**ÉDUMBE LOCAL MUNICIPALITY**



**ANNUAL REPORT**

**2016/2017**

**FINANCIAL YEAR**

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CHAPTER 1

MAYOR’S

FOREWORD AND

EXUCUTIVE SUMMARY

# CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

## **COMPONENT A: 1.1.MAYOR’S FOREWORD**

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Let me take this opportunity together with the Council to thank the people of eDumbe whole heartedly for affording us the opportunity to lead the municipality for a period of five years. This financial year is my first years reporting as a Mayor of eDumbe Municipality .I wish also to extend my gratitude thanks to the management and staff of eDumbe for their magnitude support to Council and helping us in bringing change to the people of eDumbe. One of the pillars of Democratic Governance is good governance which is strictly uncorrupted, transparent and cares for its clients. I am delighted to say that as Council, we tried our level best to regard people of eDumbe municipality as our clients. It is very crucial to always refer to this in order to accomplish the constitutional mandate of the éDumbe Municipality as prescribed in the constitution of South Africa. This is the time of reporting to the community, our achievements and short comings during 2016/2017 financial year. The municipality has also indicated corrective measures to people of eDumbe to non-achieved targets. The municipality is subscribed to the principle of accountability and democracy since they are the main objectives of local authorities. This report is based on the four Batho Pele principles which are information, openness and transparency, access and consultation.

This year we have encountered some financial challenges as eDumbe Municipality which impacted negatively on services delivery. However it is impressing that the community is gradually growing in terms of understanding the operations of the municipality even though there are still some challenges. In our IDP Budget road shows we have started to engage with the community on the subject of governance process and budget processes. And in the reporting year I am really delighted to note that there are areas of improvement on the understanding. This is also evident on the level of tolerance in the whole municipal area and even on different political parties.

I also wish to appreciate the political leadership of éDumbe municipality for putting people first and for considering prioritizing the needs of the people over their political parties. During IDP road shows people are talking about similar issues which are; roads, electricity, Town Development (Shopping Mall) water, water borne sewerage system and business development. These issues are at the top priority list of the municipality. We are busy with Zululand District Municipality looking at the issue of water borne sewerage system in our municipality and we have also engaged Cogta and National Minister for water and sanitation.in this regard.

As a political head of this institution I wish to applaud the Speaker of Council for making sure that the council sit and consider all items on the agenda, to afford all councillors an opportunity to deliberate on the items without any prejudice. I wish also to appreciate the support and advice from the Deputy Mayor, it is very important to have somebody who understands his role like my deputy Mayor. The Hon Deputy Mayor has been supportive and he knew when to assume responsibility of a mayor. Our Executive Members have always been objective and able to link our programmes with the Provincial programmes. MPAC Chairperson and the whole committee have been very vocal on issues of good governance and financial administration on the municipality. The Council as a whole is a developing Council and has an interest of people at heart.

**GOOD GOVERNANCE**

This financial year we have experienced an improvement in our governance systems. One will remember that in the last report it was noted that we are short of policies more especially on IT and the implementation of the existing policies. This financial year about 26 IT policies have been approved by the Council and most of them are implemented. The municipality has used effectively the IGR Structure and Treasury and have also implemented the credibility of the information by making it a standing item on our Exco and Council agenda which check the credibility and reliability of the information on the agenda. We have also updated our financial policies as per the MFMA.

**PUBLIC PARTICIPATION**

The municipality has sustained its principles on the active participation of the community on the municipal programmes. We have conducted 18 IDP izimbizo to ensure that the community understand the plans of the municipality and approve those plans. We have also deployed our entire senior managers and managers to the war rooms; we enjoy the support of the Office of the Premier through Sukuma Sakhe initiative.

**BASIC SERVICE DELIVERY**

Based on our commitment we have been playing a very active oversight role to ensure the flow of service delivery to our people. We have noticed that there is a slow movement of projects and we made our intervention to the municipal manager which resulted to the appointment of the consultants to do a programme management of all our projects. We have no doubt that this will fast tract the projects implementation. We are also glad to report that most of our projects were completed even though there were challenges on other projects.

In 2015/2016 financial year, we continued focusing on Regravelling of roads in our surrounding rural areas, construction of crèches and building of community halls. Some of the projects could not be finished since the budget is limited. Iam glad to report that the Small Town Rehabilitation Programme for eDumbe Municipality has been approved by Cogta in 2016/2017 financial year. The project will start very soon. This financial year (2016/2017) we completed the following projects.

* Rehabilitated Kerk Street ( 410 m )
* Electrified Mncelwini ( Ward 3:Phase 3)
* Electrified Ntungwini ( Ward 6 )
* Electrified Nkembeni ( Ward 6: Phase 3 )
* 4 Bilanyoni High Masts
* Rehabilitated eDumbe Regional Stadium ( Ward 3 )
* Completed Bhadeni Stadium ( Ward 6 )
* Completed Bhadeni Hall ( Ward 6 )
* Completed Nhlakanipho Hall ( Ward 8 )

During 2014/2015 financial year the municipal pound was constructed and pound caretaker was also appointed but there is still a challenge for the pound to be more operational because the municipality still needs to gazette by-laws. The formalisation of Mangosuthu Township which was reported in 2013/2014 financial year has not been approved however the process is still on pipeline. The municipality needs to get buy in from the community before the matter becomes final. This exercise will include a lot of public participation and public education complying with the site designs andpayment of services.

**FINANCIAL VIABILITY**

As the Political head of the financial expenditure, I have played the oversight and have presented to council the section 71 reports and attended meetings with Auditor General and the Treasury trying to understand the reported gaps and encouraged the Municipal Manager and the CFO to improve the controls. We are experiencing financial challenges with regard to the following:

* Revenue Collection.
* Indigent register not updated.
* Electricity outages.
* Material losses Electricity.

The municipality is not collecting enough revenue from the community on services rendered to the community.However we have asked Cogta to assist us with regard to finances.

**CONCLUSION**

Lastly on behalf of Council of eDumbe I would like to extend a word of gratitude to the members of the communities we serve for confidently entrusting their plight on our shoulders for the development of eDumbe and we assure them that we are, together going to continue working hard to create a caring, strong and a vibrant eDumbe. I thank all internal and external stakeholders who continue to participate in all efforts to make eDumbe a better place to live in.

Yours in Service Delivery

*Cllr S.J.Kunene*

HIS WORSHIP THE MAYOR OF EDUMBE LOCAL MUNICIPALITY

## **COMPONENT B: 1.2.EXECUTIVE SUMMARY**

# by municipal manager

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In terms of Section 121 of the Municipal Finance Management Act (MFMA) read together with Section 46 of the Municipal Systems Act 32 of 2000 regulates the manner in which the Accounting Officer should prepare both the Annual Report and the Annual Performance Report. In compliance with the above mentioned sections of legislation, it is indeed an honor and privilege for management to join His Worship the Mayor, our political head, the Honorable Speaker and the entire Council to present this annual report to all our stakeholders.

