registered to indigent register	Not Achieved	Supply of electricity and review of indigent register	Supply of electricity	Not met with district to review indigent register
FD 4			Payment of creditors	To ensure payments are paid according to MFMA	83	Payment of creditors	To ensure payments are paid according to MFMA	Achieved	Payment of creditors in line with applicable laws and regulations	Payment of all qualifying invoices and capturing	N/A
FD 5			Capacity Building for Finance Staff and implementation of internship programme	To ensure that all BTO employees are fully capacitated	84	Capacity building for finance staff and implementation of internship programme	To ensure that all BTO employees are fully capacitated	Achieved	To ensure that all BTO employees are fully capacitated	Employees are attending CPMD and other scheduled trainings	N/A
FD 6			Finance Policy Reviewable	To ensure that all BTO policies are reviewed	85	Reviewable of Finance policies	To ensure that all BTO policies are reviewed	Achieved	Reviewable of all finance policies	Awaiting for external audit to be finalised to address any issues concerning our policies	N/A
FD 7			Update of Supplier Data Base	To ensure Credible suppliers database	86	Update of Supplier Data Base	To ensure credible supplier database	Achieved	All qualifying applications are captured	All approved applications have been captured	N/A
FD 8			Capacity Building of Local SMME's i.t.o. understanding the SCM Regulations & related legislation like CIDB Act, BBBEE	To ensure that all BTO policies are reviewed	87	Capacity building of local SMMEs	Training on specialised skills and relevant legislative requirements	Not Achieved	Review of policies	Awaiting for external audit to be finalised to address any issues concerning our policies	Awaiting for external audit to be finalised to address any issues concerning our policies
FD 9			Co-ops support	To ensure full functioning of identified co-ops	88	Co-ops Support	Capacitated co-ops and provide assistance to co-ops	Not Achieved	All qualifying applications are captured	All approved applications are captured	N/A
FD 10			3rd party payments & submission of SARS returns	To ensure compliance with MFMA and applicable tax legislation	89	3rd Party payments and submissions of SARS returns	To ensure compliance with MFMA and applicable tax legislation	Achieved	Submission of all returns i.r.o. 3rd party payments and VAT	All returns were submitted with payments	N/A
FD 11			Payroll Administration	To ensure timeous payment of salaries	90	Payroll administration	To ensure that all staff and councillors are paid within their due dates with less discrepancies by 2017	Achieved	Provision of salary advices and process salaries	Salaries and advices were processed on time. Payroll recons done on monthly basis	N/A



Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Comment	Q3		Block-ages / Comments	Q4		Block-ages / Comments	Responsible Department	Budget	Planned Measure/s for Improvement	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
Interim valuation	One supplementary valuation roll with 17 properties	N/A	Implementation of MPRA	No supplementary valuation roll. Planned for 2014	N/A	Implementation of MPRA (Supplementary valuation)	The supplementary was done on the second and fourth quarter	N/A	Finance Dept.	R 462 906.00	N/A	Supplementary valuation roll
Supply of electricity and review of indigent register	We have not met with the district for review of indigent register	Not met with district to review indigent register	Supply of electricity and review of indigent register	Completed indigent forms received and register updated	N/A	Supply of electricity and review of indigent register	Indigent households were subsidised with electricity	N/A	Finance Dept.	R 176 760.00	N/A	Indigent register
Payment of all qualifying invoices and capturing	N/A	N/A	Payment of all qualifying invoices and capturing on system	All payments were paid within 30 days	N/A	Payment of all qualifying invoices and capturing on system	Payments were made within 30 days to all qualifying invoices	N/A	Finance Dept.	R 0	N/A	I and E & AC Return
Training of BTO staff	Employees are attending CPMD and other scheduled trainings - Still in progress	N/A	Training of employees through accredited learning institution	Training-employees are attending CPMD and other scheduled trainings	N/A	Training on employee through incredible learning institution	BTO has trained or enrolled - 6 employees for MFMP and 2 employees for CPMD and other adhoc training were attended	N/A	Finance Dept.	R 983 360.00	N/A	Qualification certificates
Reviewal of all finance policies	Awaiting for external audit to be finalised to address any issues raised concerning our policies	N/A	Reviewal of all finance policies	Policies will be reviewed in Quarter 4	Not met	Reviewal of all finance policies	During budget processes policies were reviewed	N/A	Finance Dept.	R 0	N/A	Minutes
All qualifying applications are captured	Target met. All approved applications have been captured. Ongoing.	N/A	All qualifying applications are captured	Database has been updated as and when required	N/A	All qualifying applications are captured	Advert calling for supplier was place on the newspaper	N/A	Finance Dept.	R 0	N/A	SAMRAS Supplier database report
Training of SMME's on legislation	None	Training of SMME's on legislation has been scheduled to start in the 3rd quarter	Training of SMME's on legislation	Meeting held, hosted by LED at the Himeville Arms on 6th February 2014	Partially met	Training of SMME's on legislation	Training for SMME's, Coops was conducted	N/A	Finance Dept.	R 0	N/A	1. Attendance register 2. Agenda
Workshop for co-ops was conducted with the assistance of DTI	Target met	N/A	Monitoring of coops on quarterly basis	Meeting held, hosted by LED at the Himeville Arms on 6th February 2014	Partially met	Monitoring of coops on quarterly basis	Workshop for coops were conducted	N/A	Finance Dept.	R 0	N/A	Attendance register
Submission of all returns i.r.o. 3rd party payments	All returns were submitted with payments	N/A	Submission of all returns i.r.o. 3rd party payments	3rd party payments and submission to SARS were done on monthly basis	N/A	Submission of all returns i.r.o. 3rd party payments	Payments to 3rd parties were made on time.	N/A	Finance Dept.	R 0	N/A	VAT and EMP 201 Returns
Provision of salary advices and process salaries	Salaries and advices were processed on time. Payroll recons done on monthly basis	N/A	Provision of salary advices and process salaries	Payments of salaries were paid timeously	N/A	Provision of salary advices and process salaries	Reconciliation of payroll	N/A	Finance Dept.	R 0	N/A	Payroll recons.



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
FD 12			Preparation of monthly reconciliations	To ensure that all management accounts are reconciled	91	Preparation of monthly reconciliations	To ensure that municipal records are properly maintained and in line with MFMA by 2017	Achieved	Review and approval of all monthly reconciliations	Monthly reconciliations reviewed and approved	N/A
FD 13			Institutional Operation Clean Audit Project	To ensure that the municipality obtain clean audit report	92	Institutional Operation Clean Audit project	To ensure that the municipality obtain clean audit report	Audit Action Plan was developed to address previous years AG queries and internal controls and procedures were adhered to.	Development of clean audit plan	We are still waiting for the final management letter other issues raised during the audit are addressed as we are in progress with the audit	N/A
FD 14			Budgeting & Cash Flow management	To ensure that municipal funds are accounted	93	Budgeting and Cash Flow management	To ensure development of Municipal Budget is in line with the Municipal IDP priorities and the implementation thereof is monitored by 2017	Achieved	Credible and reliable budget . No unauthorised expenditure, irregular and wasteful expenditure	Quarterly budget monitoring statements produced	N/A
FD 15			Credit control	To ensure full implementation of credit control & debt collection policy	94	Credit Control	To ensure full implementation of credit control and debt collection policy	Achieved	Consultation with consumers with outstanding debtors	Due to audit that is still in process we could not get enough time to have meetings with most debtors	Due to audit that is still in process we could not get enough time to have meetings with most debtors
FD 16			Data Cleansing	To ensure reliable billing information on the financial system	95	Data cleansing	To ensure reliable billing information on the financial system	Achieved	Public invitation of consumers for voluntary update of records	Notices and forms were placed at Spar, Underberg Forge, Library, reception and at Cashiers officer for voluntary update	N/A
FD 17			Supply Chain Management	To ensure that Municipal procurement is done in a cost effective and efficient manner in order to speed-up service Delivery by 2017	96	Supply chain management	To ensure that municipal procurement is done in a cost effective manner in order to speed-up service delivery by 2017	Achieved	Implementation of SCM procedures	SCM procedures implemented and payments paid per the indicator	N/A
FD 18			Asset Management and stores management	To ensure proper management of assets and stores.	97	Asset management and stores management	To ensure that municipal assets are properly managed and recorded by 2017	Achieved	Update and reconcile FAR as on 30 June 2013	Updated and reconcile FAR as on 30 June 2013	N/A



Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Com-ment	Q3		Block-ages/ Com-ments	Q4		Block-ages/ Com-ments	Respon-sible Department	Budget	Planned Measure/s for Improve-ment	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
Review and approval of all monthly reconciliations	Target met. Monthly reconciliations reviewed and approved	N/A	Review and approval of all monthly reconciliations	Monthly reconciliations were done	N/A	Review and approval of all monthly reconciliations	Recons were performed for all management accounts	N/A	Finance Dept.	R 0	N/A	1. Monthly Reconciliations 2. VAT Payroll 3. Debtors Bank
Development of clean audit plan	Audit Action would be developed before end of January 2014 as we receive the report in December 2013	N/A	Development of Clean Audit Action plan	Audit Action Plan was developed to address previous years AG queries and internal controls and procedures were adhered to.	N/A	Development of clean audit plan	Implementation of CaseWare and importing of opening balances	N/A	Finance Dept.	R 0	Quarterly AFS will be done in 2014/2015 FY	Audit Action Plan
Quarterly budget monitoring statements produced	Target met	N/A	Adjustment budget produced Quarterly budget monitoring statements produced	Adjustment budget was approved by Council in January 2014 and irregular, unauthorised and wasteful expenditure is being recorded on monthly basis	N/A	Adjustment budget produced Quarterly budget monitoring and statements produced	Adjustment budget was done, draft budget for 2014/2015 FY was done and approved	N/A	Finance Dept.	R 0	N/A	1. I and E 2. Section 71 reports
Consultation with consumers with outstanding debts	Due to audit that was still in progress in the second quarter we could get enough time to have meetings with most debtors	Due to audit that is still in process we could not get enough time to have meetings with most debtors	Implementation of Credit Control with the assistant of appointed Debt Collector	Credit Control policy has been implemented	N/A	Implementation of credit control with the assistant of appointed Debt Collector	Implementation of credit control policy and negotiating settlement with some of other debtors	N/A	Finance Dept.	R 0	N/A	None
Public invitation of consumers for voluntary update of records	Target met. Notices and forms were placed at Spar, Underberg Forge, Library, reception and at Cashiers officer for voluntary update	N/A	Compulsory update of records when consumers are paying for rates and services	Data cleansing was done and details of consumers are updated regularly	N/A	Compulsory update of records when consumers are paying for rates and services	Ongoing process and report obtained from Trans union was also used.	N/A	Finance Dept.	R 0	N/A	Completed forms for the update of debtors records
Implementation of SCM procedures	SCM procedures implemented and payments paid per the indicator	N/A	Implementation of SCM procedures	Supply Chain Management policies and procedures were implemented	N/A	Implementation of SCM procedures	Processing of orders within reasonable time	N/A	Finance Dept.	R 0	N/A	AC Returns
Update and reconcile FAR as on 30 June 2013	Updated and reconcile FAR as on 30 June 2013	N/A	Update and reconcile FAR as on 30 June 2013	Maintenance of fixed assets register has been done and asset verification	N/A	Update and reconcile FAR	Updating of FAR and maintenance	N/A	Finance Dept.	R 0	N/A	FAR Reconciliations



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
FD 19			Fixed Assets	To ensure maintenance of fixed assets	98	Fixed Assets	To ensure maintenance of fixed assets	Achieved	Ongoing monitoring	Ongoing monitoring	N/A
FD 20			Investment management	To ensure maximum return on investment	99	Investment management	To ensure that municipal funds are invested on high interest generating institution by 2017	Achieved	Request for investment rates and invest on best return rate	Target achieved, quarterly targets is R207 141 & actual for the 1st Quarter is R306 941.58	N/A
FD 21			Tariff setting	To ensure economical and affordable tariffs	100	Tariff setting	To ensure economical and affordable tariffs	Achieved	Full implementation of revised tariffs	Approved tariffs implemented	N/A
FD 22			Financial Management system	To ensure an effective and efficient financial management	101	Financial management system	To ensure an effective and efficient financial management	Achieved	Upgrade of financial system	Pastel module for assets procured & implemented with TransUnion which will assist with debtors info and with the evaluation of prospective	N/A
FD 23			IDP and Budget processes	To ensure clear timeframes for Budget & IDP processes	102	IDP and Budget processes	To ensure clear timeframes for Budget and IDP processes	Achieved	Approval of IDP and Budget Process Plan	IDP & Budget Process Plan developed to be presented to Council in 2nd quarter in terms of MFMA and treasury regulations	N/A
FD 24			Rate-payers interaction for revenue collection and addressing Community Needs	To ensure regular communication with rate-payers	103	Ratepayers interaction for revenue collection and addressing community needs	To ensure regular communication with ratepayers	Not Achieved	Meeting with ratepayers association	None	Due to the audit in progress meetings with ratepayers will start in 2nd quarter would be carried in conjunction with IDP and Budget Road shows
FD 25			Customer Care	To enhance customer satisfaction and reduce queries relating to municipal services	104	Customer Care	To enhance customer satisfaction and reduce queries relating to municipal services	Achieved	Public communication of complaints procedure and queries handling procedures	Target met complaints and satisfaction book is available at the Cashiers Office	N/A

Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Comment	Q3		Block-ages/ Comments	Q4		Block-ages/ Comments	Responsible Department	Budget	Planned Measure/s for Improvement	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
Ongoing monitoring	Ongoing monitoring	N/A	Ongoing monitoring of fixed assets maintenance plan	Maintenance of fixed assets register has been done and asset verification	N/A	Ongoing monitoring of Fixed Assets Maintenance Plan	Maintenance of fixed assets	N/A	Finance Dept.	R 990 419.00	N/A	Income and Expenditure report
Request for investment rates and invest on best return rate	Target achieved, bi-annual target is R414 283 and actual up to 31 December 2013 is R420 438	N/A	Diversified investment	Request for investment rates and invest on best return rate	N/A	Request for investment rates and invest on best return rate	Investment of municipal funds to obtain high return, constant consultation with the banking institutions	N/A	Finance Dept.	R 1 143 089.00	N/A	Summary of Investment Register and I and E report
Full implementation of revised tariffs	Target met. Approved tariffs implemented	N/A	Full implementation of revised tariffs	The tariffs were included in draft budget based on the CPI	N/A	Full implementation of revised tariffs	Tariffs were set during budget processes	N/A	Finance Dept.	R 0	N/A	1. Notice of the approval of Budget 2. Council Resolution 3. Summary of Budget
Upgrade of financial system	Pastel module for assets procured & implemented with TransUnion which will assist with debtors info and with the evaluation of prospective	N/A	Upgrade of financial system	SCM module was implemented and HR module is scheduled for implementation	N/A	Ongoing enhancement of financial system	Upgrading of SCM and HR modules	N/A	Finance Dept.	R 0	N/A	Electronic copies of reports from the system
Approval of IDP and Budget Process Plan	IDP & Budget Process Plan were developed and approved by the Council	N/A	Well planned IDP & Budget processes	All processes were implemented in order get a credible IDP and Budget	N/A	S72 & Budget Adjustment processes and draft budget	Following the budget process plan and approval by the Council	N/A	Finance Dept.	R 0	N/A	1. IDP & Budget Process Plan 2. Council minutes 3. Council Resolution
Meeting with ratepayers association	None	Due to the audit in progress meetings with ratepayers will start in 2nd quarter would be carried in conjunction with IDP and Budget Road shows	Harmonised relationship with ratepayers	Meeting with ratepayers association in conjunction with IDO & Budget road shows	N/A	Meeting with ratepayers association in conjunction with IDP & Budget road shows	The meeting with our stakeholders were not held as much as we would have wanted	N/A	Finance Dept.	R 0	N/A	IDP & Budget processes and budget roadshow notices
Public communication of complaints procedure and queries handling procedures	Target met complaints and satisfaction book is available at the Cashiers Office	N/A	Implementation of complaints procedure and handling of queries	Complaints book is placed at Cashiers office and complaints are addressed	N/A	Implementation of complaints procedures and handling of queries	Attending to queries by community and our debtors	N/A	Finance Dept.	R 0	N/A	Complaints and satisfaction book



Service Delivery Performance (Performance Report Part I)

IDP / SDBIP NO.	Outcome 9	National Key Performance Area	Project / Programme	Measurable Output / Outcome	No.	Indicators	Annual		Q1		Blockages/ Comments
							Projected	Actual	Projected	Actual	
FD 26			16% of households earning less than R1100 per month with access to free basic services	% of households earning less than R1100 per month with access to free basic services	105	16% of households earning less than R1100 per month with access to free basic services	%	16% of households earning less than R1100 per month with access to free basic services	16% of households earning less than R1100 per month with access to free basic services	16% of households earning less than R1100 per month with access to free basic services	N/A
FD 27			Indigent households with access to free basic electricity	All indigents households as per reviewed indigent register	106	Indigent households with access to free basic electricity	All indigents households as per reviewed indigent register	Achieved	Provide all indigent households with subsidised electricity	Provide all indigent households with subsidised electricity	N/A
FD 28			16% households with access to free basic electricity by 30-06-2014	Percentage households with access to free basic electricity	107	16% households with access to free basic electricity	Percentage	16% households with access to free basic electricity	16% households with access to free basic electricity	16% households with access to free basic electricity	N/A
TP 1			PDA applications	Number of applications processed within specified timeframe of 90 days	108	Turnaround time for finalisation of PDA applications-3 months	Number of applications processed within specified timeframes of 90 days	3 applications received	Total number of applications received	No applications received	No applications received
TP 2			Special consent applications	Number of applications processed within specified timeframes of 2 months	109	Special consent applications	Number of applications processed within specified timeframes of 2 months	2 applications received	Total number of applications received	2 applications received	N/A
TP 3			Development of Kwa Sani Rural Scheme	Achieved milestone in relation to Project Programme	110	Development of Kwa Sani Rural Scheme	Achieved milestone in relation to Project Programme	Not Achieved	Milestones due and completed	Milestones due that have slipped	N/A
TP 4			Building Plans	Number of building plans received and assessed within timeframe of 30 days	111	Building Plans	3 building plans received and assessed within timeframe of 30 days	Achieved	Total number of building plans received	3 building plans received	N/A
TP 5			Law Enforcement	Total number of contravention notices served	112	Law Enforcement	Total number of contravention notices served	Not Achieved	No. of contravention notices served	No contravention notices served	N/A
BC 1			Building plans submissions	Number of building plans submitted to the municipality	113	Building Plans submission	Number of building plans submitted	77 building plans submitted	15 building plans submitted	17 building plans submitted	N/A
BC 2			Copies of building plans	Number of copies of building plans made	114	Copies of building plans	Number of copies of building plans made	44 copies of building plans made	15 copies of building plans made	16 copies of building plans made	N/A
BC 3			Occupation certificates	Number of occupation certificates issued	115	Occupation certificates	Number of occupation certificates issued	7 occupation certificates issued	3 copies of occupation certificates issued	2 copies of occupation certificates issued	N/A
BC 4			Notices	Number of notices served	116	Notices	Number of notices served	31 notices served	6 Notices served	8 notices served	N/A
BC 5			Routine inspections	Number of routine inspections carried out	117	Routine inspections	Number of routine inspections carried out	710 routine inspections carried out	150 routine inspections carried out	220 routine inspections carried out	N/A
BC 6			New building inspections	Number of new building inspections carried out	118	New building inspections	Number of new building inspections carried out	550 new building inspections carried out	15 new building inspections carried out	161 new building inspections carried out	N/A
BC 7			Rates clearance inspections	Number of rates clearance inspections carried out	119	Rates clearance inspection	Number of rates clearance inspections carried out	192 rates clearance inspections carried out	9 Rates clearance inspections carried out	69 rates clearance inspections carried out	N/A

Service Delivery Performance (Performance Report Part I)

Q2		Block-ages / Comment	Q3		Block-ages / Comment	Q4		Block-ages / Comment	Responsible Department	Budget	Planned Measure/s for Improvement	Portfolio of Evidence / Comments
Projected	Actual		Projected	Actual		Projected	Actual					
16% of households earning less than R1100 per month with access to free basic services	16% of households earning less than R1100 per month with access to free basic services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Finance Dept.	R 0	N/A	Updated Indigent Register
Provide all indigent households with subsidised electricity	Provide all indigent households with subsidised electricity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Finance Dept.	R 0	N/A	Updated Indigent Register
16% households with access to free basic electricity	16% households with access to free basic electricity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Finance Dept.	R 0	N/A	Updated Indigent Register
Total number of applications targeted- 3	No of applications received - 2	3 applications still under process	2	3	N/A	2	3	N/A	Town Planner	R 0	N/A	Register and copy application
Total number of applications targeted- 3	Number of applications processed - 2	1 application still under process	3	1	N/A	3	2	1 application still under process	Town Planner	R 0	N/A	Register and copy application
Milestones due and completed as per CoGTA programme	No progress made since the last report	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Town Planner	R 0	N/A	N/A
Total number of building plans received target - 3	Number of building plans assessed-7	N/A	3	9	N/A	3	24	N/A	Town Planner	R 0	N/A	Register
Expected contraventions-1	Number of contravention notices served-1	N/A	1	0	Target not met- no contravention reported	1	0	N/A	Town Planner	R 0	N/A	Copy of contravention notice
15 building plans submitted	17 building plans submitted	N/A	15	14	N/A	15 building plans submitted	29	N/A	Building Control Officer	R 0	N/A	Copy of building plans register book
15 copies of building plans made	16 copies of building plans made	N/A	15	6	N/A	15 copies of building plans made	6	N/A	Building Control Officer	R 0	N/A	Invoice book
3 copies of occupation certificates issued	2 copies of occupation certificates issued	N/A	3	1	Target not met- building in progress	3 copies of occupation certificates issued	2	N/A	Building Control Officer	R 0	N/A	Copy of occupation certificate record book
6 Notices served	8 notices served	N/A	6	8	Target met	6 Notices served	7	N/A	Building Control Officer	R 0	N/A	Copies of notices served
150 routine inspections carried out	220 routine inspections carried out	N/A	150	70	Not met. Carried over to the following quarter	150 routine inspections carried out	200	N/A	Building Control Officer	R 0	N/A	2014 diary and forms
15 new building inspections carried out	161 new building inspections carried out	N/A	15	58	N/A	15 new building inspections carried out	170	N/A	Building Control Officer	R 0	N/A	2014 diary and forms
9 Rates clearance inspections carried out	69 rates clearance inspections carried out	N/A	9	28	N/A	9 Rates clearance inspections carried out	26	N/A	Building Control Officer	R 0	N/A	2014 diary and forms



Organisational Development Performance (Performance Report Part 2)

Chapter 4: Organisational Development Performance (Performance Report part 2)

Our Corporate Services function became fully function in 2013/2014 Financial Year. In this reporting year, a number of vacant posts were advertised in the notice boards, website and printed media.

At the beginning of the year, we had 13 vacant posts but along the year all 13 posts were filled of which 8 posts were filled by staff members that were absorbed from within the institution. We also had 1 retirement, no dismissals, and 2 deceased staff members. Through the MFIG we employed 5 finance interns for the duration of two years.

Component A: Introduction to the Municipal Workforce

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employee Totals, Turnover and Vacancies					
Description	2012/13	2013/14			
	No. of Employees	No. of Approved Posts	No. of Employees	No. of Vacancies	Vacancies %
Council & Executive	13	14	14	0	0
Finance	12	10	10	0	0
Public Safety	3	4	4	0	0
Community & Social Services	7	11	11	0	0
Technical	2	3	3	0	0
Planning & Development	2	2	2	0	0
Waste Management	24	20	18	2	10%
Other (Tourism)	2	2	2	0	0
Works	13	13	13	0	0
Corporate Services	7	10	10	0	0
Local Economic Development	2	2	2	0	0
Disaster	1	1	1	0	0
Totals	88	91	89	2	0

Table 17: Employee Totals, Turnover and Vacancies



Organisational Development Performance (Performance Report Part 2)

Statistical information for human resources as at 30 June 2014 employment equity

Target Group	Employment Equity Per Race and Gender	Employment Equity Per Disabilities
African Female	35	0
African Male	46	0
Coloured Female	1	0
Coloured Male	1	0
Indian Female	0	0
Indian Male	0	0
White Female	4	1
White Male	2	0
Total (Inclusive of Councilors)	89	1

Table 18: Employment Equity per Race and Gender

Employment equity for top management levels (section 57)

Target Group	Top Management Per Race and Gender
African Female	2
African Male	1
Coloured Female	0
Coloured Male	0
Indian Female	0
Indian Male	0
White Female	1
White Male	0

Table 19: Employment Equity for Top Management



**Organisational Development Performance
(Performance Report Part 2)**

Component B: Breakdown of Workforce Levels

KLM has over the years ensured there is promotion of equal opportunities and fair representation of employees through the elimination of unfair discrimination.

Below is a table with a breakdown of the total workforce of the municipality according to the levels of employment:

Position/ Category	No. Of Staff	Permanent/ Contract	Gender		Race		
			M	F	A	W	C
Municipal Manager	1	Contract		1	1		
S56 Managers	3	2 Contract 1 Permanent	1	2	2	1	
Supervisors	6	Permanent	2	1	3		
Other	72	Permanent	45	33	73	3	2
Total	82		46	36	76	4	2

Table 20: Breakdown of Workforce Levels

4.2 HR POLICIES AND PLANS

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
1	Affirmative Action	N/A	N/A	N/A
2	Attraction and Retention	100%	0%	N/A
3	Basic Conditions of Employment	100%	0%	Basic Conditions of Employment is used
4	Benefits policy	100%	0%	N/A
5	Code of Conduct for Employees	100%	0%	N/A
6	Delegations, Authorisation & Responsibility	100%	100%	23 March 2014
7	Disciplinary Code	100%	0%	Collective Agreements issued by SALA is used
8	Employment Equity Policy	100%	0%	N/A
9	Exit policy	100%	0%	N/A
10	Grievance Procedures	100%	0%	Collective Agreements issued by SALA is used
11	HIV/Aids	100%	0%	N/A
12	Human Resource Development	100%	100%	29 August 2013
13	Information Technology	100%	100%	23 March 2014
14	Job Evaluation	N/A	N/A	Policy is being developed
15	Leave	100%	0%	N/A

Organisational Development Performance (Performance Report Part 2)

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
16	Occupational Health and Safety	100%	0%	N/A
17	Official Housing	N/A	N/A	N/A
18	Official Journeys	100%	100%	28 May 2013
19	Official Transport to attend Funerals	N/A	N/A	N/A
20	Official Working Hours and Overtime	100%	100%	29 August 2013
21	Organisational Rights	N/A	N/A	N/A
22	Payroll Deductions	N/A	N/A	N/A
23	Performance Management and Development	100%	100%	29 August 2013
24	Recruitment, Selection and Appointments	100%	0%	N/A
25	Remuneration Scales and Allowances	N/A	N/A	N/A
26	Resettlement	N/A	N/A	N/A
27	Sexual Harassment	100%	0%	N/A
28	Skills Development and Training	100%	0%	N/A
29	Smoking	N/A	N/A	N/A
30	Special Skills	N/A	N/A	N/A
31	Work Organisation	N/A	N/A	N/A
32	Uniforms and Protective Clothing	N/A	N/A	N/A
33	Other:			
	Fraud and Prevention Plan	100%	100%	29 August 2013
	Human Resource Succession Plan	100%	100%	29 August 2013
	Risk Management Policy	100%	100%	29 August 2013
	Cellphone Policy	100%	100%	29 August 2013

Table 21: HR Policies and Plans

Component C: Capacitating the Municipal Workforce

In line with S68 (1) of MSA 2000, Kwa Sani has implemented skills development programmes that will enable the human resource capacity to perform their functions and exercise their powers in an economical, effective, efficient and accountable manner.

4.3 SKILLS DEVELOPMENT AND TRAINING

Management Level		Skills Matrix																
		Employees in posts as at 30 June 2014		Number of skilled employees required and actual as at 30 June 2014													Total	
		Gender	No.	Learnerships			Skills Programmes & other short courses			Other forms of training			Total					
Actual: End Of 12/13	Actual: End Of 13/14			2013/2014 Target	Actual: End Of 12/13	Actual: End Of 13/14	2013/2014 Target	Actual: End Of 12/13	Actual: End Of 13/14	2013/2014 Target	Actual: End Of 12/13	Actual: End Of 13/14	2013/2014 Target					
MM and s57	Female	3	0	0	0	0	0	0	1	3	3	1	3	1	3	3		
	Male	1	0	0	0	0	0	0	0	1	1	0	1	0	1	1		
Councilors, senior officials and managers	Female	4	0	0	0	0	0	2	2	5	4	2	5	2	5	4		
	Male	3	0	0	0	1	0	0	0	2	2	1	2	1	2	2		
Technicians and associate professionals	Female	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Male	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Professionals	Female	23	0	0	0	4	1	5	4	2	7	8	3	12	12			
	Male	22	0	0	0	7	5	2	2	2	1	9	7	3	3			
Other	Female	10	0	0	0	0	0	3	0	2	5	0	2	8	8			
	Male	23	0	0	0	0	0	2	0	0	5	0	0	7	7			
Sub Total	Female	40	0	0	0	4	1	8	7	12	19	11	13	27	27			
	Male	49	0	0	0	8	5	4	2	5	9	10	10	13	13			
Total		89	0	0	0	12	6	12	9	17	28	21	23	40				



Organisational Development Performance (Performance Report Part 2)



Organisational Development Performance (Performance Report Part 2)

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

In terms of the Minimum Competency Regulations, the following table indicates the number of unit standards required to be confirmed as competent for the various levels of officials as follows:

Grouping of Official per NT Regulations	Number of US Standards to be covered
Accounting Officer (Municipal Manager)	18
Chief Financial Officer	21
Senior Managers	16
Supply Chain Managers	15
Finance Management Interns	19
Middle Managers	15

The following officials have been enrolled with various accredited service providers appointed by the Municipality in order to meet the prescribed Minimum Competency Levels Regulations as promulgated in 2007 as follows:

Completed

Municipal Manager
 Chief Financial Officer
 Manager: Corporate Services
 Senior Accountant
 2X Financial Interns

In Progress

Manager: Community and Planning
 Finance Intern
 Supply Chain Officer
 Expenditure Accountant & IDP/PMS Officer

Table 22: Skills Development and Training



**Organisational Development Performance
(Performance Report Part 2)**

Component D: Managing the Municipal Workforce Expenditure.

The municipality has been cautious of managing the expenditure relating to manpower for the purpose of ensuring efficient and effective delivery of services to the community.

4.4 EMPLOYEE EXPENDITURE

The table and graph below illustrate the employee expenditure over the period of three years

Financial Years	Employee Costs
2011/2012	R 12 168 671
2012/2013	R 13 302 679
2013/2014	R 14 951 342

Table 23: Employee Expenditure



Financial Performance

CHAPTER 5: FINANCIAL PERFORMANCE

The aim of this chapter is to provide an overview of the financial performance of the municipality through measuring of result also to provide with an opportunity for planning to ensure that the future budgetary allocations are brought in line with IDP and functional area activities and outputs.