During the 2016/17 financial year the eDumbe Local Municipality continued to conduct its planning and business operations in line with the six national KPA’s including the sixth provincial KPA which are as follows:

 Institutional Development and Transformation

Basic Service Delivery and Infrastructure

 Local Economic Development

 Good Governance, Community Participation and Ward Committee Systems

 Financial Viability and Management

 Cross Cutting Intervention

The Municipality performed its duties as required in terms of section 155 of the Constitution and Chapter 3 of the Municipal Systems Act 32 of 2000.

Management would like to take this opportunity to thank to thank the Council, EXCO, the Audit Structures, MPAC, as well as staff members for their continued dedication and alertness to the work beforehand and all other external partners such as: Provincial Treasury, COGTA, the Auditor-General and other key sector partners who worked with us in 2016/2017 financial year.

In conclusion management hereby presents the 2016/2017Annual Report as a reflection of all the activities that were carried out by eDumbe Local Municipality during the year under review.

**R.P. Mnguni**

**ACTING MUNICIPAL MANAGER**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **1.3. Municipal Overview**  **1.3.1.VISION, MISSION AND CORE VALUES**  **VISION**  **“By 2030 éDumbe will be a livable, economically progressive municipality and a gateway to KwaZulu-Natal.”**  **MISSION**  “ÉDumbe Municipality seeks to create a healthy, safe environment with economically active communities through promotion of sustainable infrastructure development while unlocking agricultural and tourism potential.”  **CORE VALUES**  The éDumbe Municipality aims to achieve its primary function and justify its existence as a Local Municipality by prescribing to the following core values:   * **Transparency:** Foster full public participation in all its processes and welcome all comments and enquiries. * **Service Delivery:** Strive on a day-to-day basis to provide for its people * **Efficiency:** Work and deliver to our best potential and capability * **Transformation:** Try to adapt and change to a situation that is in the best interest of the people   **MUNICIPAL OVERVIEW**  éDumbe Municipality is one of five Category B Municipalities within the Zululand District. It is located on the north of the province of KwaZulu-Natal. éDumbe forms the southern end of Zululand District and the province of KwaZulu Natal. It is bounded by Abaqulusi and UPhongolo Municipalities to the south and the east within the District (Zululand Municipality), with Emadlangeni Municipality of Amajuba District Municipality to the west, and bordered by Mkhondo Local Municipality, Mpumalanga Province in the immediate north.  éDumbe Municipality, covers a geographical area of 1 947 km² of KwaZulu-Natal, is home to a population of about 89 614, and is demarcated into 8 wards which is predominantly rural in nature. Furthermore, the éDumbe Municipal area comprises of 52 settlements in total, which includes 48 dispersed rural settlements, 3 urban areas and one major town.   **Demographic Characteristics** Demographics concern human populations - their sizes, compositions, distributions, densities, growth, and other characteristics, as well as the causes and consequences of changes in these factors. Demography is the basis of all planning activities and developmental processes, and has important implications for policymakers in both the public and private.  Reliable demographic analysis depends on good and current data. This has been and continues to be one of the major challenges for municipalities in South Africa. Detailed and comprehensive data is only available via the national census processes which have defined timeframes, with the last census being 2001 and the next one done in 2011 (data expected to be available in 2013). **Population growth**  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **Municipality** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2016** | **% Share of ZDM in 2011** | **Average growth rate** | | **ÉDumbe** | 81,877 | 81,195 | 80,230 | 79,238 | 79,208 | 79,466 | 82,053 | 89,614 | 9.79% | -0.60% |   Table 1: Population Growth from 2004 to 2011 **Population distribution** A further breakdown in terms of population distribution of éDumbe area is provided in the table and diagram below.  Table 1: Population Distribution  Figure 2: Population Distribution  The above table and the diagram shows that only 26% of the municipality’s population lives in an urban areas while 74% lives in the rural surroundings of the municipality in a form or rural village, spread and farms. This factor has severe implications on actual service delivery and the cost thereof. It also implies that the large number of the general public of èDumbe municipality is far from the formal economy with its concomitant employment opportunities. Due to the impact of HIV/AIDS which is a world concern, population growth is expected to decline over the next 20 years.This trend must be considered in the planning and delivery of new services. **Households****Number of Households** Table 1   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Ward Nr.** | **Councillor** | **Area (Sq. km)** | **Households** | **Population** | **Settlements** | | 1 | Cllr N.D.Mngomezulu | 776.227 | 1 952 | 13 201 | 14 | | 2 | Cllr D.D.Maseko | 47.125 | 3 275 | 22 149 | 3 | | 3 | Cllr S.T.Hlatshwayo | 39.610 | 2 610 | 17 651 | 3 | | 4 | CllrS.J. Kunene | 11.891 | 2 195 | 14 845 | 2 | | 5 | Cllr J.B.Mthethwa | 76.220 | 1 731 | 11 707 | 7 | | 6 | Cllr D.F.Msthali | 197.654 | 1 848 | 12 498 | 17 | | 7 | Cllr M.S.Zulu | 642.933 | 1 475 | 9 975 | 15 | | 8 | Cllr H.Vilakazi | 151.131 | 1. 861 | 586 | 6 |  **Average** **Household Size** A clear observation that can be made from the table below is the decline in household sizes over the years. There are many reasons that can be the cause to such a problem such as a decrease in population, due to HIV/AIDS and migration of the locals, as well political and administration problems.  Table 2: Average Household Size   |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **Municipality** | **2003** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | | éDumbe | 4.99 | 4.95 | 4.92 | 4.90 | 4.88 | 4.86 | 4.85 | 4.84 |   Pensioner Headed households  Table 3   |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **éDumbe****Municipality Census 2011** | | | | | | |  | | **AGE (years)** | 60-65 | 65-70 | 70-75 | 75-80 | 80-85 | 90-95 |  | | **TOTAL (%)** | 32.4 | 23.6 | 23.6 | 14.1 | 10.4 | 4.9 |  | |

**Child headed household**

**Table 4**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **eDumbe Municipality Census 2011** | | | | | | | | | |
| **Age (Years )** | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| **Total %** | 1.6 | 0.5 | 0.4 | 0.1 | 0.2 | 0.7 | 1.0 | 1.4 | 2.0 |

**Gender Ratio**

**Gender Distribution**

The following table indicates that a large population group is dominated by females with 53% of the municipality’s population wile males constitutes only 47%.

**Table 5**

|  |  |
| --- | --- |
| Gender |  |
| Male | 38,447 |
| Female | 43,605 |
| Total | 82,053 |

The imbalance in terms of gender distribution across the area has a number of implications for planning. Some of the general planning aspects to be considered when planning under these circumstances include:

* The specific health and welfare needs of women;
* The needs of women in planning for economic development and job creation;
* Sport and cultural activities specifically relevant to this group; etc.

This will also impact on the future increase of the municipal population as the life expectancy of woman in KZN is estimated by Statistics SA to be less than 50 years and the prevalence of HIV amongst women are higher than amongst men of the same age group.

**Age Distribution**

The following diagram illustrates the age distribution in conjunction with the gender groups.