GENERAL INFORMATION

Legal form of entity:	Municipality
Members of the Council:	
Executive Mayor:	Mr M. Banda
Councillors:	CIlr V.P Majosi CIlr S.B Mqwambi CIlr P.N Mncwabe CIlr E.Z Radebe CIlr D. Adam CIlr P.R Crawley (MPAC Chairperson)
Grading of local authority::	Grade 1
Chief Finance Officer (CFO):	Mr T. Mketsu
Accounting Officer:	N.C James
Registered Office:	Kwasani Local Municipality
Business Address:	32 Arbuckle Street Himeville 3256
Postal Address:	P.O Box 43 Himeville 3256
Bankers:	First National Bank



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ABBREVIATIONS

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)



Financial Performance

ANNUAL FINANCIAL STATEMENTS 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 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 municipal councillors have been paid within the upper limits as determined in the gazette that was approved by the minister of Corporate Governance and Traditional Affairs with effect from 1 July 2013.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 32 of these financial statements are within the upper limits of the framework envisaged in the Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Corporate Governance of Traditional Affairs' determination in accordance with this Act.

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 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 annual financial statements set out on pages 92 to 134, which have been prepared on the going concern basis, were approved by the on 29 August 2014 and were signed on its behalf by:

.....

N.C JAMES
Municipal Manager



Financial Performance

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

Figures in Rand	Note(s)	2014	Restated 2013
Assets			
Current Assets			
Inventories	4	6 485	6 485
Receivables from exchange transactions	5	196 017	444 811
Receivables from non-exchange transactions	5	1 654 445	3 758 288
Receivables from exchange and non-exchange transactions	5	1 330 119	1 383 894
Traffic fines and Deposits	7	174 549	46 049
VAT receivable	8	814 628	899 504
Cash and cash equivalents	9	25 867 558	23 917 287
		30 043 801	30 456 318
Non-Current Assets			
Investment property	2	10 661 000	10 661 000
Property, plant and Equipment	3	59 015 933	47 209 023
Intangible assets	31	76 894	6 728
		69 753 827	57 876 751
Total Assets		99 797 628	88 333 069
Liabilities			
Current Liabilities			
Borrowings - External Loans	13	720 667	527 604
Finance lease obligation	11	364 924	393 245
Payables from exchange transactions	16	6 998 596	2 443 241
Payables from Non-exchange transactions	16	5 723 261	5 903 222
Consumer deposits	17	6 406	6 406
Unspent conditional grants and receipts	12	2 870 145	9 792 142
Provisions	14	2 500 604	2 074 045
Defined Benefit Plan Obligations	15	569 825	506 223
		19 754 428	21 646 128
Non-Current Liabilities			
Borrowings - External Loans	13	870 069	1 317 709
Finance lease obligation	11	698 600	948 238
		1 568 669	2 265 947
Total Liabilities		21 323 097	23 912 075
Net Assets		78 474 531	64 420 994
Capital Replacement Reserve		582 658	582 658
Reserves			
Revaluation reserve	10	2 123 044	1 774 000
Accumulated surplus		75 768 829	62 064 336
Total Net Assets		78 474 531	64 420 994



Financial Performance

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2014	Restated 2013
Revenue			
Revenue from exchange transactions			
Service charges	20	2 123 402	2 286 284
Rental income		303 105	299 003
Agency fees (motor vehicle licenses)		200 974	64 032
Profit on disposal		239 882	-
Other income		80 046	132 643
Building plans		117 755	111 237
Interest received - investment		1 189 880	931 049
Total revenue from exchange transactions		4 255 044	3 824 248
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	19	12 487 756	11 739 422
Property rates - penalties imposed	19	2 841 742	732 440
Transfer revenue			
Government grants & subsidies		32 739 445	26 463 652
Fines		110 150	72 500
Total revenue from non-exchange transactions		48 179 093	39 008 014
Total revenue	18	52 434 137	42 832 262
Expenditure			
Personnel	23	(15 168 706)	(12 947 386)
Remuneration of councillors	24	(1 561 008)	(1 461 360)
Depreciation and amortisation	26	(2 750 118)	(1 891 488)
Finance costs	27	(266 442)	(214 415)
Provision for Bad Debts movements	25	(3 593 238)	(2 104 829)
Repairs and maintenance		(991 092)	(1 744 563)
Contracted services	29	(3 733 122)	(5 268 891)
General Expenses	22	(10 682 665)	(7 703 495)
Total expenditure		(38 746 391)	(33 336 427)
Operating surplus		13 687 746	9 495 835
Actuarial Gain/(loss)		16 747	31 360
Fair value adjustments-Investment Properties	34	-	(8 559 000)
		16 747	(8 527 640)
Surplus for the year		13 704 493	968 195



Financial Performance

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Capital Replacement Reserves	Revaluation reserve	Accumulated surplus	Total net assets
Balance at 01 July 2012	(85 595)	-	56 188 169	56 102 574
Movements during the year	668 253	1 774 000	-	2 442 253
Net income (losses) recognised directly in net assets	668 253	1 774 000	-	2 442 253
Surplus for the year	-	-	968 195	968 195
	668 253	1 774 000	968 195	3 410 448
Correction of errors	-	-	4 907 972	4 907 972
	668 253			
Balance at 01 July 2013 as restated*	582 658	1 774 000	62 064 336	64 420 994
Adjustments	-	-		
Revaluation for the current year	-	349 044	-	349 044
Net income (losses) recognised directly in net assets	-	349 044	-	349 044
Surplus for the year	-	-	13 704 493	13 704 493
Total recognised income and expenses for the year	-	349 044	13 704 493	14 053 537
	-	349 044		
Balance at 30 June 2014	582 658	2 123 044	75 768 829	78 474 531
Note(s)		10		



Financial Performance

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2014	2013
Cash flows from operating activities			
Receipts			
Sale of goods and services		17 452 900	15 056 433
Grants		25 923 000	26 463 651
Interest income		1 189 880	931 049
Other receipts		941 762	381 129
Movements in Receivables		(3 580 455)	(6 901 998)
		<u>41 927 087</u>	<u>35 930 264</u>
Payments			
Employee costs		16 569 680	14 057 788
Suppliers		12 715 576	7 845 419
Finance costs		266 442	214 415
Other payments		-	2 205 994
Movements in Payables		(4 375 394)	(429 431)
		<u>25 176 304</u>	<u>23 894 185</u>
Net cash flows from operating activities	30	16 750 783	12 036 079
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(14 298 507)	(9 213 929)
Proceeds from sale of property, plant and equipment	3	114 255	-
Purchase of investment property	2	-	(250 000)
Purchase of other intangible assets	31	(83 723)	(9 545)
Net cash flows from investing activities		(14 267 975)	(9 473 474)
Cash flows from financing activities			
Repayment of borrowings - external loans		(254 578)	(615 738)
Finance lease payments		(277 959)	(314 696)
Proceeds from conditional Grants		-	(509 781)
Net cash flows from financing activities		(532 537)	(1 440 215)
Net increase/(decrease) in cash and cash equivalents		1 950 271	1 122 390
Cash and cash equivalents at the beginning of the year		23 917 287	22 794 897
Cash and cash equivalents at the end of the year	9	25 867 558	23 917 287

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final budget adjustments (i.t.o. s31 of the MFMA)	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
2014											
Financial Performance											
Property rates	13 151 472	(350 478)	12 800 994	-	-	12 800 994	15 329 498		2 528 504	120 %	117 %
Service charges	2 082 642	-	2 082 642	-	-	2 082 642	2 123 402		40 760	102 %	102 %
Investment revenue	828 565	-	828 565	-	-	828 565	1 189 880		361 315	144 %	144 %
Transfers recognised - operational	16 826 792	13 208	16 840 000	-	-	16 840 000	32 739 445		15 899 445	194 %	195 %
Other own revenue	2 652 071	7 046 511	9 698 582	-	-	9 698 582	1 068 659		(8 629 923)	11 %	40 %
Total revenue (excluding capital transfers and contributions)	35 541 542	6 709 241	42 250 783	-	-	42 250 783	52 450 884		10 200 101	124 %	148 %
Employee costs	(17 368 683)	(107 897)	(17 476 580)	-	-	(17 476 580)	(15 168 706)		2 307 874	87 %	87 %
Remuneration of councillors	(1 561 007)	-	(1 561 007)	-	-	(1 561 007)	(1 561 008)		(1)	100 %	100 %
Debt impairment	-	-	-	-	-	-	(3 593 238)		(3 593 238)	DIV/0 %	DIV/0 %
Depreciation and asset impairment	(1 957 000)	-	(1 957 000)	-	-	(1 957 000)	(2 750 118)		(793 118)	141 %	141 %
Finance charges	(240 442)	57 025	(183 417)	-	-	(183 417)	(266 442)		(83 025)	145 %	111 %
Transfers and grants	(1 602 381)	1 602 381	-	-	-	-	-		-	- %	- %
Other expenditure	(12 808 149)	(8 262 073)	(21 070 222)	-	-	(21 070 222)	(15 406 879)		5 663 343	73 %	120 %
Total expenditure	(35 537 662)	(6 710 564)	(42 248 226)	-	-	(42 248 226)	(38 746 391)		3 501 835	92 %	109 %
Surplus/(Deficit)	3 880	(1 323)	2 557	-	-	2 557	13 704 493		13 701 936	535 960 %	353 209 %
Surplus/(Deficit) for the year	3 880	(1 323)	2 557	-	-	2 557	13 704 493		13 701 936	535 960 %	353 209 %



Financial Performance



Financial Performance

APPROPRIATION STATEMENT

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget (i.t.o. s31 of the MFMA)	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
Capital expenditure and funds sources											
Total capital expenditure	9 096 208	(13 208)	9 083 000	-		9 083 000	9 083 000		-	100 %	100 %
Sources of capital funds											
Internally generated funds	605 268	877 054	1 482 322	-		1 482 322	1 136 948		(345 374)	77 %	188 % ⁸
Cash flows											
Net cash from (used) operating	13 162 995	(604 777)	12 558 218	-		12 558 218	17 166 591		4 608 373	137 %	130 % ⁹
Net cash from (used) investing	(9 701 476)	(864 000)	(10 565 476)	-		(10 565 476)	(10 219 948)		345 528	97 %	105 % ¹⁰
Net cash from (used) financing	(484 850)	99 850	(385 000)	-		(385 000)	19 077 327		19 462 327	(4 955)%	(3 935)% ¹¹
Net increase/(decrease) in cash and cash equivalents	2 976 669	(1 368 927)	1 607 742	-		1 607 742	26 023 970		24 416 228	1 619 %	874 %
Cash and cash equivalents at year end	2 976 669	(1 368 927)	1 607 742	-		1 607 742	26 023 970		(24 416 228)	1 619 %	874 %



ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below. Assets, liabilities, revenues and expenses have not been offset, except where offsetting is required or permitted by a Standard of GRAP.

These accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The detail of any changes in the accounting policies are explained in the relevant policy..

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 on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Comparative information

Basis of consolidation

Budget information in accordance with GRAP 1 and 24, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.4 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:



Financial Performance

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 the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill 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, goodwill 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 goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including [list entity specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

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.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.5 Investment property

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property, where an investment property was acquired through a non-exchange transactions (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Subsequent measurement - Fair value model

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.



1.6 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 year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded 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 the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and restoring the site on which it is located.

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

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

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, its deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Subsequent to the initial recognition, land and buildings are carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment loss.

An increase in an the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except , is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

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 directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not deperciated as it deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated useful lives:



Financial Performance

ITEM	AVERAGE USEFUL LIFE
Infrastructure	
• Roads and Paving	10-25 yrs
• Pedestrian Malls	10-25 yrs
• Sewerage	10-25 yrs
Community	
• Buildings	30 yrs
• Recreational Facilities	30 yrs
• Security	30 yrs
• Halls	30 yrs
• Libraries	30 yrs
• Parks and Gardens	30 yrs
• Other Assets	30 yrs
Heritage Assets	30 yrs
• Buildings	
Finance Leased Assets	
• Office Equipment	5 yrs
• Other assets	
Other Property, plant and equipment	2-15yrs
• Specialised vehicles	
• Other vehicles	
• Office equipment	
Landfill Sites	20 yrs

The residual value, the useful life of an asset and depreciation method is reviewed annually and any changes are recognised as a change in accounting estimates in the statement of financial performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount). It is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Position.

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 on the disposal or retirement of an item of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.



1.7 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in the Statement of Financial Position only 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 of the fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- The municipality intends to complete the intangible assets for use or sale;
- It is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- It is probable that the municipality will receive future economic benefits or service potential.

Intangible are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset 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 items fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Intangible assets are subsequently carried at cost less accumulated amortisation and impairment. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software	3-5yrs
-------------------	--------

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimates in the Statement of Financial Position.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Position.

Intangible assets are derecognised when the asset is disposed of or when there are no future economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between sales proceeds and the carrying value and is recognised in the Statement of Financial Position.



Financial Performance

1.8 Financial instruments

Initial recognition

Financial instruments are initially recognised at fair value.

Subsequent measurement

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held- to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit and loss or financial liabilities carried at amortised cost ('other'). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence on an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

Investments

Investments, which include listed government bonds, unlisted government bonds, fixed deposits and short term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected cash flows flowing from the instrument. On disposal of an investment, the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Position.

Trade and other receivables

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequent carried at amortised cost. Amortised refers to the initial carrying amount, plus interest, less payments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivables impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

Trade payables and borrowings

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.



Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categories cash and cash equivalents as financial assets; loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities; other financial liabilities are carried at amortised cost.

1.9 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the assets fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments, the municipality uses the interest rate that exactly discount the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the state accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayments using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the assets useful life or the lease term.

Municipality as lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the assets fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments, the municipality uses the interest rate that exactly discount the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the state accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayments using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the assets useful life or the lease term.



Financial Performance

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

Municipality as lessor

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalment received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

1.10 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.

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 municipality's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Provisions and Contingencies

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.



Financial Performance

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The municipality has a detailed formal plan for the restructuring identifying at least:
- the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- (b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 29.

1.11 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered/goods sold, the value of which approximates the consideration received or receivable

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from council and are levied monthly.

Interest revenue is calculated on a time proportion basis.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licenses and permits.

Revenue from rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to a customer.



Financial Performance

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

1.12 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivables qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate.

Fines constitute both spot fines and summonses. Revenue from spot fees and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 Of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Fines

Revenue from the issuing of fines is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.



1.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

1.14 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the condition of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act no.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.15 Fruitless and wasteful expenditure

Fruitless and Wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful 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.

1.16 Irregular expenditure

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), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality'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.

1.17 Commitments

Capital commitments disclosed in the notes to the annual financial statements represents the balance committed to capital projects as at the reporting date which will be incurred in the period subsequent to the specific reporting period.

Financial Performance

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. INVESTMENT PROPERTY

	2014			2013		
	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	10 661 000	-	10 661 000	10 661 000	-	10 661 000

Reconciliation of investment property - 2014

	Opening balance	Total
Investment property	10 661 000	10 661 000

Reconciliation of investment property - 2013

	Opening balance	Additions	Fair value adjustments	Total
Investment property	18 970 292	250 000	(8 559 292)	10 661 000

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.

Investment property are valued each year by the municipal valuer during the year under review there has been no adjustment on fair value.

3. PROPERTY, PLANT AND EQUIPMENT

	2014			2013		
	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	9 818 000	-	9 818 000	9 768 000	-	9 768 000
Buildings	5 220 956	(801 822)	4 419 134	4 921 912	(627 790)	4 294 122
Plant and machinery	583 340	(352 129)	231 211	395 720	(336 103)	59 617
Furniture and fixtures	264 739	(72 619)	192 120	225 629	(28 837)	196 792
Motor vehicles	2 510 843	(1 310 528)	1 200 315	2 554 858	(1 316 463)	1 238 395
Office equipment	2 420 623	(1 312 146)	1 108 477	1 747 855	(1 070 709)	677 146
Computer	190 255	(39 076)	151 179	86 958	(2 390)	84 568
Infrastructure	33 159 935	(7 568 549)	25 591 386	22 930 348	(8 275 445)	14 654 903
Community	15 045 550	(2 016 197)	13 029 353	9 753 604	(246 267)	9 507 337
Work in Progress	3 274 758	-	3 274 758	6 728 143	-	6 728 143
Total	72 488 999	(13 473 066)	59 015 933	59 113 027	(11 904 004)	47 209 023



Financial Performance

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property, plant and equipment - 2014

	Opening balance	Restatement and Errors	Restated Opening balance	Additions	Disposals	Revaluations	Transfers	Depreciation	Total
Land	9 768 000	-	9 768 000	-	-	50 000	-	-	9 818 000
Buildings	4 329 655	(35 533)	4 294 122	-	-	299 044	-	(174 032)	4 419 134
Plant and machinery	59 616	-	59 616	217 263	(15 061)	-	-	(30 607)	231 211
Furniture and fixtures	196 792	-	196 792	39 110	-	-	-	(43 783)	192 119
Motor vehicles	1 238 395	-	1 238 395	375 460	(807)	-	-	(412 733)	1 200 315
Office Equipment	677 145	-	677 145	897 828	(98 387)	-	-	(368 108)	1 108 478
Computer Equipment	84 568	-	84 568	103 297	-	-	-	(36 686)	151 179
Infrastructure	11 942 939	2 711 964	14 654 903	2 942 494	-	-	9 213 502	(1 219 513)	25 591 386
Community	9 507 337	-	9 507 337	1 042 897	-	-	2 920 041	(440 922)	13 029 353
Work in Progress	6 070 986	657 157	6 728 143	8 680 158	-	-	(12 133 543)	-	3 274 758
	43 875 433	-	43 875 433	14 298 507	(114 255)	349 044	-	(2 726 384)	59 015 933

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Restatements	Revaluations	Depreciation	Impairment loss	Impairment reversal	Total
Land	13 923 000	-	-	1 524 000	-	(5 679 000)	-	9 768 000
Buildings	7 321 825	-	(35 533)	-	(164 563)	(3 150 000)	322 393	4 297 122
Plant and machinery	61 167	17 649	-	-	(19 200)	-	-	59 616
Furniture and fixtures	1 310	204 335	-	-	(8 853)	-	-	196 792
Motor vehicles	1 634 813	-	-	-	(396 418)	-	-	1 238 395
Office equipment	967 392	5 301	-	-	(295 547)	-	-	677 146
Computer Equipment	-	94 541	-	-	(9 972)	-	-	84 569
Infrastructure	9 813 393	2 739 095	2 711 964	-	(609 550)	-	-	14 654 902
Community	9 505 677	389 042	-	-	(387 383)	-	-	9 507 336
Work in Progress	307 000	5 763 986	657 157	-	-	-	-	6 728 143
	43 535 577	9 213 949	3 333 588	1 524 000	(1 891 486)	(8 829 000)	322 393	47 209 021

Property, plant and equipment

Subsequent measurement – Revaluation Model (Land and Buildings)

Subsequent to initial recognition, land and buildings are carried at a revalued amount, being its fair value at the reporting date less any subsequent accumulated depreciation and impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reverse, except that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit. A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset. Land and buildings were revalued by an independent valuer based on observable prices in an active market or recent market transactions on arm's length terms.



Financial Performance

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2014	2013
4. INVENTORIES		
Finished goods - Spare Parts	6 485	6 485
5. RECEIVABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS		
Receivables from Exchange Transactions	196 017	444 811
Receivables from Non-Exchange	1 654 445	3 758 288
Other Receivables	1 330 119	1 383 894
	3 180 581	5 586 993
6.		
Gross balances		
Rates	10 659 331	7 250 499
Refuse	1 218 141	949 337
Other	1 398 633	1 539 437
	13 276 105	9 739 273
Less: Allowance for impairment		
Rates	9 004 886	3 492 211
Refuse	1 022 124	504 526
Other	68 514	155 544
	10 095 524	4 152 281
Net balance		
Rates	1 654 445	3 758 289
Refuse	196 017	444 811
Other	1 330 119	1 383 893
	3 180 581	5 586 993
Rates		
Current (0 - 30 days)	572 574	389 466
31 - 60 days	923 254	627 999
61 - 90 days	554 820	377 389
91 - 120 days	51 116	34 769
121 - 365 days	358 325	243 734
> 365 days	8 199 243	5 577 142
	10 659 332	7 250 499



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2014	2013
6. (continued)		
Refuse		
Current (0 - 30 days)	182 162	141 965
31 - 60 days	97 074	75 653
61 - 90 days	77 621	60 492
91 - 120 days	65 311	50 899
121 - 365 days	795 974	620 328
	1 218 142	949 337
Other		
Current (0 - 30 days)	19 771	19 591
31 - 60 days	16 536	16 385
61 - 90 days	16 536	16 385
91 - 120 days	183 431	181 763
121 - 365 days	21 863	21 664
> 365 days	1 140 496	1 283 649
	1 398 633	1 539 437
Ageing per Category:		
Government	-	-
31 - 60 days	10 774	40 648
61 - 90 days	18 117	8 955
91 - 120 days	10 933	8 960
121 - 365 days	608 094	399 598
	647 918	458 161
Business		
31 - 60 days	(68 871)	208 692
61 - 90 days	211 723	165 010
91 - 120 days	238 688	121 732
121 - 365 days	5 153 420	649 117
	5 534 960	1 144 551
Households		
31 - 60 days	61 478	340 968
61 - 90 days	188 308	155 039
91 - 120 days	182 587	125 120
121 - 365 days	4 054 505	760 197
	4 486 878	1 381 324



Financial Performance

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2014	2013
6. (continued)		
Other		
31 - 60 days	26 100	227 739
61 - 90 days	19 099	140 424
91 - 120 days	19 694	162 835
121 - 365 days	2 541 456	6 224 239
	2 606 349	6 755 237
Reconciliation of allowance for impairment		
Balance at beginning of the year	4 152 281	2 047 452
Contributions to impairment	5 943 243	2 104 829
	10 095 524	4 152 281
7. TRAFFIC FINES AND DEPOSITS		
Petrol and Deposits	174 549	46 049
The municipality paid deposit for credit facility with local garage for refueling of its vehicles.		
8. VAT RECEIVABLE		
VAT	814 628	899 504
The municipality submit vat returns monthly to SARS. The amount is in relation to unpaid return submitted.		
9. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	5 699	6 970
Bank balances	25 861 859	23 910 317
	25 867 558	23 917 287
The municipality has short-term investments which are held with major banks in South Africa. Their term is not exceeding 3 months.		



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

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9. CASH AND CASH EQUIVALENTS (continued)

The municipality had the following bank accounts:

Account Number / Description	Bank Statement Balances		Cash Book Balances	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
First National Bank - Account Type - Primary Account - 620262224999	3 897 130	295 889 -	3 458 818	295 889 -
First National BANK - Account Type - Cheque Account - 62026225046	775 872	897 646 -	775 872	897 646 -
Standard BANK - Account Type - 0520700336	84 042	86 964 -	84 042	86 964 -
First National BANK - Account Type - Cheque - 62187280210	-	10 231 -	-	10 231 -
First National BANK - Account: Cheque - 62148777454	-	68 813 -	-	68 813 -
Petty Cash	1 305	2 332 -	1 305	2 332 -
Cash Floats	554	800 -	554	800 -
Under/Over Bank	3 838	3 838 -	3 838	3 838 -
FNB BANK - Account Type - Business Cheque -6219248045	2 583 428	2 583 830 -	2 583 428	2 583 830 -
FNB BANK - Account Type - Business Cheque - 62282061169	1 122 767	977 635 -	1 122 767	977 635 -
FNB BANK - Account Type - Business Cheque - 62235619197	5 534 574	4 961 560 -	5 534 574	4 961 560 -
FNB BANK - Account Type - Business Cheque - 62098069175	118 094	453 023 -	118 094	453 023 -
NEDCOR BANK	514 684	490 741 -	514 684	490 741 -
Standardbank - Business Cheque	9 647	9 647 -	9 647	9 647 -
Investec Business Account - 125677550	216 954	208 028 -	216 954	208 028 -
FNB - Business Cheque - 62090279029	784 399	756 984 -	784 399	756 984 -
FNB - Business Cheque - 62116486087	929 653	896 902 -	929 653	896 902 -
FNB - Business Cheque - 62092759326	7 378	7 525 -	7 378	7 525 -
FNB - Business Cheque - 62088816726	-	22 170 -	-	22 170 -
FNB - Business Cheque - 62192429928	191 428	523 883 -	191 428	523 883 -
FNB - Business Cheque - 62088816677	190 440	183 780 -	190 440	183 780 -
FNB - Business Cheque - 62248698930	31 781	226 005 -	31 781	226 005 -
FNB - Business Cheque - 62301101424	83 417	12 214 -	83 417	12 214 -
FNB - Business Cheque - 62304523782	270 042	606 888 -	270 042	606 888 -
FNB - Business Cheque - 62272464224	-	10 055 -	-	10 055 -
FNB - Business Cheque - 62134476672	326 391	314 929 -	326 391	314 929 -
FNB - Business Cheque - 62272463937	3 048	8 528 -	3 048	8 528 -
FNB - Business Cheque - 62272463622	-	28 407 -	-	28 407 -
FNB - Business Cheque - 62106118997	33 147	32 191 -	33 147	32 191 -
FNB - Business Cheque - 62106119482	-	10 063 -	-	10 063 -
FNB - Business Cheque - 62282061424	-	10 062 -	-	10 062 -
FNB - Business Cheque - 62090278956	227 323	9 985 -	227 323	9 985 -
FNB - Business Cheque - 62106118624	115 960	12 695 -	115 960	12 695 -
FNB-Business Cheque - 62195706208	3 317 409	1 206 413 -	3 317 409	1 206 413 -
FNB-Business Cheque-MIG	-	9 354 -	-	9 354 -
Retention FNB - Business Cheque - 62278574241	15 976	15 874 -	15 976	15 874 -
FNB - Business Cheque - Reichen Mission	395 566	583 327 -	395 566	583 327 -
FNB - Business Cheque - 62333916453	1 625 856	3 565 947 -	1 625 856	3 565 947 -
FNB - Business Cheque - 62331463191	2 478 017	3 410 997 -	2 478 017	3 410 997 -
FNB - Business Cheque - Long Service Award	415 750	401 132 -	415 750	401 132 -
Total	26 305 870	23 917 287	25 867 558	23 917 287



Financial Performance

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2014	2013
10. REVALUATION RESERVE		
Opening balance	1 774 000	-
Change during the year	349 044	1 774 000
	2 123 044	1 774 000
10.1 Capital Replacement Reserves		
Opening balance	582 658	(85 595)
Changes during the year	-	668 253
	582 658	582 658
11. FINANCE LEASE OBLIGATION		
Present value of minimum lease payments due		
- within one year	364 924	393 245
- in second to fifth year inclusive	698 600	948 238
	1 063 524	1 341 483
Non-current liabilities	698 600	948 238
Current liabilities	364 924	393 245
	1 063 524	1 341 483

The average lease term was 5 years and the average effective borrowing rate was 9% (2013: 9%).

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

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12. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Development and Planning Grant	22 971	20 861
Sisonke Grant	103 635	103 635
Free Electrical Services	56 190	101 925
DBSA Grant	35 045	35 045
MIG Grant	-	255 886
Arts and Culture-Library	229 833	229 833
MPRA Grant	39 850	39 850
SDF Grant	105 417	297 575
EPWP	74 397	462 955
Sports Grant	38 678	281 338
COGTA Account	1 357 303	6 473 030
Anti-Corruption Grant	171 343	171 343
Municipal Pound Grant	44 484	572 112
GIS Grant	292 621	292 621
Bookkeeping Grant	109 397	109 397
PMS Grant	48 364	48 364
Free Basic Services	140 617	296 372
	2 870 145	9 792 142

Movement during the year

Balance at the beginning of the year	9 792 142	10 917 664
Additions during the year	34 814 275	25 338 129
Income recognition during the year	(41 736 272)	(26 463 651)
	2 870 145	9 792 142

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note for reconciliation of grants from National/Provincial Government.



Financial Performance

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

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13. OTHER FINANCIAL LIABILITIES

Designated at fair value

Bank loan	720 667	527 603
Short-term/current portion		
Bank loan	870 069	1 317 705
Long-term/non current portion		
	1 590 736	1 845 308

Investments ceded as security

The following investments has been used as security by the Municipality for the long term loan of Development Bank of South Africa (DBSA). The loan is to the total value of R1 236 148 as at year end. The ceded investments are with FNB and Investec to the value of R 671 923.

As the loans are used as security this therefore means the municipality will not be able to utilise the stated investments up until the loan have been re-paid in full.

Non-current liabilities

Designated at fair value	870 069	1 845 308
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Current liabilities

Designated at fair value	720 667	-
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14. PROVISIONS

Reconciliation of provisions - 2014

	Opening Balance	Additions	Total
Staff Leave Provisions	909 390	90 134	999 524
Other Provision	-	221 720	221 720
Provisions for 13th Cheque	1 164 655	114 705	1 279 360
	2 074 045	426 559	2 500 604

Reconciliation of provisions - 2013

	Opening Balance	Restatement	Additions	Total
Provisions for Staff Leave	709 835	-	199 555	909 390
Provisions for 13th Cheque	359 681	706 250	98 724	1 164 655
	1 069 516	706 250	298 279	2 074 045



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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15. DEFINED BENEFIT PLAN OBLIGATIONS

Long term service awards	569 825	506 223
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16. PAYABLES FROM EXCHANGE TRANSACTIONS

Payments received in advanced - contract in process	1 129 780	1 013 988
Sundry payables	3 387 304	(240 947)
Retention Creditors	1 161 259	609 681
Payments Received in Advance	525 332	326 881
Accruals	739 579	-
Sundry Creditors	55 342	733 638
	6 998 596	2 443 241

Payables from non-exchange transactions

Housing Grants	5 723 262	5 903 222
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17. CONSUMER DEPOSITS

Deposits	6 406	6 406
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18. REVENUE

Service charges	2 123 402	2 286 284
Rental income	303 105	299 003
Agency fees -Motor Vehicle Licencing	200 974	64 032
Profit on Disposal of Fixed Assets	239 882	-
Other income	80 046	132 643
Building Plans	117 755	111 237
Interest received - investment	1 189 880	931 049
Property rates	12 487 756	11 739 422
Property rates - penalties imposed	2 841 742	732 440
Government grants & subsidies	32 739 445	26 463 652
Fines	110 150	72 500
	52 434 137	42 832 262



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18. REVENUE (continued)

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	2 123 402	2 286 284
Rental income	303 105	299 003
Agency fees (motor Vehicle Licenses)	200 974	64 032
Profit on disposal	239 882	-
Other income	80 046	132 643
Building Plans	117 755	111 237
Interest received - investment	1 189 880	931 049
	4 255 044	3 824 248

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Property rates	12 487 756	11 739 422
Property rates - penalties imposed	2 841 742	732 440

Transfer revenue

Government grants & subsidies	32 739 445	26 463 652
Fines	110 150	72 500
	48 179 093	39 008 014

19. PROPERTY RATES

Rates received

Residential	19 866 423	15 875 178
Less: Income forgone	(7 378 667)	(4 135 756)
	12 487 756	11 739 422
Property rates - penalties imposed	2 841 742	732 440
	15 329 498	12 471 862

Valuations

Residential	701 251 000	701 251 000
Commercial	2 266 453 000	2 266 453 000
State	45 961 000	45 961 000
Municipal	550 862 000	550 862 000
	3 564 527 000	3 564 527 000

Valuations on land and buildings are performed every years. The last general valuation came into effect on 1 July 2015. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied on an annual basis with the final date for payment being 31 May 2015. Interest at prime plus 18% per annum (2013:) and a collection fee of 10% (2013: 10%), is levied on rates outstanding two months after due date.