**Age Concord**

**Table 6**

|  |  |  |
| --- | --- | --- |
| **Age Break Down** | **Males** | **Females** |
| Age : 0 – 4 | 5702 | 5798 |
| Age : 5 – 14 | 10845 | 10473 |
| Age : 15 – 34 | 13563 | 15007 |
| Age: 35 – 64 | 6920 | 9664 |
| Age : Over 64 | 1414 | 2667 |
| Total | 38444 | 43609 |

Source :Census: 2011

The above table indicates the age distribution of the èDumbe population which bears implications for future planning and development and should therefore be carefully considered. Issues to be considered include:

The availability of sport and recreation facilities for a very young population;

The impact of HIV/AIDS syndrome on the municipality considering the number of people entering the sexually active period of their lives;

The capacity of schools to cope with the large young population; and the expected increase in the number of job seekers in future years. This diagram also demonstrate the fact that the female population is dominating almost in all stages of life in the area of éDumbe with an exception of age 5-14 which has a very slight different which does not make any significant change. It is also imperial that the population of éDumbe is predominantly dominated by the by both male and female youth group with ± 40% of the total population.

**Income Levels**

Income levels in èDumbe tend to be quite low with 69% of the population earning less than R800 a month. This is significantly higher than both the district and provincial levels where 50% and 36% of people respectively earn less than R800 a month. These figures indicate that the majority of the population has low living standards and a poor quality of life. The table below shows the differences in income levels at Local, District and Provincial level.

**Table 7**



A poverty score devised by the Department of Economic Development which is based on the number of households with no income, unemployment levels, dependency ratio (total population divided by the employed) and households with an income of less than R1 600, shows that most of èDumbe falls in the medium to high poverty range. This poverty is focused in the eastern and southern parts of the municipality and is particularly severe in the Simdlangentsha region.

R1 600 per month is well below the amount required by households to be able to maintain a healthy and hygienic lifestyle (or household subsistence level). As would be expected income levels appear to be higher in those wards located close to the urban area of Paulpietersburg and ÉDumbe.

Low income levels are a direct result of low levels of employment in the municipality. According to the 2006 ZDM Data there are 13 524 unemployed people in the region. The unemployment rate is determined by expressing the number of unemployed people as a percentage of the economically active population, i.e. the total population that of working age (15 – 65) that is available for work and is either employed or unemployed. ÉDumbe unemployment rate is 57% according to Census 2001 data. This is very high but is representative of a broader regional problem; the unemployment rate of the Zululand District Municipality is even higher at 61%. Both of these statistics are significantly higher than KZN’s 39% and points to the scarcity of employment opportunities available in éDumbe. 46% of those who are not working in éDumbe cited being unable to find work as their major reason for being unemployed.

**Level of Education**

Table 8

The diagram above indicates the generally low levels of education of eDumbe residents over 20 years.High percentage of the population has no schooling at all and only 5% have matric.These average levels are generally in line or tend to be slightly better than for the District Municipality,however they lag behind Provincial averages.

**HIV**

There exists an extremely high prevalence of HIV/AIDS in the municipal area, with the estimated infection rate at approximately 25%. The high mortality rate and burden of AIDS related illness caused by this has resulted in increased socio-economic hardships of families in the municipality, mostly due to a loss of income when e.conomically active family members are unable to work or pass away.

**Table 9**

|  |  |  |
| --- | --- | --- |
| Department | Responsibility/Functions | Responsible Official |
| **1.Office of the Municipal Manager** | The Municipal Manager is the head of the municipal administration and he/she is also the accounting officer held responsible for financial management of the municipality. The role of the Municipal Manager includes but not limited to the following.   * The general financial administration of the Municipality. * Assets and liability management. * Budget preparation and implementation. * Compliance and oversight reporting to Executive Mayor, Council, Provincial and National government.   As the head of administration, the Municipal Manager is responsible for :   * Formation of an economical, effective, efficient and accountable administration. * Implementation of the municipal IDP. * Appointment and management of staff. * Effective utilization and training of staff. * Maintenance of discipline of staff, the promotion of sound labor relations and compliance with applicable labor legislation. * Advise the political decision makers of the Municipality and managing communication between them and the administration. * Implement the decisions of the Council and Executive Mayor. * Administration of municipal laws and implementation of national and provincial legislation. * Facilitate participation of the local community in municipal affairs.   Office of the Municipal Manager provides the momentum of the administration and integrates all the components of the Municipality. | Mr. R.P.Mnguni |

There are three departments reporting directly to the municipal Manager.

|  |  |  |
| --- | --- | --- |
| **Department** | **Responsibility/Functions** | **Responsible Official** |
| **2. Corporate & Community** | Corporate Services consists of 4 sections   * Administration * Human Resource * Information Technology * Public Safety.   The main objectives and functions of Corporate Services department include the following.   * To ensure that effective and efficient services are rendered by the municipality. * To ensure that citizens are satisfied with the quality of services delivered by the Local Municipality. * To ensure that residents are aware of the activities of the municipality. * To ensure that residents are aware of the policies, services and activities of the municipality. * To ensure that the municipality’s staff is diverse, representative and skilled. * To implement workplace skill plan within the allocated budget. * To provide purposeful systematic and continuous labour relations and effective and capacity building to the staff. * To provide secretariat to the council. * Implement records management practices. * Ensuring proper keeping of council records. * Ensuring that personnel receive specialized training.   The fully established and well functional corporate services within a municipality is of a high priority as it is the department that shares a very close relationship with the public.  The Community department’s core function is to ensure that the community is well serviced in regards to the following:   * Public Participation. * Education ( Libraries ) * Sports * Community Halls * Social Cohesion * Special Programmes * Waste Management   The department is also responsible for ensuring that plans and programmes are developed to focus specifically on the youth,women,disabled and underprivileged | Vacant from 01/06/2016 |

|  |  |  |
| --- | --- | --- |
| **3. Budget and Treasury** | The Budget and Treasury Office is a directorate within the municipality responsible for the management, control and monitoring of municipal finances. The administrative head of finance department is Chief Financial Officer. The directorate is composed of the following sections:   * Budget Planning and financial reporting. * Income and Revenue Management. * Expenditure and Salaries * Supply Chain Unit   **Budget and Financial Planning**  This section is responsible for the following activities.   * Municipal Financial Planning ( Budget Preparation ) * Reporting on financial affairs of the municipality in a form of annual financial statements and monthly, quarterly and annual reports as prescribed by MFMA.   **Income and Revenue Management**  This section is responsible for the following activities.   * Collecting of income from all cashiering points. * Billing of rates and services. * Issuing out of clearance certificates * Management of the general valuation.   **Expenditure and Salaries**  This section is responsible for the following activities   * Payment of creditors. * Payments of salaries, wages and sundries. * Management of creditors’ reconciliations. * Management of audit queries   **Supply Chain Management**  This section is responsible for the following activities   * Implementation of the Supply Chain Management regulations and related legislation. This included demand management, acquisition management, logistics management, disposal management, contract administration and management of stores items and stationery. | Mr S Mngwengwe |

|  |  |  |
| --- | --- | --- |
| **4.Infrastructure & Planning Department** | The main objectives and functions of Technical Department is to provide basic needs of the community and maintain the standard of services provided. The department focuses on the following issues:   * Water and sanitation. * Refuse removal and sewerage. * Electricity * Civil works ( roads & bridges ) | Mr S Cele |

|  |  |  |
| --- | --- | --- |
|  | Planning department ‘s function within the municipality is to regulate and control all development in a municipality. The department is also responsible for the following sections:   * Strategic Planning * Spatial Development * IDP * Tourism * Housing * LED * DPSS   DPSS staff includes the following personnel.   * Chief Planner * Senior Planner * GIS Specialist * Land Administrator * Building Inspector |  |

**Opportunities**

The éDumbe municipal area experiences low economic development and growth per annum but below mentioned are the areas of potential that can help the municipality grow and improve its economic development and growth.