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20. SERVICE CHARGES

Refuse removal	2 123 402	2 286 284
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21. GOVERNMENT GRANTS AND SUBSIDIES

Operating grants

Equitable share	12 845 955	12 054 000
Other	-	18 132
MFMG Grant	1 650 000	1 500 000
MSIG Grant	890 000	800 000
EPWP Grant	925 603	537 045
Share Planner	-	46 720
SDF Grant	-	202 425
Corridor Development	2 247 654	880 549
Small Town Rehabilitation	3 223 411	427 793
KZNPA Grant	-	591 590
Arts and Culture Grant	454 000	-
Sports Grant	242 661	-
Free Services Grant	201 490	-
Spacial Development Grant	192 158	-
Animal Pond Grant	527 627	-

23 400 559 **17 058 254**

Capital grants

MIG Grant	9 338 886	9 405 398
-----------	-----------	-----------

9 338 886 9 405 398

32 739 445 **26 463 652**

Free Basic Electricity

Balance unspent at beginning of year	101 925	101 925
Conditions met - transferred to revenue	(45 735)	-

56 190 **101 925**

Conditions still to be met - remain liabilities (see note 12).

Sisonke Grant - Shared Planner

Balance unspent at beginning of year	-	46 720
Conditions met - transferred to revenue	-	(46 720)

- -

Conditions still to be met - remain liabilities (see note 12).



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21. GOVERNMENT GRANTS AND SUBSIDIES (continued)

MFMA Grants

Current-year receipts	1 650 000	1 500 000
Conditions met - transferred to revenue	(1 650 000)	(1 500 000)
	-	-

Conditions still to be met - remain liabilities (see note 12).

MIG Grants

Balance unspent at beginning of year	255 886	94 284
Current-year receipts	9 083 000	9 567 000
Conditions met - transferred to revenue	(9 338 886)	(9 405 398)
	-	255 886

Conditions still to be met - remain liabilities (see note 12).

MSIG Grants

Current-year receipts	890 000	800 000
Conditions met - transferred to revenue	(890 000)	(800 000)
	-	-

Conditions still to be met - remain liabilities (see note 12).

EPWP (Expanded Public Works)

Balance unspent at beginning of year	462 955	-
Current-year receipts	537 045	1 000 000
Conditions met - transferred to revenue	(925 603)	(537 045)
	74 397	462 955

Conditions still to be met - remain liabilities (see note 12).

Cogta Grant

Balance unspent at beginning of year	6 473 030	7 781 372
Current-year receipts	-	12 946 060
Conditions met - transferred to revenue	(5 115 727)	(14 254 402)
	1 357 303	6 473 030

Conditions still to be met - remain liabilities (see note 12).



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21. GOVERNMENT GRANTS AND SUBSIDIES (continued)

Free Basic Services

Balance unspent at beginning of year	296 372	296 372
Conditions met - transferred to revenue	(155 755)	-
	140 617	296 372

Conditions still to be met - remain liabilities (see note 12).

KZN Provincial Administration Grant

Balance unspent at beginning of year	2 098 340	2 493 355
Current-year receipts	-	399 000
Conditions met - transferred to revenue	(1 000 187)	(794 015)
	1 098 153	2 098 340

Conditions still to be met - remain liabilities (see note 12).

Sisonke Grant - Capacity Building

Balance unspent at beginning of year	74 515	74 515
Conditions still to be met - remain liabilities (see note 12).		

Sisonke Grant - Waste Disposal Site

Balance unspent at beginning of year	29 120	29 120
Conditions still to be met - remain liabilities (see note 12).		

Arts and Culture Grant

Balance unspent at beginning of year	39 850	70 833
Current-year receipts	454 000	249 000
Conditions met - transferred to revenue	(454 000)	(279 983)
	39 850	39 850

Conditions still to be met - remain liabilities (see note 12).



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22. GENERAL EXPENSES

Advertising	359 575	563 608
Auditors remuneration	909 911	616 917
Bank charges	45 546	54 164
Computer expenses	13 030	13 344
Consulting and professional fees	554 139	314 057
Consumables	66 040	28 124
SALGA Expenses	458 000	400 002
Grant Expenditures	4 153 827	2 530 148
Ward Committee Expense	187 944	-
Discount Allowed	9 298	-
Pauper Burials Costs	41 865	57 459
Lease rentals on operating lease	12 264	17 612
Vehicle Lease	152	39 881
Street Lighting	109 766	153 749
Fuel and oil	590 203	600 466
Local Economic Development	234 625	102 711
Postage and courier	7 472	13 436
Printing and stationery	150 269	207 813
Protective clothing	134 300	71 776
Small Tools	1 380	9 693
Subscriptions and membership fees	2 265	2 063
Telephone and fax	8 643	15 590
Training	504 941	299 006
Travel - local	796 135	343 739
Refuse	85 133	49 221
Water	102 325	64 237
Uniforms	14 679	22 525
Furniture and Equipment expenses	3 440	12 785
Sundries	59 035	58 300
Special and Youths programs	499 433	424 311
Catering Expenses	64 727	68 969
Conferences	48 956	35 137
Deeds	3 196	3 216
Basic Services	176 634	123 349
Electricity	273 517	386 087
	10 682 665	7 703 495



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23. EMPLOYEE RELATED COSTS

Basic	10 425 771	8 863 220
Bonus	834 421	674 828
Medical aid - company contributions	362 054	301 395
UIF	96 331	83 544
SDL	128 890	105 557
Other payroll levies	6 280	5 248
Leave pay provision charge	160 034	350 957
Travel, motor car, accommodation, subsistence and other allowances	486 972	259 256
Overtime payments	892 779	1 036 832
Long-service awards	39 084	-
13th Cheques	270 257	98 724
Acting allowances	51 607	56 863
Housing benefits and allowances	60 970	22 789
Interest for long service bonus	65 506	-
Back Pay	31 723	39 106
Pension Fund Contributions	1 242 036	1 049 067
Cellphone Allowances	6 308	-
Long Service Bonus	7 683	-

15 168 706 **12 947 386**

Remuneration of Municipal Manager

Annual Remuneration	792 750	619 741
Car Allowance	45 647	84 227
Contributions to UIF, Medical and Pension Funds	10 171	1 190

848 568 **705 158**

Remuneration of Chief Finance Officer

Annual Remuneration	474 593	214 150
Car Allowance	248 820	32 634
Performance Bonuses	37 144	-
Contributions to UIF, Medical and Pension Funds	9 072	547

769 629 **247 331**

Remuneration of Director Community Services

Annual Remuneration	457 448	424 163
Car Allowance	15 010	72 109
Performance Bonuses	38 121	33 336
Contributions to UIF, Medical and Pension Funds	82 398	27 029

592 977 **556 637**



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Figures in Rand	2014	2013
23. EMPLOYEE RELATED COSTS (Continued)		
Corporate Services Manager		
Annual Remuneration	475 650	112 500
Car Allowance	13 886	-
Performance Bonuses	4 364	-
Contributions to UIF, Medical and Pension Funds	6 782	2 673
Subsistence	-	8 260
	500 682	123 433
24. REMUNERATION OF COUNCILLORS AND MAYOR		
Mayor		
Normal Salary	326 158	254 563
Back Pay	15 697	-
Cellphone Allowance	13 378	12 018
Total	355 233	266 581
Councillors		
Councillors Allowances	888 450	1 194 779
Back Pay	59 360	-
Travel and Motor allowances	177 691	-
Cellphone Allowance	80 274	-
Total	1 205 775	1 194 779
25. DEBT IMPAIRMENT		
Debt impairment	60 594	2 104 829
Contributions to debt impairment provision	3 515 444	-
Debts impaired	17 200	-
	3 593 238	2 104 829
26. DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	2 750 118	1 891 488



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2014	2013
27. FINANCE COSTS		
Interest Paid	266 442	214 415
28. AUDITORS' REMUNERATION		
Fees	909 911	616 917
29. CONTRACTED SERVICES		
Information Technology Services	84 000	-
Fleet Services	30 334	5 337
Operating Leases	718 319	821 132
Specialist Services	626 854	2 262 986
Other Contractors-Fire services	846 283	841 797
Removal Fees	851 788	794 534
Security	350 043	304 695
Valuation Fees	225 501	238 410
	3 733 122	5 268 891
30. CASH GENERATED FROM OPERATIONS		
Surplus	13 704 493	968 195
Adjustments for:		
Depreciation and amortisation	2 750 118	1 891 488
Actuarial Gain/(Loss)	(16 747)	(31 360)
Fair value adjustments	-	8 559 000
Finance costs - Finance leases	266 442	214 415
Debt impairment	3 593 238	2 104 829
Movements in provisions	426 559	(706 250)
Other non-cash-items and Adjustments	2 153 738	(733 876)
Changes in working capital:		
Receivables from exchange and non-exchange transactions	(3 536 832)	1 150 094
Other receivables from non-exchange transactions	(43 624)	(46 049)
Payables from exchange transactions	4 375 395	698 873
VAT	-	(1 182 872)
Unspent conditional grants and receipts	(6 921 997)	(862 276)
Consumer deposits	-	11 868
	16 750 783	12 036 079

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31. INTANGIBLE ASSETS

	2014			2013		
	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Intangible Assets	93 268	(16 374)	76 894	9 545	(2 817)	6 728

Reconciliation of intangible assets - 2014

	Opening Balance	Additions	Amortisation	Total
Intangibles	6 728	83 723	(13 557)	76 894

Reconciliation of intangible assets - 2013

	Opening Balance	Additions	Amortisation	Total
Computer software	-	9 545	(2 817)	6 728

32. EMPLOYEE BENEFIT OBLIGATIONS

Defined Contribution plan

All municipal employees belong to The Natal Joint Municipal Pension Fund (Superannuation) and The Natal Joint Municipal Pension Fund (Retirement) which are administered by the Province.

These schemes cannot be broken down per municipality, as they are considered to be multi-employer schemes and hence are treated as defined contribution schemes by the municipality.

Municipal employees are also members of the KwaZulu-Natal Municipal Provident Fund. All contributions have been included in the employee related cost note.

Long Service Awards

Independent valuers, actuarial consulting, carried out a statutory valuation on an annual basis.

The principal actuarial assumptions used were as follows:

Discount rate per annum	8.49 %	7.91 %
General Inflation	6.29 %	5.80 %
Salary inflation	7.29 %	6.80 %
Real rate	1.12 %	1.04 %

Examples of mortality rates used were as follows:

Average retirement age	63	63
Mortality during employment	SA85-90-3	SA85-90-3



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32. EMPLOYEE BENEFIT OBLIGATIONS (continued)

Movements in the defined benefit obligation is as follows:

Opening balance	506 223	401 132
Current service cost	65 506	57 025
Interest cost	39 084	26 294
Benefit payments	(24 241)	(9 588)
Actuarial (gains)/losses	(16 747)	(31 360)
	569 825	443 503

The municipality expects to contribute R - to its defined benefit plans in the following financial year.

Key assumptions used

Members withdrawn from services: (Average for males and females)

Age 20	16.00 %	16.00 %
Age 30	12.00 %	12.00 %
Age 40	10.00 %	10.00 %
Age 50	2.00 %	2.00 %
Age + 55	- %	- %

The amounts recognised in the Statement of Financial Position were determined as follows:

Present value of funded obligations	569 825	506 223
Actual return on reimbursement rights	-	-
Liability in the Statement of Financial Position	569 825	506 223

In conclusion

Statement of Financial Position obligation for:

Long Services Award	569 825	506 223
Long Service Award loss	(16 747)	31 360

33. INVESTMENT REVENUE

Interest revenue

Interest on Investments	1 189 880	931 049
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2014	2013
34. FAIR VALUE ADJUSTMENTS		
Investment property (Fair value model)	-	(8 559 000)
35. CAPITAL COMMITMENTS		
Authorised capital expenditure		
Approved and Contracted for		
• Infrastructure	3 378 615	7 646 651
35.1 Investment Properties		
The municipality has entered into a maintenance contract for the investment properties. Commitments regarding the maintenance are as follows.		
Operating leases - as lessor		
Minimum lease payments due		
- within one year	77 588	81 105
- in second to fifth year inclusive	-	77 588
	77 588	158 693

The operating leases include the following:

Airfield

The municipality leases an airfield to 5 private individuals. The lease agreement was entered into on 1 March 2006 and its renewable on a yearly basis. Lease rentals per month are currently at 10% escalation.

Telkom Lease

The municipality leases one of its buildings ERF to Telkom. The lease is for a period of 9 years, 11 months. The lease terminates on 30 November 2014, lease escalates annually at 8 %.

Sisonke District Offices

The municipality leases building premises to Sisonke didtrict Municipality. This is a yearly contract renewable by 3 months notice by either of the parties. Lease rentals escalate at a rate of 12% annually

36. CONTINGENCIES

Claim for damages - Termination of agreement

The Municipality might be going through an arbitration regarding a breach of contract for Community watch association. Council is contesting the claim based on legal advice. A court date has not yet been set. The contingent liability includes legal costs.

1 020 000	1 840 000
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37. CHANGE IN ACCOUNTING POLICY

Property, Plant and Equipment

During the year the Municipality changed its accounting policy in terms of recognizing income from Traffic Fines. The reason for change in accounting policy is to comply with the requirements of IGRAP 1 on Revenue Recognition which require municipality to recognize income from Traffic Fines when they are issued while traffic fine income was previously recognised on a cash basis. The standard has been applied prospectively and no comparatives have been adjusted.

38. PRIOR PERIOD ERRORS

Property, Plant and Equipment (Work in Progress) has been adjusted to correctly account for the assets that were previously expensed. This adjustment resulted into the increase in the Work in progress and increase in the accumulated surplus.

Also the provisions for the employee costs was adjusted in order to correctly account for the provisions made in the prior year. This resulted into the decrease in accumulated surplus and increase in the provisions.

The correction of error note includes the restatement of accumulated depreciation as a result of assessment of useful life on infrastructure assets which were fully depreciated as at end of june 2014.

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Property, Plant and Equipment - WIP	-	657 157
Unspent Conditional Grants	-	5 462
VAT Debtor	-	(927 609)
Cash and Cash Equivalentents	-	(85 432)
Community Watch	-	1 840 000
Restatement of useful lifes	-	2 711 964
Employee Cost	-	706 250

Cash flow statement

Cash flow from operating activities

Increase in the employee costs	-	(706 250)
Decrease in the VAT Receivables	-	927 609
	-	221 359

Cash flow from investing activities

Increase in the acquisition of Property, Plant and Equipment	-	(657 157)
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39. 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.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The municipality's financial liabilities are all classified as current liabilities, payable within the next 12 months, other than the long term portion of borrowings which has a non-current portion.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date.

Not later than one year	246 192	901 144
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Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates.

At year end, financial instruments exposed to interest rate risk were as follows:

- DBSA	1 147 336
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Maximum credit risk Exposure

Credit risk consists mainly of cash deposits, cash equivalents 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 evaluates 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.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2014	2013
Cash and cash equivalents	26 023 970	24 002 714
Trade and other receivables	9 133 361	5 442 919

These balances represent the maximum exposure to credit risk.



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40. UNAUTHORISED EXPENDITURE

Opening Balance	9 071 761	8 682 990
Unauthorised expenditure current year	536 869	388 770
Approved by Council or condoned	(536 869)	-
Unauthorised expenditure awaiting authorisation	9 071 761	9 071 760

Incident - Disciplinary steps/criminal proceedings

The municipality act as an agent in terms of the tri-partite agreement between the Dept of Human Settlements, Kwa Sani Municipality and Ntokozweni Developers . The contractor submits invoices to Dept of Human Settlements if approved Human Settlements transfers the money to the municipality and the municipality transfers it to the contractor. Sec 11 (e) Construction of Animal Pound - Grant was received last year and Approval for roll over received after the budget has been approved Sec 11 (j)

41. FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance	836 452	836 452
Fruitless and wasteful expenditure current year	25 963	-
Fruitless and wasteful expenditure awaiting condonement	862 415	836 452

Incident - Disciplinary steps/criminal proceedings

The fruitless and wasteful Expenditure relates to penalty charges on liabilities owed by the municipality but not settled on time.

42. IRREGULAR EXPENDITURE

Opening balance	17 003 922	7 476 420
Add: Irregular Expenditure - current year	4 590 071	9 527 502
21 593 993	17 003 922	



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43. INCIDENT - DISCIPLINARY STEPS/CRIMINAL PROCEEDINGS

Irregular expenditure of R 4,590,070.85 relates to the deviations in relation to the Supply Chain processes not followed due to emergency procurements. These are presented to council for approval.

The amount of R24,095 to be recovered relates to contravention of the SCM process on a tender award. Council resolved that the money will be recovered from the relevant officials and acknowledgement of debt from the officials have been obtained. This has been included as other revenue in the Statement of financial performance. Included irregular is the amount of R 4 548 504.

The municipality offered a tender to KLUS Civil CC during the financial year for the upgrading of road (Himville & Underberg). The budgeted tender amount was R 3 670 000, however the tender was awarded for an amount of R 4 548 504. Not condoned by council by year end and no disciplinary steps/ criminal proceedings taken.

Suppliers in the service of the state.

Suppliers not in the database.

Bidding documents which were not signed or partially completed.

Bidders who submitted copy of BBBEE certificate which were not certified or true copy.

Bid specification committee which did not sit for other projects however they were approved by AO.

44. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

Audit fees

Opening balance	-	67 648
Current year audit fee	909 911	586 743
Amount paid - current year	(909 911)	(586 743)
Amount paid - previous years	-	(67 648)
Balance unpaid (included in payables)	-	-

PAYE and UIF

Current year payroll deductions	2 130 986	1 601 739
Amount paid - current year	(2 130 986)	(1 601 739)
	-	-

VAT

VAT receivable	814 628	899 504
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VAT output payables and VAT input receivables are shown in note.

All VAT returns have been submitted by the due date throughout the year.



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Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2014:

30 June 2014

	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
CH & PR Crawley	1 862	-	1 862
PN Mncwabe	1 481	100	1 581
P A Adam	2 490	-	2 490
	5 833	100	5 933

Supply chain management Deviations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager.

Incident and Reason

Deviation/s during the year as per SCM which relates to Sole Suppliers and Emergencies.
This also relates to service providers that the Municipality has accounts with them.

974 104

2 568 260



Financial Performance

APPENDIX A
Schedule of external loans as at 30 June 2014

Loan Number	Redeem-able	Balance at 30 June 2013	Received during the period	Redeemed written off during the period	Balance at 30 June 2014	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
		R	R	R	R	R	R
Loan Stock							
PPE Loan (Motor Vehicles)							
First National Bank 9.85% (Prime + 1.35)		454 205	-	99 617	354 588	294 640	-
		454 205	-	99 617	354 588	294 640	-
Government Loans							
DBSA Loan @ 5%		1 390 150	-	154 002	1 236 148	-	-
		1 390 150	-	154 002	1 236 148	-	-
Total external loans							
PPE Loan (Motor Vehicles)		454 205	-	99 617	354 588	294 640	-
Government Loans		1 390 150	-	154 002	1 236 148	-	-
		1 844 355	-	253 619	1 590 736	294 640	-



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APPENDIX B Analysis of Property, Plant and Equipment as at 30 June 2014

	Cost/Revaluation										Accumulated depreciation			
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment (loss)/Reversal Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Land	9 768 000	-	-	-	50 000	-	9 818 000	-	-	-	-	-	(801 822)	9 818 000
Buildings	4 821 912	-	-	-	299 044	-	5 220 956	(592 258)	-	(35 532)	(174 032)	-	(801 822)	4 419 134
	14 689 912	-	-	-	349 044	-	15 038 956	(592 258)	-	(35 532)	(174 032)	-	(801 822)	14 237 134
Infrastructure														
Roads	20 682 178	2 942 494	-	9 213 502	-	2 884 213	35 722 387	(9 202 447)	-	-	(1 107 103)	-	(10 309 550)	25 412 837
Storm water	883 479	-	-	-	-	-	883 479	(149 516)	-	-	(44 174)	-	(193 690)	689 789
Transfer Station	1 364 691	-	-	-	-	-	1 364 691	(892 110)	-	-	(68 235)	-	(960 345)	404 346
Work in progress	6 719 411	8 680 158	-	(12 133 543)	-	-	3 266 026	-	-	-	-	-	-	3 266 026
	29 649 759	11 622 652	-	(2 920 041)	-	2 884 213	41 236 563	(10 244 073)	-	-	(1 219 512)	-	(11 463 585)	29 772 998
Community Assets														
Taxi Rank	1 325 008	387 748	-	-	-	-	1 716 756	(592 400)	-	-	(68 575)	-	(660 975)	1 055 781
Community halls	8 035 554	655 149	-	2 920 041	-	-	11 610 744	(381 694)	-	-	(352 896)	-	(734 590)	10 876 154
Sitting Area	389 043	-	-	-	-	-	389 043	(8 781)	-	-	(19 453)	-	(28 234)	360 809
	9 753 605	1 042 897	-	2 920 041	-	-	13 716 543	(982 875)	-	-	(440 924)	-	(1 423 799)	12 292 744



Financial Performance

APPENDIX B Analysis of Property, Plant and Equipment as at 30 June 2014

	Cost/Revaluation										Accumulated depreciation			
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment (loss)/Reversal Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment	14 689 912	-	-	-	349 044	2 884 213	15 038 956	(592 258)	-	(35 532)	(174 032)	-	(801 822)	14 237 134
Land and buildings	29 649 759	-	(2 920 041)	-	-	2 884 213	41 236 563	(10 244 073)	-	-	(1 218 512)	-	(11 463 585)	29 772 998
Infrastructure	9 753 005	(674 178)	-	-	-	-	13 716 563	(982 875)	-	-	(440 924)	-	(1 423 798)	12 292 744
Community Assets	5 011 020	-	-	-	-	-	3 969 800	(2 761 234)	-	-	(891 912)	559 921	(3 093 225)	2 876 575
Other assets	1 622 652	-	-	-	-	-	-	-	-	-	-	-	-	-
	14 298 507	(674 178)	-	-	349 044	2 884 213	75 961 882	(14 580 440)	-	(35 532)	(2 726 380)	559 921	(16 782 431)	59 179 451
Agricultural/Biological assets														
Intangible assets														
Investment properties														
Total														
Land and buildings	14 689 912	-	-	-	349 044	2 884 213	15 038 956	(592 258)	-	(35 532)	(174 032)	-	(801 822)	14 237 134
Infrastructure	29 649 759	-	(2 920 041)	-	-	-	41 236 563	(10 244 073)	-	-	(1 218 512)	-	(11 463 585)	29 772 998
Community Assets	9 753 005	(674 178)	-	-	-	-	13 716 563	(982 875)	-	-	(440 924)	-	(1 423 798)	12 292 744
Other assets	5 011 020	-	-	-	-	-	3 969 800	(2 761 234)	-	-	(891 912)	559 921	(3 093 225)	2 876 575
	14 298 507	(674 178)	-	-	349 044	2 884 213	75 961 882	(14 580 440)	-	(35 532)	(2 726 380)	559 921	(16 782 431)	59 179 451

Financial Performance

APPENDIX B Analysis of Property, Plant and Equipment as at 30 June 2013

	Cost/Revaluation						Accumulated depreciation							
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, improvements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment (loss)/Reversal Rand	Closing Balance Rand	Carrying value Rand
Land and buildings	13 923 000	-	-	-	1 524 000	(5 679 000)	9 768 000	(750 088)	-	-	(164 563)	322 393	(592 258)	9 768 000
Land	8 071 912	-	-	-	-	(3 150 000)	4 921 912	(750 088)	-	-	-	-	-	4 329 654
Buildings	21 994 912	-	-	-	1 524 000	(8 829 000)	14 689 912	(750 088)	-	-	(164 563)	322 393	(592 258)	14 097 654
Infrastructure	16 602 526	4 079 652	-	-	-	-	20 682 178	(8 109 515)	-	-	(1 092 932)	-	(9 202 447)	11 479 731
Roads	883 479	-	-	-	-	-	883 479	(103 912)	-	-	(45 604)	-	(149 516)	733 963
Storm water	1 364 691	-	-	-	-	-	1 364 691	(823 876)	-	-	(66 234)	-	(892 110)	472 581
Transfer Station	307 000	6 412 411	-	-	-	-	6 719 411	-	-	-	-	-	-	6 719 411
Work in progress	19 157 696	10 492 063	-	-	-	-	29 649 759	(9 037 303)	-	-	(1 206 770)	-	(10 244 073)	19 405 686
Community Assets	1 329 008	-	-	-	-	-	1 329 008	(525 950)	-	-	(66 450)	592 400	(592 400)	736 608
Taxi Rank	8 035 554	-	-	-	-	-	8 035 554	(661 943)	-	-	(312 152)	-	(381 695)	7 653 859
Community halls	-	389 043	-	-	-	-	389 043	-	-	-	(8 781)	-	(8 781)	380 262
Sitting Area	9 364 562	389 043	-	-	-	-	9 753 605	(1 187 893)	-	-	(387 383)	592 400	(982 876)	8 770 729



APPENDIX B Analysis of Property, Plant and Equipment as at 30 June 2013

	Cost/Revaluation					Accumulated depreciation								
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment (loss)/Reversal Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
Specialised vehicles														
Other assets														
Computer Equipment	1 962	84 986	-	-	-	-	86 958	(1 962)	-	-	(7 157)	-	(9 119)	77 839
Furniture & Fittings	21 294	204 335	-	-	-	-	225 629	(19 984)	-	-	(8 853)	-	(28 837)	196 792
Office Equipment	1 742 564	5 301	-	-	-	-	1 747 855	(775 163)	-	-	(295 547)	-	(1 070 710)	677 145
Plant and Equipment	378 071	17 649	-	-	-	-	395 720	(316 904)	-	-	(19 200)	-	(336 104)	59 616
Motor Vehicles	2 554 858	-	-	-	-	-	2 554 858	(922 046)	-	-	(394 416)	-	(1 316 462)	1 238 396
	4 698 739	312 281	-	-	-	-	5 011 020	(2 036 059)	-	-	(725 173)	-	(2 761 232)	2 249 788

Financial Performance

APPENDIX B Analysis of Property, Plant and Equipment as at 30 June 2013

	Cost/Revaluation					Accumulated depreciation								
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment (loss)/Reversal Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	21 994 912	-	-	-	1 524 000	(8 829 000)	14 689 912	(750 088)	-	-	(164 563)	322 393	(592 258)	14 097 654
Infrastructure	19 157 596	10 492 063	-	-	-	-	29 649 759	(9 037 303)	-	-	(1 206 770)	-	(10 244 073)	19 405 686
Community Assets	9 364 562	389 043	-	-	-	-	9 753 605	(1 187 893)	-	-	(387 383)	592 400	(982 876)	8 770 729
Other assets	4 698 739	312 281	-	-	-	-	5 011 020	(2 036 059)	-	-	(725 173)	-	(2 761 232)	2 249 788
	55 215 909	11 193 387	-	-	1 524 000	(8 829 000)	59 104 296	(13 011 343)	-	-	(2 483 889)	914 793	(14 560 439)	44 523 857
Agricultural/Biological assets														
Intangible assets														
Investment properties														
Total														
Land and buildings	21 994 912	-	-	-	1 524 000	(8 829 000)	14 689 912	(750 088)	-	-	(164 563)	322 393	(592 258)	14 097 654
Infrastructure	19 157 596	10 492 063	-	-	-	-	29 649 759	(9 037 303)	-	-	(1 206 770)	-	(10 244 073)	19 405 686
Community Assets	9 364 562	389 043	-	-	-	-	9 753 605	(1 187 893)	-	-	(387 383)	592 400	(982 876)	8 770 729
Other assets	4 698 739	312 281	-	-	-	-	5 011 020	(2 036 059)	-	-	(725 173)	-	(2 761 232)	2 249 788
	55 215 909	11 193 387	-	-	1 524 000	(8 829 000)	59 104 296	(13 011 343)	-	-	(2 483 889)	914 793	(14 560 439)	44 523 857



Annotations

1. The difference is the result of interest on outstanding accounts that was budgeted for R 417 017. The total interest charged is R 2 841 741.68.
2. The amount of cash at disposal for investment was more than what was expected during financial year which resulted in increase on interest from investments.
3. The difference is the result of COGTA unspent roll-over grants that were approved during the year, namely SDF and Corridor Development grants as well as Sports grants income that was not included in the original budget.
4. Unspent COGTA roll-over grants were budgeted under other revenue.
5. Most of the post that were vacant during the preparation of the original budget were filled during the year and those that were vacated during the it took about three to fill the vacant post. Some of the employees did not took medical aid as it was anticipated as well those on contract did not took pension funds.
6. Depreciation was under budgeted.
7. The difference is the result of Unspent COGTA roll-over grants that were approved during the year.
8. The difference is the result of unspent COGTA roll-over grants that was approved during the year, namely, for Animal pound and Small Town rehabilitation programme.
9. Same as above.
10. Same as above.
11. The bank balances for investments were not included in the original budget.

Auditor-General Audit Findings

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND COUNCIL ON KWASANI MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the KwaSani Municipality set out on pages ... to ..., which comprise, the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget information with actual information for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Auditor-General Audit Findings

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the KwaSani Municipality as at 30 June 2014, and its financial performance and cash flows for the year then ended in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

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

Significant uncertainties

8. With reference to note 36 to the financial statements, the municipality is the defendant in a lawsuit regarding a breach of contract. The municipality is opposing the claim as it believes the claim to have no substance. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Material impairment

9. As disclosed in note 6 to the financial statements, the municipality impaired receivables from exchange and non-exchange transactions by R10,10 million as a result of the annual review of outstanding consumer debts.

Additional 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. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2014:

- Development priority 2: Service delivery and infrastructure management on pages x to x

Auditor-General Audit Findings

14. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
15. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. We further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected development priority.

Additional matter

18. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the following matter below.

Achievement of planned targets

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

Compliance with legislation

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

Annual financial statements

21. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Audit committee

22. The audit committee was not constituted, in the manner required by section 166(4)(a) of the MFMA as it did not consist of at least three persons.

Asset management and liability management

23. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.



Auditor-General Audit Findings

Internal control

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

Leadership

25. Management did not respond timeously to address the reporting of accurate financial information and compliance with key legislation as similar matters were reported on in the previous year.

Auditor-General
Pietermaritzburg

30 November 2014



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



Appendices

APPENDICES

This information is added to ensure that it complies with the requirements of various legislations.