* ÉDumbe is a gateway to KwaZulu Natal Province and it is a shorter route from Mpumalanga Province to Durban or Pietermaritzburg. In that sense it can attract as many tourists who are exploring KZN as possible.
* Its tourist attraction is highly on cultural tourism with many heritage sites including the Residence and the Grave of Mkabayi kaJama of the Zulu Nation at kwaGamakazi and the Voortrekker Park at Paulpietersburg. éDumbe can be a tourist destination based on the Zulu Heritage Route which is supported by the Zululand District.
* It is also rich in eco-tourism, with the existence of Ithala Game Reserve, Pongola Bush Nature Reserve and Natal Spa Hot Spring and Leisure Resort.
* Other tourism opportunities that have been identified include but not limited to: Hot Water Springs; Battlefields Route; Historical Buildings; Fishing Resorts; Game Farms; Engodini Crater; Traditional Areas; 4X4 Trails, and Paragliding.
* ÉDumbe has vast mining opportunities with natural resources which can create better socio-economic environment for the people of éDumbe. There are five Mines within the éDumbe area which are currently closed down with remainders of natural resources mainly coal.
* Obivane Dam which is also known as Paris Dam is currently underutilized as it has the potential to stimulate economic growth through development of Holiday Resorts, Conference Centres, Hot Water Springs and so forth.
* ÉDumbe is known for being the home and headquarters of the international recognized brands such as Valpre Water and Ignite Charcoal.

The éDumbe municipality is located in one of the poorest and poverty stricken district municipalities in KwaZulu-Natal. (It forms part of Presidential Nodes!)

* A large rural population that depends on the nearby urban area of Paulpietersburg for commercial and public services (e.g. health, social welfare, police services etc) places pressure on the primary node because of the lack of social and economic services within the rural areas.
* Most of the rural settlements are small thus making service delivery costly, this effect is compounded by the aspect that only 35% of the municipality’s population lives in an urban area while 65% lives in the rural hinterland of the municipality. The spatial development pattern of the municipality will have to be addressed.
* 53% of the population of the municipality are women. Women are assumed to be acting as household heads in the absence of partners seeking employment in other urban centres. It is also accepted that these women are more disadvantaged in terms of resources. Strategies need to be developed in order to create security for women and their dependent children.
* Close to half of the population are children, placing pressure on the need for educational and social facilities. Many of these children will be orphaned as a result of HIV/AIDS. At least 17% of the population is already infected with HIV. The severe impact on the need for health, social and welfare services over the next 20 years will have to be accommodated in the Municipalities strategy for service delivery.
* Income levels in éDumbe tend to be quite low with 69% of the population earning less than R800 a month. The traditional and rural areas are the most poverty stricken.
* The majority of the population relies on public transport facilities. This is primarily taxi based. The quality and efficiency of the public transport sector still needs attention.

Although a large portion of the population has access to household electricity the low income levels in the municipality puts a severe restriction on the number of people actually using electricity as a primary means of energy. Electricity provision at schools and health facilities are especially critical. In the wake of the looming energy crises faced by this country it is vital that the Municipality adopts policy embracing the use of alternative energy sources for new residential and commercial development.

1.3.**3,.ORGANISATIONAL DEVELOPMENT PERFORMANCE**

**Introduction**

The main focus in this key performance area is the institutional and organizational capacity of municipality to perform their functions and fulfill their developmental role as stipulated in the Constitution and the White Paper on Local Government. Institutional and organizational reform in local government is the key to sustainable municipalities. Having been allocated separate powers and functions entrenched in the Constitution; municipalities had to organize themselves in preparation to fulfill these functions and powers. Organizational transformation in local government is further explicitly prescribed in Section 51 of the Municipal Systems Act which provides as follows:

“A municipality must, within its administrative and financial capacity, establish and organise its administration in a manner that would enable the municipality to:-

1. be responsive to the needs of the local community;
2. facilitate a culture of public service and accountability amongst its staff;
3. Constitution and its developmental duties as required by section 153 of the Constitution;
4. ensure that its political structures, political office bearers and managers and other staff members align their roles and responsibilities with the priorities and objectives set out in the municipality’s integrated development plan;
5. establish clear relationships, and facilitate co-operation, co-ordination and communication, between-
   1. its political structures, political office bearers and its administration;
   2. its political structures, political office bearers and administration and the local community;
6. organise its political structures, political office bearers and administration in a flexible way in order to respond to changing priorities and circumstances;
7. perform its functions—
   1. through operationally effective and appropriate administrative units and mechanisms, including departments and other functional or business units; and
   2. when necessary, on a decentralised basis;
   3. assign clear responsibilities for the management and co-ordination of these administrative units and mechanisms;
   4. hold the municipal manager accountable for the overall performance of the administration;
   5. maximise efficiency of communication and decision-making within the administration;
   6. delegate responsibility to the most effective level within the administration;
   7. involve staff in management decisions as far as is practicable; and
   8. provide an equitable, fair, open and non-discriminatory working environment

This key performance area focuses on organizational capacity and includes indicators that show progress on how municipalities have organized themselves in terms of building capacity to deliver, compliance with equity targets as well as implementing both the organizational and individual performance management systems. Municipal performance in this KPA is assessed in the following six (6) focus areas:

* Performance Management Systems.
* Filling of Section 57 Manager positions;
* Signed performance agreements by Section 57 Managers;
* Disciplinary processes against Section 57 Managers;
* Employment Equity; and
* Skills development.

**Performance Management System**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| eDumbe Municipality | Does the municipality have a PMS Policy Framework developed /reviewed and adopted by Council (State date of adoption) | Did the municipality review/develop its IDP and engaged with the community in the process | Have the municipality adopted IDP linked to SDBIP? | | No of Section 56/7 Performance contracts signed? | No of Section 56/7 managers with signed Performance Agreements? | Is the municipality’s PMS audited by an Internal Auditor for functionality and legal compliance? | Has the municipality Appointed Performance Audit Committee (PAC) | Did the municipality submit previous year’s council oversight report and made public | No of quarterly performance reports submitted | Has the municipality cascaded PMS to lower levels | State reasons for non-compliance of any of these components |
| Y/N: | Yes | Yes | | Yes | 6 | 6 | Yes | Yes | No | 4 | No | We are engaging SALGA on rolling PMS to all staff |
| Date: | 16/03/2017 | 13/05/2016 | | 13/05/2016 |  |  | 31/03/2017 | 17/02/2014 |  |  |  |  |

**Implementation of PMS in municipality**

The Municipal Manager and the Managers that are directly accountable to the Municipal Managers have signed the performance agreements, employment contracts and were forwarded to COGTA before the due date. Our Council Committees are fully functional and effective in performing their delegated tasks.