Appendix A: Councillors, Committee Allocation and Council Attendance

Appendix B: Committee and Committee Purpose

Appendix C: Third Tier Administrative Structure

Appendix D: Functions of Municipality Entity

Appendix E: Ward Reporting

Appendix F: Ward Information

Appendix G: Recommendations of the Municipal Audit Committee

Appendix H: Long-term Contracts and Public Private Partnerships

Appendix I: Disclosure of Financial Interest

Appendix J: Revenue Collection Performance

Appendix K: Conditional Grants Received: Excluding MIG

Appendix L: Capital Expenditure - New & Upgrade/Renewal Programmes: Including MIG

Appendix M: Capital Programme by Project current year

Appendix N: Capital Programme by Ward current year

Appendix O: Service Backlogs Experienced by the Community where another Sphere of Government is responsible for Service Provision

Appendix P: National and Provincial Outcomes for Local Government



APPENDIX A: Councillors, Committee Allocation and Council Attendance

Councillors Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT / PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
1. CLLR M Banda	PT	Speaker, Mayor, Chairperson of Finance Portfolio	PR - ANC	100%	0%
2. CLLR D Adams	PT	Chairperson of Corporate Services Portfolio Committee, Chairperson of Local Labour	DA Councillor	99%	1%
3. CLLR PR Crawley	PT	Chairperson of MPAC	DA Councillor	99%	1%
4. CLLR VP Majozi	PT	Member of the portfolio committee – Community and Planning	Ward Councillor – Ward 1 - ANC	97%	3%
5. CLLR SB Mqwabi	PT	Chief Whip, member for Finance, Community and Corporate services portfolio committee	Ward Councillor – Ward 2 – ANC	95%	5%
6. CLLR PN Mncwabe	PT	Chairperson of the Community and planning Department	Ward Councillor – Ward 3 – ANC	100%	0%
7. CLLR NZ Radebe	PT	Member of the Portfolio Committee – Corporate Services	Ward Councillor – Ward 4 - ANC	95%	5%



Appendices

APPENDIX B: Committees and Committee Purposes

Committees (other than Mayoral/ Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
MPAC	To monitor good governance where there is optimal utilization of municipal resources to enhance and sustain service delivery and financial management.
Local Labour Forum	Consultative Forum between organized Labour (Representing employees) and the employer on Human Resources/ Labour Relations matters.
Audit and Performance Committee	To play an oversight role on the performance and administration of the municipality.
Internal Audit	Assist in identification of risk, prepare a risk based plan.
External Audit	Evaluate Financial Statements and gives opinion.
200Audit Committee	To play an oversight on behalf of Council

APPENDIX C: Third Tier Administrative Structure

Third Tier Structure	
Directorate	Director/ Manager (State title and name)
Municipal Manager	Nokubonga James
Chief Financial Officer	Thando Mketsu
Corporate Services	Nonhlanhla Zondi - Mohau
Community Services	Sue McAlister



**APPENDIX D:
FUNCTIONS OF MUNICIPALITY/ ENTITY**

Municipal/ Entity Functions		
Constitution Schedule 4, Part B Functions:	Function Applicable to Municipality (Yes/ No)	Function Applicable to Entity (Yes/ No)
Air Pollution	No	
Building regulations	Yes	
Child Care facilities	No	
Electricity and gas reticulation	No	
Firefighting services	Yes	
Local Tourism	Yes (Shared)	
Municipal airports	No	
Municipal Planning	Yes	
Municipal health services	No	
Municipal public transport	No	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law.	No	
Pontoons, ferries, jetties, piers and harbours, excluding the regulations of international and national shipping and matters related thereto	No	
Stormwater management systems build-up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewerage disposal systems	No	
Beaches and amusement facilities	No	
Billboards and the display of advertisements in public places	Yes	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	Yes	
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public	No	
Facilities for the accommodation, care and burial of animals	No	
Fencing and fences	No	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	No	
Local amenities	Yes	
Local sport facilities	Yes	
Markets	Yes (Shared)	



Appendices

Municipal/ Entity Functions		
Constitution Schedule 4, Part B Functions:	Function Applicable to Municipality (Yes/ No)	Function Applicable to Entity (Yes/ No)
Municipal abattoirs	No	
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	Yes	
Pounds	Yes	
Public places	No	
Refuse Removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street Lighting	Yes	
Traffic and parking	Yes	



APPENDIX E: WARD REPORTING

Functionality of Ward Committees 2013/2014					
Ward Name (Number)	Name of Ward Councillor and elected War Committee member	Committee established (Yes/ No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of Quarterly public ward meetings held during the year
Ward 1	CLLR V. P Majozi	Yes	4	15	3
	N. Mlibeni				
	K. Molefe				
	S. Mlibeni				
	K. Duma				
	K. Madlala				
Ward 2	CLLR S. Mqwabi	Yes	4	12	2
	B. B Tshapa				
	C. E Sosibo				
	Z. Gcume				
	F. Zikode				
Ward 3	CLLR N. P Mncwabe	Yes	4	12	2
	N. Nzimande				
	Nana Nzimande				
	S. Mkhize				
	E. Rea				
Ward 4	CLLR N. Z Radebe	Yes	4	18	2
	X. C Zondi				
	F. A Dube				
	N. Dlamini				
	N. Majozi				
	S. Ndlangisa				
	M. Duma				



Appendices

APPENDIX F: WARD INFORMATION

Initially each of the wards had ten (10) ward committee members excluding the Councillors, however due to the implementation of the Risk Management policy, some of them had to resign from their positions as they were politicians or employees of the state and could no longer serve as part of the ward committees. This has had no effect on the functioning of the ward committees however there was a reduction in reports submitted/ to be submitted in relation to all the wards.

Capital projects: Seven Largest in Year 2013/ 2014 (Full List at Appendix N)				R' 000
No.	Project Name and Detail	Start Date	End Date	Total Value
1.	Mqatshehi Gravel Access Roads	May 2013	September 2013	R 4 900
2.	Underberg Street Lights R617	May 2014	July 2014	R 1 357
3.	Ridge Gravel Access Roads	January 2014	April 2014	R 1 446
4.	Himeville Township Roads Upgrade	May 2013	May 2014	R 3 654
5.	Sidewalk Along Main Road	May 2014	July 2014	R 1 333
6.	KwaSani Bus Shelters	February 2014	June 2014	R 335
7.	Ridge Sports Field	March 2013	June 2014	R 2 191

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During Year 2013/ 2014
1.	Ward 1: 1.5 km Gcalonci Access Road (KwaPitela)	Completed
2.	Ward 2: Himeville Street Lights	Completed
3.	Ward 3: Underberg Street Lights	Completed
4.	Ward 4:	

Ward 4 is largely privately owned, therefore, there is difficulty in erecting projects to develop the area.



APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2013/2014

REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE TO THE COUNCIL OF THE KWASANI MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2014

1. Background

The Kwa Sani Municipality has an Audit and Performance Committee (herein referred to as APAC) as prescribed by the Municipal Finance Management Act, Chapter 14, Section 166(1), that serves the purpose of being an independent advisory body to the Council, Political Office Bearers, Accounting Officers, Management and Staff, thereby assisting Council in its oversight role. The role, functions and authority of the Audit Committee are prescribed in terms of Section 166(2) of the Act. In the process of carrying out their responsibilities the audit committee is to oversee legal compliance in the field of financial management and control, good governance, service delivery and performance, particularly in terms of the Local Government Municipal Performance Regulations. As the Audit Committee also serves as the Performance Audit Committee it is referred to as the Audit and Performance Audit Committee (APAC).

2. Meetings

The Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003), S 166 (4) (b), also requires that the Audit Committee meet at least four times a year. During the financial year, APAC had three committee meetings in August, December 2013, and January 2014 and when all three members of the Committee were present. Following the tragic death of the Chairman, the committee met again in July and has continued to carry out its responsibilities up to this date with the two remaining members.

3. Audit Committee Responsibility

As part of its responsibility the committee has, as far as possible, complied with its responsibility arising from its Charter, including the relevant legislative requirements. However Kwa Sani continues to have major challenges in the area of Performance Management. The Municipal Systems Act requires municipalities to develop a performance management system (PMS) to direct how performance should be monitored and improved and is informed by the Integrated Development Plan. These legislative requirements are comprehensively explained in the Local Government: Municipal Planning and Performance Management Regulations: 2001 and the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers of 2006. It does need emphasizing that this critical area of governance is to ensure sound service delivery by a municipality, with timely warnings when there is weak performance.

As previously reported, Kwa Sani Municipality has continually been faced with challenges in this important area of governance. This matter has also featured prominently in past internal audit reports and Auditor General's Reports. Recommendations were previously made that processes must be in place to ensure quarterly performance information is readily available before the end of the month following each quarter, before being presented to the appointed Performance Assessment Committee (where the audit committee is represented), This would also give sufficient time for internal audit to carry out their responsibilities and review the internal controls and portfolio of evidence that (referred to as POE). Being aware of the problems, performance management featured prominently



Appendices

during a Strategic Planning Workshop held in February 2014 and this committee has noticed the efforts being made towards rectifying this important area of local government.

It does not need repeating that it was this critical activity that contributed significantly to Kwa Sani Municipality not achieving a "Clean audit" for the 2012/2013 financial year.

4. Annual Report and Oversight Report

With regard to the above the Municipality complied fully with section 121 & 127 of the Municipal Finance Management Act. The Annual Report for the 2012/2013 year was tabled before Council on the 31st January 2014, and thereafter it was circulated and made available for public comments. It was noticed that the Municipal Public Accounts Committee had been very active prior to the Annual Report being adopted by the Council. In terms of the Municipal Finance Management Act, Circular 32, APAC was invited and contributed at the MPAC meeting when the Annual Report was being studied and analysed.

5. Internal Audit

During the 2013/14 financial year this function continued to be carried out by an outsourced Internal Auditor with an in-house intern. A number of Internal Audit reports were tabled, however this committee expressed concerns as there was a significant lead time between the time when the audits were carried out and when some of the reports were made available. It was also noted that the reports, whilst being comprehensive in nature did not include comments and replies regarding the action to be taken by the relevant officials. This, in the committee's opinion, significantly reduced the effectiveness and adequacy of these reports.

It will be seen in the Audit Committee's Report in the 2012/2013 Annual Report, that to facilitate the transfer of skills, which was an important inclusion in the outsourced internal auditor's contract, it was strongly recommended that Council should continue with the efforts to strengthen the capacity of the in-house internal audit by providing for extra capacity to support the internal audit function. However, whilst acknowledging there was skills transfer to the intern working with internal audit, it had been realized that, due to the amalgamation process, Kwa Sani Municipality had been constrained in addressing certain issues and this was possibly the reason why this matter has been put on hold.

At an audit committee meeting held in January 2014, when the annual audit plan was presented by the outsourced Internal Audit, concerns were expressed that IYM (in-year monitoring) was not included. IYM is concerned with the monitoring of Section 71 Reports, which basically involves monitoring of all financial reconciliations including bank reconciliations, revenue and expenditure and credit control reconciliations, and thus avoids errors that could be included in the interim AFS and remain present throughout the financial year. To have the situation regularized, the Municipal Manager, Chief Financial Officer and the Acting Chairperson of MPAC had a number of meetings with the outsourced Internal Auditor.

6. Management Action Plan

Whilst matters of emphasis and other issues raised by the Auditor General were covered in internal audit reports, it was the committee's view that insufficient information was supplied to show the progress on the Management Action Plan. It does not need emphasizing that these findings need close monitoring in order to prevent their re-occurrence. The Management Action Plan is included in all Annual Reports and to ensure this critical area is given the importance it requires, it should be a standing item at every Finance Committee and likewise at APAC.



7. *Other Critical Issues*

The critical areas referred to below featured in the Audit Committee's Report in the 2012/13 Annual Report. However this committee recognises these as critical areas that require constant monitoring and will be included in APAC's work plan going forward:

- a. **Debt Management:** Accepting that Revenue is the life-line of the municipality, APAC has recommended under-collection of revenue must be reported together with action plans outlined to recover the outstanding debts that can be categorized as recoverable. In this connection it was recommended that the strategy on Credit Control and Debt Management, be developed, and revenue reports tabled at meetings to show the current outstanding debt situation.
- b. **Supply Chain Management:** This is another area where APAC has continually drawn attention to this critical part of government business and emphasized that more information with regards to the awarding of contracts, contract deviations and final costs of projects be available at committee meetings. The Municipality was also reminded to take cognizance of Section 36 of the Municipal Supply Chain Management Regulations which has featured in past Annual Reports from the Office of the Auditor General, emphasized by National Department of Local Government); as well as being highlighted recently in the media. With SCM being a matter of emphasis in many AG Reports, Management was requested again to be vigilant and take appropriate steps to avoid having contracts and awards of any kind made to companies and organizations whose directors or owners were either politicians or employees of the state. In addition the same applied to councillors or officials who should not in any way have an association with these organizations.
- c. **Risk Management:** The Municipal Finance Management Act (No. 56 of 2003), S 166(2) (ii) prescribes that the Audit Committee must advise council in matters relating to risk management. The identification of these risks and the management thereof is the primary responsibility of Council and management. A Risk and Control Assessment Report was tabled and Internal Audit developed risk registers and rated the critical risks when presenting their reports. As it is still uncertain if a risk management committee was appointed and as the risk registers have not been updated, the value attached to this operation is debatable.
- d. **Interim Financial Statements:** On this issue it was recommended by the Auditor General, that annual financial statements be prepared quarterly and submitted for review to Internal Audit and APAC. Like many municipalities, this recommendation did not materialise.
- e. **Asset Management:** As with the above recommendation on the preparation of quarterly AFS, the Fixed Asset Register needs to be reconciled quarterly to the General Ledger. This will allow for any discrepancies to be rectified timeously thus avoiding a situation where asset differences between the ledgers and actual cannot be explained at the end of the year, possibly leading to a qualification by the Auditor General.
- f. **Minutes:** Despite having raised the issue on numerous occasions, there continues to be problems with the minutes of Audit Committee Meetings. It was not possible on many occasions to have minutes of past meetings signed timeously. This resulted in minutes being re-submitted at further meetings and consequently had the effect of these minutes not being forwarded and presented in Council until well after the dates that audit committee meetings were held. Every item coming to Council and EXCO meetings should be Credible, Reliable and Useful and many municipalities table a certificate at every meeting, including APAC, giving this assurance to the members.

When recognizing that an unqualified audit report was obtained for the last three financial years, your committee agrees with Management that there is no reason why Kwa Sani Municipality, with every official working as an effective team for the next period, cannot have a "clean audit" in future.



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However, as commented on earlier, to attain a "clean" audit there will have to be significant improvement in the area of performance management.

15. AMALGAMATION

With the amalgamation of the Ingwe Municipality and Kwa Sani Municipality to take place in 2016 it would be appropriate at this time to give attention to the immediate functioning of both Internal Audit and APAC. This Committee has not been kept up-to-date with the workings of the relevant Steering Committee and perhaps this is understandable considering the sensitivity of the situation. However this Report would not be complete without reference to this significant event that is just around the corner. Whilst APAC is not a shared service between the two municipalities, and there is no formal agreement setting out the terms of a shared service, the same members serve on both the Ingwe and Kwa Sani Municipality's Audit Committees. Consequently the remaining two members have inside knowledge of the workings of both municipalities. It is from this standpoint that this Committee is making the following recommendation:

" that with both municipalities working towards the date when the amalgamation takes effect, consideration be given to utilizing the resources presently available at Ingwe Municipality to carry out the internal audit function on a formalized shared basis between the two municipalities". This recommendation is based on the following considerations".

- (i) APAC is aware that, with regard to the Internal Audit function for Kwa Sani Municipality, the present service provider's contract is now ended and a new appointment is soon to be made;
- (ii) There is a co-sourcing arrangement at Ingwe Municipality, comprised of an in-house Internal Audit that is supported by an external service provider;
- (iii) With risk management, there would be expertise available at the end of a telephone and at no cost as Provincial Treasury have indicated that they would assist municipalities that have in-house Internal Audit;
- (iv) Together with the expertise that would be available to Kwa Sani Municipality, there would be economies of scale in the areas of financial management and control as well as in human resources;
- (v) Without be-laboring the issues and challenges spelt out in this Report, and following on from point (iii) there would be a source of professional persons that can be called upon to assist Kwa Sani Municipality with addressing the critical issues already commented on.

Going forward, it is this committee's view that this arrangement would greatly benefit Kwa Sani Municipality.