**Table 1: Linkage between IDP and SDBIP**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| eDumbe municipality | 2014/2015 | | | 2015/2016 | | | 2016/2017 | | |
| IDP Framework/ Process Plan Approved | IDP adopted and Submitted | Is the IDP aligned to SDBIP | IDP Framework/ Process Plan Approved | IDP adopted and Submitted | Is the IDP aligned to SDBIP | IDP Framework/ Process Plan Approved | IDP adopted and Submitted | Is the IDP aligned to SDBIP |
| Y/N: | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

The Council has adopted the Municipal Process Plan and has been abide by it in developing the IDP and the community participation through ward committees has been always ensured. The Mayor and the council has been always conducting IDP imbizo in the ward. The community was afforded an opportunity to contribute in the IDP formulation.

.

**Table 2: Filling of Section 56/7 Managers posts**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| eDumbe  Municipality | 2014/2015 | | | 2015/2016 | | | 2016/2017 | | |
| No of posts approved | No of posts filled | No of vacancies | No of posts approved | No of posts filled | No of vacancies | No of posts approved | No of posts filled | No of vacancies |
| Municipal Manager | 1 | 1 | 0 | 1 | 1 | 0 | 1 | 0 | 1 |
| Chief Financial Officer | 1 | 1 | 0 | 1 | 1 | 0 | 1 | 1 | 0 |
| Infrastructure & Planning | 1 | 0 | 1 | 1 | 0 | 1 | 1 | 1 | 0 |
| Corporate & Community Services | 1 | 1 | 0 | 1 | 1 | 0 | 1 | 0 | 1 |
| TOTAL | 4 | 3 | 1 | 4 | 3 | 1 | 4 | 2 | 2 |

The resignation of Municipal Manager and Director Planning has created a big challenge for the municipality in terms of service delivery and stability in the organization. Financial issues are also a big concern for the institution.

**Table 4: Disciplinary processes against Section 56/7 Managers**

| eDumbe  Municipality | 2014/2015 | | | 2015/2016 | | | 2016/2017 | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| No of reported cases | No of pending cases | No of resolved cases | No of reported cases | No of pending cases | No of resolved cases | No of reported cases | No of pending cases | No of resolved cases |
| Number: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

**1.5. Annual Report Development Process Plan**

| **No.** | **Activity** | **Timeframe** |
| --- | --- | --- |
| 1 | Consideration of next financial year’s Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period | July |
| 2 | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting). |
| 3 | Finalize the 4th quarter Report for previous financial year |
| 4 | Submit draft year 0 Annual Report to Internal Audit and Auditor-General |
| 5 | Municipal entities submit draft annual reports to MM |
| 6 | Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant) | August |
| 8 | Mayor tables the unaudited Annual Report |
| 9 | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General |
| 10 | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase |
| 11 | Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data | September – October |
| 12 | Municipalities receive and start to address the Auditor General’s comments | November |
| 13 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General’s Report |
| 14 | Audited Annual Report is made public and representation is invited |
| 15 | Oversight Committee assesses Annual Report |
| 16 | Council adopts Oversight report | December |
| 17 | Oversight report is made public |
| 18 | Oversight report is submitted to relevant provincial councils |
| 19 | Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input | January |

**CHAPTER 2**

**GOVERNANCE**

**CHAPTER 2- GOVERNANCE**

**2.1 COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

**2.1 POLITICAL STRUCTURES**

****

**Hon. His Worship the Mayor: Cllr S.J.Kunene (Ward 4) Bilanyoni & Mbizeni**

****

**Deputy Mayor: Cllr.N.D.Ndlangamandla : Chairperson of Corporate & Community Services Portfolio Committee**

****

**Speaker of Council: CLLR. S.T.Hlatshwayo (Ward 3 Councillor ) Paupietersburg,eDumbe Location.Esikhaleni &KwaDokodo**

****

**EXCO Member: Cllr. N.D.Sibiya (Chairperson of Planning & Infrastructure Portfolio Committee)**

****

**Cllr: H.H.Vilakazi : MPAC Chairperson ( Ward 8 ) Ophuzane,eNgulubeni,Paddafontein,Msoco,Sokesimbone & Nhlakanipho.**

 

**Cllr. N.D.Mngomezulu (Ward 1)**From: Luneburg, Ncaka & Hhulumbe :**Cllr D.D.Maseko (Ward 2)**From: Mangosuthu, Kangwanya ,eMbuzini & Ezibomvu.

 

**Cllr. M.S.Zulu (Ward 7)** From: Gamakazi, **Cllr: BT Shabalala (PR)**

Khambule & Mahloni

 

**Cllr. J.B.Mthethwa (Ward 5)** From: Tholakele,Makhalibethe,Nkangala ,KwaVova & Mathunzini **Cllr. D.F.Sukazi (Ward 6)** From eBhadeni, Enkembeni & Ntungwini & Obishini

 ****

**Cllr R.Gevers ( PR) CLLr D.P.Masondo ( PR )**

 

**Cllr : J.D.V.R.Laurens (PR) Cllr: MSE Mbokazi (PR)**



**CLLr: Z.P.Mtetwa**

**Amakhosi Asendlunkulu**

****

**Inkosi B.P.Sibisi**



**Inkosi L.Dlamini**

****

**Inkosi S.W.Mthethwa**

eDumbe full Council consists of 16 Councilors from different political parties and three Amakhosi AseNdlunkulu.They work collectively and in harmony even though at times challenges crop out. The representation is as follows ANC: 8 Councilors, DA: 5 Councilors, and IFP: 3 Councilors .