R W Bowyer (Acting Chairperson)

*Audit and Performance Audit Committee
Kwa Sani Municipality*

August 2014



APPENDIX H - LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into during year 2013/2014)					R' 000
Name of Service Provider (Entity or Municipal Entity)	Description of Service Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Nashua Maritzburg	Rental of printing and Photocopying machines	17/09/2013	17/09/2018	CFO	R 848 160.00
26 Mills Fitchet	Valuation Roll Maintenance	01/07/2012	30/06/2015	CFO	R 781 684.00

APPENDIX I: DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2013 to June of 2014		
Position	Name	Description of Financial Interests (Nil/ Or details)
(Executive) Mayor	Mduuzi Banda	Nil
Councillors	Sihle Mqwabi	Nil
	Nqeneleni Mnwcabe	Nil
	Phumzile Majozi	Nil
	Zamazphi Radebe	Nil
	Patricia Crawley	Health and Herb Shop
	Dave Adams	Nil
Municipal Manager	Nokubonga James	Nil
Chief Financial Officer	Thando Mketsu	Nil
Other S57 Officials	Nonhlanhla Zondi - Mohau	Nil
	Sue McAlister	Nil



Appendices

APPENDIX J: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX J (i): Revenue Collection Performance By Vote

Revenue Collection Performance by Vote						R' 000
Vote Description	2012/2013	2013/2014		2013/2014 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 – Governance & Administration	30 321	40 219	45 709	55 436	138%	121%
Vote 2 – Community & Public Safety	1 382	1 766	2 098	5 664	321%	270%
Vote 3 – Trading Services	182	421	1 287	520	124%	40%
Vote 4 – Economic and Environmental Services	2 394	2 232	2 202	2 234	100.01%	101%
Vote 5 – Other	25	-	24	25	0%	104%
TOTAL REVENUE BY VOTE	34 404	44 638	51 320	63 879	-	-



APPENDIX J (ii): Revenue Collection Performance By Source

Revenue Collection Performance by Source						R' 000
Description	2012/ 2013	2013/2014	2013/2014 Variance			
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property Rates	11 739	12 384	12 384	12 488	100.8%	100.8%
Property Rates – penalties & Collection charges	732	767	417	2 842	371%	682%
Service charges- refuse revenue	2 286	2 083	2 083	2 083	100%	100%
ItService charges - other	-	-	-	-	-	-
Rentals of facilities and equipment	298	333	333	303	91%	91%
Interest earned – external investments	931	829	829	1 213	146%	146%
Interest earned – outstanding debtors	-	235	118	-	0%	0%
Dividends received	-	-	-	-	-	-
Fines	73	100	100	75	75%	75%
Licences and permits	65	297	350	210	71%	60%
Agency services	-	-	-	-	-	-
Transfers recognised – operational	17 058	16 840	21 827	41 274	245%	189%
Other Revenue	244	1 687	8 798	3 334	198%	38%
Gains on disposal of PPE	(8 528)	-	-	17	0%	0%
Environmental Protection	-	-	-	-	-	-
Total Revenue (Excluding capital transfers and contributions)	24 899	35 542	4 225	63 879	-	-



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APPENDIX K: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: Excluding MIG						R' 000
Details	Budget	Adjustments budget	Actual	Variance	Major Conditions applied by donor (continue below if necessary)	
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant	N/A	N/A	N/A	N/A	N/A	
Public Transport Infrastructure and Systems Grant	N/A	N/A	N/A	N/A	N/A	
Other Specify:						
Equitable Share	12 845	12 845	12 845	100%	100%	
MFMG Grant	1 650	1 650	1 650	100%	100%	
MSIG Grant	890	890	890	100%	100%	
EPWP Grant	1 000	1000	925	93%	93%	
Share Planner	0	0	46	0%	0%	
SDF Grant	0	0	202	0%	0%	
Corridor Development	0	0	2 225	0%	0%	
Small Town Rehabilitation	0	0	1 919	0%	0%	
KZNPA Grant	0	0	591	0%	0%	
Arts and Culture Grant	454	454	454	100%	100%	
Sports Grant	0	0	199	0%	0%	
Free Services Grant	0	0	201	0%	0%	
Spacial Development	0	0	192	0%	0%	
Housing	0	0	9 763	0%	0%	
Animal Pond	0	0	527	0%	0%	
Other	0	0	139	0%	0%	
Total	16 840	16 840	31 935	-	-	

Comment on Conditional Grants excluding MIG:

All Conditional grants received were operational and were used to attend to operational activities.



**APPENDIX L:
CAPITAL EXPENDITURE - NEW & UPGRADE/ RENEWAL PROGRAMMES**

APPENDIX L (i):

Capital Expenditure - New Assets Programme

Capital Expenditure – New Assets Programme*							R' 000	
Description	2012/2013	2013/2014	Planned Capital Expenditure					
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	2013/ 2014 + 1	2013/ 2014 + 2	2013/ 2014 +3	
Capital expenditure by Asset Class								
Infrastructure – Total	-	-		-	-	-	-	
Infrastructure – Road Transport - Total	-	-		-	-	-	-	
Roads, Pavements & Bridges	-	5 253	5 253	6 835	2 165	3 778	3 840	
Storm water								
Infrastructure : Electricity - Total	-	-		-	-	-	-	
Generation								
Transmission & Reticulation								
Street Lighting								
Infrastructure: Other – Total	-	-		-	-	-	-	
Waste Management								
Transportation								
Gas								
Other								
Community - Total	-	-		-	-	-	-	
Parks & Gardens								
Sportfield & Stadia	-	1 112	1 112	1 124	-	-	-	
Swimming Pools								
Community Halls	2 604	-		-	-	-	-	
Libraries								
Recreational facilities								
Fire, safety & emergency								
Security and policing								
Buses								
Clinics								
Museums & Art Galleries								
Cemeteries								



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Capital Expenditure – New Assets Programme*								R' 000
Description	2012/2013	2013/2014	Planned Capital Expenditure					
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	2013/ 2014 + 1	2013/ 2014 + 2	2013/ 2014 + 3	
Social rental housing								
Other				1 822	3 147			
Heritage assets – Total	-	-		-	-	-	-	
Buildings								
Other								
Investment properties – Total	-	-		-	-	-	-	
Housing Development								
Other								
Other assets	-	-		-	-	-	-	
General Vehicles								
Specialised Vehicle								
Plant & Equipment	-	-			35	-	-	
Computers – hardware/ equipment	-	-	94	138	-	-	-	
Furniture and other office equipment	34	-	157	140	-	-	-	
Abattoirs								
Markets	-	489	490	448	-	-	-	
Civic Land and Buildings								
Other Buildings								
Other Land								
Surplus Assets – (Investment or Inventory)								
Other	-	-	213	312	-	-	-	
Agricultural assets	-	-		-	-	-	-	
List Sub-class								
Biological assets	-	-		-	-	-	-	
List Sub-class								
Intangibles	-	-		-	-	-	-	
Computers – software & programming								
Other (list sub – class)								



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Capital Expenditure – New Assets Programme*							R' 000
Description	2012/2013	2013/2014	Planned Capital Expenditure				
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	2013/ 2014 + 1	2013/ 2014 + 2	2013/ 2014 + 3
Total Capital Expenditure on new assets	2 638	6 854	7 319	10 819	5 347	3 778	3 840
Specialised Vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							



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APPENDIX L (ii): CAPITAL EXPENDITURE - UPGRADE/ RENEWAL PROGRAMME

Capital Expenditure – Upgrade/ Renewal Programme*							R' 000
Description	2012/2013	2013/2014	Planned Capital Expenditure				
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure – Total	-	-		-	-	-	-
Infrastructure – Road Transport - Total	-	-		-	-	-	-
Roads, Pavements & Bridges	6 156	821	1 150	1 582	2 165	3 778	3 840
Storm water							
Infrastructure : Electricity - Total	-	-		-	-	-	-
Generation							
Transmission & Reticulation							
Street Lighting	-	1 408	1 508	-	-	-	-
Infrastructure: Other – Total	-	-		-	-	-	-
Waste Management							
Transportation							
Gas							
Other							
Community – Total	-	-		-	-	-	-
Parks & Gardens							
Sportfield & Stadia							
Swimming Pools							
Community Halls	-	-		-	410	-	-
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							



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Capital Expenditure – Upgrade/ Renewal Programme*							R' 000	
Description	2012/2013	2013/2014	Planned Capital Expenditure					
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
Heritage assets – Total	-	-		-	-	-	-	
Buildings								
Other								
Investment properties – Total	-	-		-	-	-	-	
Housing Development								
Other								
Other assets	-	-		-	-	-	-	
General Vehicles	-	450	450	232	562			
Specialised Vehicle								
Plant & Equipment	-	71	71	188	-	-	-	
Computers – hardware/ equipment	-	28	-	54	175	-	-	
Furniture and other office equipment	-	69	69	65	178	-	-	
Abattoirs								
Markets								
Civic Land and Buildings								
Other Buildings	-	-		-	800	-	-	
Other Land								
Surplus Assets – (Investment or Inventory)								
Other								
Agricultural assets	-	-		-	-	-	-	
List Sub-class								
Biological assets	-	-		-	-	-	-	
List Sub-class								
Intangibles	-	-		-	-	-	-	
Computers – software & programming								
Other (list sub – class)								



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Capital Expenditure – Upgrade/ Renewal Programme*							R' 000
Description	2012/2013	2013/2014	Planned Capital Expenditure				
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Total Capital Expenditure on renewal of existing assets	6 156	2 847	3 248	2 121	4 290	3 778	3 840
Specialised Vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							



**APPENDIX M:
CAPITAL PROGRAMME BY PROJECT 2013/2014**

Capital Programme by Project by Ward: 2013/ 2014					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act – Adj.) %	Variance (Act – OB) %
Electricity					
Housing					
Refuse Removal					
Stormwater					
Economic Development					
Sports, Arts & Culture					
Environment					
Health					
Other					



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APPENDIX N: CAPITAL PROGRAMME BY PROJECT BY WARD 2013/2014

Capital Programme by Project by Ward: 2013/ 2014		
Capital Project	Ward (s) affected	Works Completed
Water		
N/A	N/A	N/A
Sanitation/ Sewerage		
N/A	N/A	N/A
Electricity		
N/A	N/A	N/A
Housing		
Development in Mqatsheni of 333 units	Ward 1	Due for Completion in Sept 2014
Refuse Removal		
Low Income Refuse Removal	Ward 2 (Partial) & Ward 3	On-going
Stormwater		
Economic Development		
Sports, Arts & Culture		
Environment		
Health		
Building of Mqatsheni Clinic	Ward 1	Completed
Safety and Security		
N/A	N/A	N/A
ICT and Other		
N/A	N/A	N/A



APPENDIX O: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agent basis)		
Service and Locations	Scale of backlogs	Impact of backlogs
Clinics:		
Housing:		
Underberg Himeville Rural Upgrade- Mqatsheni	Slight Improvement however Extremely rural and privately Owned land.	People are currently living in Shack. Rural areas impact is Quite low, however people are Living in poverty and is being addressed via Sukhuma Sakhe
Licensing and Testing Centre:		
Motor licensing station (no testing station)	N/A	N/A
Reseviors:		
N/A	N/A	N/A
Schools (Primary and High)		
N/A	N/A	N/A
Sports Fields:		
Sports field in 3 of the 4 wards. Ward 4 consists of commercial farming land therefore is privately owned.	A substantial part of Ward 4 is privately owned therefore unable to access land in order to initiate development.	No Sport field in Ward 4.



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APPENDIX P: NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/ Output	Progress to date	Number or percentage achieved
Output Improving access to basic services	Most of the area has access to electricity, roads and social infrastructure, however not ward 4 though due to it being commercial farming land and is privately owned. Water and sanitation there is a slight backlog however is a district demarcation.	
Output implementation of the Community Work Programme	Not yet implemented but the municipality does have EPWP programmes.	
Output Deepen democracy through a refined Ward Committee model	Ward committees are established and functional.	
Output Administrative and financial capability	Anti-Corruption Policy in place. MPAC and APAC are also functional	



**KWA SANI LOCAL MUNICIPALITY
AUDIT ACTION PLAN 2013/2014 FINANCIAL YEAR
AUDIT OPINION - UNQUALIFIED WITH MATTERS**

Paragraph	Audit Query	Root Causes	Planned Management Activity	Target Date	Means Of Verification	Responsible Person	Progress
Par 1	Audit committee not properly constituted	Non compliance with section 166(4)(a) of MFMA, which states that an audit committee must consist of at least three persons with appropriate experience, of the majority may not be in the employ of the municipality or municipal entity.	The management will appoint the additional member for audit committee so as to comply with section 166 (4) (a) of MFMA.	31/12/2014	Appointment Letter	AO	Achieved
Par 2	Reported performance not reliable	Failure to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets.	The management will ensure that the requirements as per FMPPPI are adhered to and indicators are well defined.	31/01/2015	Municipal Score card	AO	Achieved
Par 3	Performance indicators/measures not well defined	Failure to meet The FMPPPI requirement that the performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use.	The management will ensure that the requirements as per FMPPPI are adhered to and indicators are well defined.	31/01/2015	Municipal Score card	AO	Achieved
Par 4	Payments not made within 30 days	Non compliance with section 65(2)(e) of the MFMA, that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.	The management will ensure that all invoices are paid within 30 days and make a follow up on all long outstanding invoices which are qualified to be paid	Monthly	Payment register	CFO	Achieved



Audit Action Plan 2013/2014

Paragraph	Audit Query	Root Causes	Planned Management Activity	Target Date	Means Of Verification	Responsible Person	Progress
Par 5	Declaration of interest forms(SBD 4) not obtained	Failure to comply with Paragraph 4.1.1 of Practice Note (PN) 7 of 2009/10, that accounting officers and accounting authorities are required to utilize the attached revised SBD 4 when inviting price quotations, advertised competitive bids or limited bids or proposals. This SBD 4 should be used with minimum changes that are necessary to address contract and project specific issues.	The management will ensure that bid committees identify all Bids which have not filled the MBD4 forms before the appointment of service providers	Monthly	Bid documents and submitted proposals.	CFO	Achieved
Par 6	No formal documented and approved process to manage the granting of access to all financial systems	The IT staff did not have the appropriate skills to develop user account management policies and procedures.	The management will develop procedure of managing the access to all financial systems and develop policy and procedures.	31/03/2015	Policy and procedure manual	Corporate Services manager	In-progress
Par 7	No process in place for the independent review of activities of the person responsible for granting users access to financial systems	There has been no formalized policies and procedures to provide guidance on the process to be followed.	The management will develop procedure of managing the access to all financial systems and develop policy and procedures.	31/03/2015	Policy and procedure manual	Corporate Services manager	In-progress
Par 8	No processes in place to ensure that users access and privileges on all financial systems would periodically be reviewed to confirm that such access and privileges still commensurate with their job responsibilities	There are no formalized policies and procedures to provide guidance on the processes to be followed.	The management will develop procedure of managing the access to all financial systems and develop policy and procedures.	31/03/2015	Policy and procedure manual	Corporate Services manager	In-progress



Audit Action Plan 2013/2014

Paragraph	Audit Query	Root Causes	Planned Management Activity	Target Date	Means Of Verification	Responsible Person	Progress
Par 9	Backups are not stored at a secure off-site storage facility	Failure of establishment of adequate preventative controls to ensure that adequate off-site backup arrangements would be established.	The management will ensure that backups are stored in secured and off site facility	31/01/2015	Agreement of off-site facility	Corporate Services manager	In-progress
Par 10	No job description found in employee files	The accounting officer has not developed an adequate document management system to ensure that HR documents and records are properly filed and easily retrievable and are available for audit purposes.	The management will ensure that all employees have signed the job description and are attached to their employee files.	31/01/2015	Signed job description	All HODs	In-progress
Par 11	Employment contract not signed	The accounting officer was not available at the time the employee was available to sign and the corporate services manager was authorized by the accounting officer to sign on her behalf hence upon appointment of employee the employment contract was signed by manager corporate services.	The AO will sign the contract at her capacity as Municipal manager.	31/12/2014	Signed employee contract	AO	Achieved