**Full Council Members**

1. Cllr S.J.Kunene
2. Cllr N.D.Ndlangamandla
3. Cllr S.T.Hlatshwayo
4. Cllr N.D.Sibiya
5. Cllr H.H.Vilakazi
6. Cllr R.Gevers
7. Cllr J.D.V.R.Laurens
8. Cllr J.B.Mthethwa
9. Cllr M.S.E.Mbokazi
10. Cllr Z.P.Mthethwa
11. Cllr M.S.Zulu
12. Cllr D.F.Sukazi
13. Cllr D.D.Maseko
14. Cllr T.P.Shabalala
15. Cllr N.D.Mngomezulu
16. CLLr D.P.Masondo

**Amakhosi AseNdlunkulu**

1. Inkosi B.P.Sibisi

2. Inkosi S.W.Mthethwa

3. Inkosi L. Dlamini

**Ward Councillors**

Out of 16 Councillors 8 are ward Councillors and 8 are Proportional Representation Councillors. Our quorum is 9. The municipality has 5 women Councillors and 1 is an Executive Member.

|  |  |
| --- | --- |
| Cllr. N.D.Mngomezulu | Ward 1 |
| Cllr. D.D.Maseko | Ward 2 |
| Cllr. S.T.Hlatshwayo | Ward 3 |
| Cllr. SJ Kunene | Ward 4 |
| Cllr. J.B.Mthethwa | Ward 5 |
| Cllr. D.F.Sukazi | Ward 6 |
| Cllr. M.S.Zulu | Ward 7 |
| Cllr. H.H.Vilakazi | Ward 8 |

**POLITICAL DESICION**

The Council established its Portfolio Committees which are chaired by members of the Executive Committees as stipulated in the Municipal Structures Act No 117 of 1998 section 80.EDumbe Municipality has the following Portfolio Committees:

* Finance and Technical Services Portfolio Committee.
* Planning and Development Portfolio Committee.
* Corporate and Community Services Portfolio Committee.

The items are firstly presented to the relevant Portfolio Committee which then recommends to the Executive Committee. The Executive Committee recommends to the Council. The Executive Committee has got the power to approve the item or decline the item.

EDumbe Council has its own Municipal Public Account Committee (MPAC) which plays an oversight role on behalf of the Council. The MPAC reports to Council through speaker.MFMA Section 60 (b) : Municipal Manager is the Accounting Officer of the municipality for the purpose of this Act, he must provide guidance to political structures, political office bearers and municipal officials with regard to compliance to the Act.

|  |  |
| --- | --- |
| Cllr H.H.Vilakazi | Chairperson |
| Cllr DZ Mtshali | Member |
| Cllr N M Nhlabathi | Member |
| Cllr MP Khumalo | Member |
| Cllr TP Shabalala | Member |

*MFMA section 60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.*

The Municipal Systems Act section 67 says A municipality, in accordance with applicable law and subject to any applicable collective agreement, must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including (a) to (k)

Base on this section the Municipal Manager developed the delegation of duties to Council to separate the functioning of the departments

**2.2. DEPARTMENTAL Responsibilitie**

|  |  |  |
| --- | --- | --- |
| **Office of the Municipal Manager** | **Financial Services** | **Corporate Services** |
| Strategic Planning | Budget preparation and implementation | General administration |
| Overall responsibility for the organization | Revenue and expenditure management | Secretariat |
| Form and develop efficient and effective administration | Mid-year budget & performance assessment | Council support |
| Advise political structures and political office bearers | Revenue generation | Legal services |
| Ensure implementation of decisions of political structures | Debt collection, credit control and loans | Policies and procedures |
| Ensure implementation of national & provincial legislations | Supply chain management/procurement | Municipal office building management |
| Accountability for financial & other municipality resources | Capital expenditure control | Capacity building and training |
| Internal Audit | Investments | Human resources |
| Audit Committee | Asset and liability management | Ward committees |
| Intergovernmental and international relations | Internal audit and audit committees | Information services |
| Miscellaneous responsibilities outlined in the MSA, MFMA and other legislations | Financial reporting and auditing | Research and development |
|  | Payroll | Fleet management |
|  | Management of Grants, Tax & Levies | Business plan |
|  | Business plan | Contract Management |
| **Community Services** | **Planning & Development Services** | **Technical & Infrastructure Services** |
| Health | Planning | Electricity |
| Sports and culture | Land use management | Water (co-ordination and recommendation) |
| Youth and gender development | Integrated Development Planning | Sanitation (co-ordination and recommendation) |
| Swimming pools | Local Economic Development | Solid waste sites |
| Facilities management | Local tourism | Municipal roads |
| Libraries | Project management | Business planning |
| People with disability | Program management | Project management |
| Disaster management | Marketing | Implementing agent |
| Emergency services | Environmental Management | Housing (technical) |
| Pounds | Business Plan | Housing and land affairs |
| Safety and security |  | Cemeteries |
| Regulator and monitoring |  | Parks and recreation |
| Communication infrastructure |  | Business plan |
| Nature conservation |  |  |
| Poverty alleviation |  |  |
| Business plan |  |  |

**2.3. SENIOR ADMINISTRATIVE STRUCTURE**

**Acting Municipal Manager**

**Mr R.P.Mnguni**

****

**** 

**Mr S Cele (Director Technical & Planning) Mr S Mngwengwe (Chief Financial Officer)**

## **2.4 COMPONENT B: INTERGOVERNMENTAL RELATIONS**

*MSA section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisage in the Constitution section 41.*

**2.4.1 Shared Services**

The municipality has received the support from COGTA for the Planning Shared Services whereby COGTA appointed qualified Planners to support the District Family of Municipalities in the Zululand District to improve the implementation of the Planning Act and Development of the Planning Strategic Documents. The Officials are shared among the Municipalities on the rotation schedule.

**2.4.2 Leave Management**

Leave management has been a challenge in the municipality in the last financial years however a great success has been achieved. The municipality is now able to report to Cogta National on number of leave taken monthly by employees.

**2.4.3 Project Implementation and Expenditure**

The support by the Provincial Government regarding the project implementation did not set any sustainable standard procedure as intended. One had a good lesson from the team, which is to balance the project implementation plan and the financial expenditure.

**2.4.4 PMU**

The establishment of the Project Management Unit that is managing MIG projects and packaging future projects. This supported by COGTA with Budget for the two PMU Technicians. This started in 2008 till to date.

**2.4.5 National Intergovernmental Structures**

* Presidential Coordinating Council
* National Intergovernmental Forum

éDumbe Municipality has not directly participated in any of these forums except where it has been represented by the Local Government Association as prescribed in the Intergovernmental Fiscal Relations Act 97 of 1997section 6(1)(h).

**2.4.6 Provincial Intergovernmental Relations**

The Premier’s Intergovernmental Forum. The éDumbe has attended the forum through the extended invitation since it is not a *original* member of the forum but seat through the Intergovernmental Fiscal Relations Act 97 of 1997 section 17 (3). We continue to honour the invitations that are extended to us by the Premier.

**2.4.7 District Intergovernmental Structure**

District Intergovernmental Forum is where the éDumbe is an original member through the representation of the Mayor. As a member of the District intergovernmental structure we have committed our active participation and meaning contributions to ensure that this structure is used as a platform to resolved issues which affects the municipalities in the district

**COMPONENT C: 2.1. PUBLIC ACCOUNTABILITY AND PARTICIPATION**

The MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development

**2.2.1. The IDP Steering Committee**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| éDumbe Municipality | 2014/2015 | | 2015/2016 | | 2016/2017 | |
| No. of functional Ward Committees | % of functional Ward Committees | No. of functional Ward Committees | % of functional Ward Committees | No. of functional Ward Committees | % of functional Ward Committees |
| Number and percentage: | 8 | 100% | 8 | 100% | 8 | 100% |

The IDP Steering Committee must be established during the IDP process and it must continue performing its functions during the IDP review process. It is a technical working group made up of senior officials and relevant officials to support the Development Planner and ensure a smooth review process.

**2.2.2. The IDP Representative Forum**

This is the structure, which institutionalises and ensures a participatory IDP review process. It represents the interests of the constituents of the municipality in the review process. It is envisaged that all organisations, stakeholders or interest groups are represented in the forum.

**2.2.3. Zululand District Municipality IDP Steering Committee**

Zululand District Municipality has established a District IDP Steering Committee (IDP Planners Forum) that will ensure co-ordination of the IDP Review processes of the district and the local municipalities. Membership of this committee includes all the Local Municipalities and the District’s Municipal Managers, IDP Managers and Planners, representatives from the Department of Local Government and Traditional Affairs and targeted service providers within Zululand District Municipality. The Zululand IDP Manager must chair the Committee / Forum

**COMPONENT D: CORPORATE GOVERNANCE**

**2.3. RISK MANAGEMENT**

Institutions operate in environments where factors such as technology, regulation, restructuring, changing service requirements and political influence create uncertainty. Uncertainty emanates from an inability to precisely determine the likelihood that potential events will occur and the associated outcomes.

Organisational Risk Management forms a critical part of any institution’s strategic management. It is the process whereby an institution both methodically and intuitively addresses the risk attached to their activities with the goal of achieving sustained benefit within each activity and across the portfolio of activities. ORM is therefore recognised as an integral part of sound organisational management and is being promoted internationally and in South Africa as good practice applicable to the public and private sectors.

Public sector institutions are bound by constitutional mandates to provide products or services in the interest of the public good. As no institution has the luxury of functioning in a risk-free environment, public sector institutions also encounter risks inherent in producing and delivering such goods and services.

All institutions face uncertainty, and the challenge for management is to determine how much **uncertainty** the institution is prepared to accept as it strives to grow stakeholder value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance **value**. It provides a basis for management to effectively deal with uncertainty of associated risk and opportunity, thereby enhancing its capacity to build value. Value is maximized when management sets objectives to strike an optimal balance between growth and related risks, and effectively deploys resources in pursuit of the organisation’s objectives. It is accordingly accepted by all stakeholders that Ulundi Local Municipality will manage risks faced in an appropriate manner.

The Institute of Risk Management defines **risk** as “…***the uncertainty of an event occurring that could have an impact on the achievement of objectives.*** Risk not only manifests as negative impacts on the achievement of goals and objectives, but also as a missed opportunity to enhance organisational performance. Risk is measured in terms of consequences of impact and likelihood.”

This definition applies to each and every level of the organisation and the overriding policy and philosophy is that the management of risk is the responsibility of management at each and every level in the municipality. The management of risk is no more or less important than the management of organisational resources and opportunities and it simply forms an integral part of the process of managing those resources and opportunities.

* Provide guidance for the accounting officer, managers and staff when overseeing or implementing the development of processes, systems and techniques for managing risk, which are appropriate to the context of the municipality.
* Advance the development and implementation of modern management practices and to support innovation throughout the Public Sector.
* Contribute to building a risk-smart workforce and environment that allows for innovation and responsible risk-taking while ensuring legitimate precautions are taken to protect the public interest, maintain public trust, and ensure due diligence.

**2.3.1 Legal mandate.**

The Municipal Finance Management Act, 2003 has legislated key governance best practices.

**2.3.2 Accounting Officer**

Section 62(1)I(i) of the Municipal Finance Management Act, 2003 requires that:

*“The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure –*

*that the municipality has and maintains effective, efficient and transparent systems –*

*(i) of financial and risk management and internal control”*

**2.3.3.MANAGEMENT, OTHER PERSONNEL AND RISK CHAMPIONS.**

The extension of general responsibilities in terms of section 78 of the Municipal Finance Management Act, 2003 to all senior managers and other officials implies that responsibility for risk management vests at all levels of management and that it is not limited to only the accounting officer and internal audit.

**2.3.4.INTERNAL AUDITORS**

Section 165(2)(a)(b)(iv) of the Municipal Finance Management Act, 2003 requires that:

*“(2) The internal audit of a municipality must –*

*(a) Prepare a risk based audit plan and an internal audit program for each financial year;*

*(b) Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matter relating to:*

*(ii) risk and risk management”.*

*“The internal audit activity should assist the organisation by identifying and evaluating significant exposures to risk and contributing to the improvements of the risk management and control systems –*

*A1 - The internal audit activity should monitor and evaluate the effectiveness of the organisation’s risk management system.*

*A2 - The internal audit activity should evaluate risk exposures relating to the organisation’s governance, operations and information systems regarding the:*

 *Reliability and integrity of financial and operational information;*

 *Effectiveness and efficiency of operations;*

 *Safeguarding of assets; and*

 *Compliance with laws, regulations and contracts.*

**2.3.5.AUDIT COMMITTEE**

Section 166 (2) of the Municipal Finance Management Act, 2003 requires that:

*“(2) An audit committee is an independent advisory body which must –*

*(a) Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality on matters relating to –*

*(ii) risk management”*

**2.3.6. THE RISK MANAGEMENT COMMITTEE:**

For the 2015-2016 financial year the senior management were elected members of the risk management committee. The following members were involved.

Mrs L Masondo (Senior Risk Officer) - Chairperson

Mr BM Ndebele (SCM Manager) - Member

Mrs D.J.Nhlengethwa (Manager – Community) – Member

Mr M Mathabela (IT Manager) – Member

Mr B W Dube (PMU Manager) – Member

Mrs SEP Dlamini (Housing Manager) - Member

|  |
| --- |
| 2.4.TERMINOLOGY |
| **Framework:** Includes a policy and a set of procedures to support application of the policy. |
| **Policy:** A statement of overall objectives, intent and responsibility for an activity, function or process.  The statement should reflect the expectations of senior management*.* |
| **Procedure:** Procedures support the essential steps in managing an activity, function or process or activity by providing guidance and instruction to staff on how to achieve the objectives of the relevant policy. |
| **Risk:** The chance of something happening (an event) that will have an impact upon objectives. It is measured in terms of consequences and the likelihood of a particular risk.   |  | | --- | | **Risk identification:** Determining what risk events can happen, why and how. | | Risk exposure: A risk exposure is a rating assigned to a risk based on the likelihood and consequences of a risk, which is compared against pre-established criteria for risk classification in the risk management framework. For example risk level ratings might include: | | **Risk management:** The culture, frameworks and structures that are directed towards the effective management of potential opportunities and adverse effects. | | Risk management involves the systematic application of management policies,  Procedures and practices to the steps of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk. | |
| **Risk register**: A risk register is a comprehensive record of risks across an organisation, |
| business unit or project depending on the purpose/context of the register. |
| **Senior Management:** The layer of management in an organisation that makes decisions about direction, focus, policy and corporate governance. |

**2.5.THE MANAGEMENT OF THE RISKS.**

Management conduct organisational risk assessment whereby all possible risks are identified and listed on the risk register. The risk management committee meets on quarterly basis to trace progress on risk mitigation.

**2.6. PUBLIC SATISFACTION ON MUNICIPAL SRVICES**

The municipality has placed suggestion boxes in all municipal offices to afford communities an opportunity to comment on services rendered by the municipality. During IDP meetings people are also given an opportunity to raise issues that affect them either way**.**

**2.7. MUNICIPAL BY-LAWS**

Most of Municipal By- Laws are not gazetted which make the law enforcement to who encroach not effective. It has cost the Municipality high price because most businesses and people of middle and high class prefer buying houses in other towns where property values are high. The municipality has targeted to gazette 4 By-Laws during 2016/2017 financial year.

**2.8. MUNICIPAL WEBSITE**

*According to MFMA and Systems Act No.32 of 2000 section 21B,it is stated that the municipality should establish its website and place all the information required to be made public* **:** the following information is available on the municipal website.

Approved Annual Budget

Approved Annual Report

Tenders on advert, awarded and intention to award

Approved IDP document 2016/2017

Public notes

Information about Councillors

Municipal Departments

Municipal Contacts details

Other information.e.g. Gallery, projects, vacancies and ect.

The website is functional however the municipality has appointed the service provider to redesign it. The redesigning exercise will be done in 2016/2017 financial year.

**2.9.ANTI-CORRUPTION AND FRAUD**

The municipality has launched a hotline number to report any suspected fraud corruption.

CHAPTER 3

SERVICE DELIVERY PERFORMANCE

TARGETS VS ACTUAL ACHIEVEMENTS

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

**3.1.BACKGROUND TO MUNICIPAL SCORECARD/SDBIP**

In terms of MSA (1) (a) A municipality must set key performance indicators ,including input indicators ,output iand outcome indicators,in respect of each of the developmental priorities and objectives referred to in section 26 (c) of the Act.

(b) A key performance indicator must be measurable,relevant,objective and precise.

(2) In setting key performance indicators ,a municipality must ensure that :

* Communities are involved.

The Municipal Scorecard reflects the 6 National KPAs and local priorities .The Scorecard enables a wider assessment of how the municipality is performing.

The performance report is based on measures included within the Municipal Screcard and incoperates priority measures selected from the IDP.

The set targets on the Scorecard and IDP strategies and objectieves were approved by Council on 29/05/2015

These targets were reviewed and updated by Council at Council meeting on 31/03/2015

the municipality. Performance management should occur at the various levels and relate to one another, as required by the 2001 Municipal Planning and Performance Regulations through cascading performance measures from organisational to departmental level, both the IDP and the SDBIP/Scorecard eventually link with individual performance management. Regarding performance management at **individual** level, the MFMA specifically requires that the annual performance agreements of Section 57 Managers must be linked to the SDBIP and the measurable performance objectives approved with the budget.

We also have legislative framework which provides for performance management at various levels in a municipality including **Organizational** (sometimes also referred to as municipal, corporate or strategic level), **departmental** (also referred to as services, operational or section/team level) and lastly, **individual** level.

At **Organizational** level, the five-year IDP forms the basis for performance management, whereas at operational level the annual SDBIP /Scorecard forms basis. The performance measures associated with the IDP have a long-term focus, whereas those associated with the SDBIP are short-term and focus on reviewing the progress made in implementing the current budget and achieving the annual service delivery targets.

**5. SUMMARY OF MUNICIPAL PERFORMANCE (2016/2017)**

The information provided on the table below indicates the overall performance of the Municipality during 2016/2017 financial year. It has been done in line with the 6 national KPAs and is the focus of the MSA Section 46

**Table 1**

|  |  |
| --- | --- |
| Total number of Targets | 111 |
| Total Number of Achieved Targets | 53 |
| Total Number of Targets exceeded | 01 |
| Total Number of Non- Achieved Targets | 58 |
| % of Achieved Targets | 48% |
| % of Targets exceeded | 2% |
| % of Non- Achieved Targets | 52% |

**Table 2: Information on Partially Achieved Targets**

|  |  |  |  |
| --- | --- | --- | --- |
| **KPA** | **KPI** | **% on partially achieved target.** | **% Short to achieve the target.** |
| 1. Municipal Transformation and institutional Development. | KPI 19 | 80% | 20% |
| KPI 22 | 52% | 48% |
| 2. Basic Service Delivery & Infrastructure Development | KPI 32 | 88% | 12% |
| KPI 33 | 90% | 10% |
| KPI 38 | 90 | 10% |
| KPI 40 | 98% | 2% |
| KPI 42 | 94% | 6% |
| 3.Local Economic Development | KPI 43 | 64% | 36% |
| 4. Good Governance, Community Participation & Ward Committee Systems | KPI 75 | 92% | 8% |
| 5. Municipal Financial Viability and Management | KPI 98 | 50% | 50% |
| 6.Cross Cutting Intervention | KPI 111 | 83% | 17% |

**6. MUNICIPAL ANNUAL PERFORMANCE (2016/2017) (ANNUAL TARGETS VS ACTUAL ACHIEVEMENTS**

The annual Organization Performance (depicted by strategic departments of éDumbe Municipality) is encapsulated in the table below. These results are deriving from the monthly and quarterly performance and evaluations performed during the **2016/2017 financial year.**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **KPI No:** | **OUTCOME 9** | **NATIONAL KEY PERFORMANCE AREAS** | **STRATEGIES (AS PER IDP)** | **NO** | **INDICATORS** | **COMPARISON WITH PREVIOUS YEAR** | | **CURRENT YEAR** | | | | **Status (Achieved / Not Achieved** | **Measures taken to improve performance** | | | |  | | | |
| **2015/2016 (TARGET)** | **2015/2016 (ACTUAL)** | **2016/2017 (TARGET)** | | **2016/2017 (ACTUAL)** | |
| **KPI 1** | **DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING,PLANNING AND SUPPORT** | **MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT** | Development, Review and implement policies and by- laws | **1** | Identified Critical Posts | N/A | N/A | 2 Critical positions identified by 30 June 2017 | | 2 Critical positions were identified by 30 June 2017 | | **Target Achieved** |  | | | |  | | | |
| **KPI2** | Review and Implementation of organogram | **2** | 2 People appointed in high posts | N/A | N/A | 2 People appointed in high positions by 31 December 2016 | | 2 Officials were appointed in high positions on 18/07/2017.Manager SCM & Senior Electrician | | **Target Achieved** |  | | | |  | | | |
| **KPI3** | Review and Implementation of organogram | **3** | Reviewed and adopted WSP | Reviewed and Submitted Workplace Skills Plan by 30 April 2016 | **Target Achieved**  WSP was reviewed and submitted on 29/04/2016 | 1 Reviewed and adopted WSP by 30 April 2017 | | Council & Employees Training was conducted. | | **Target Achieved** |  | | | |  | | | |
| **KPI4** | Review and Implementation of organogram | **4** | 0.18% Of municipal budget spent on implementing Review and Implementation of organogram WSP | N/A | N/A | 0.18% 0f municipal Budget spent on implementing WSP by 31 December 2016 | | 0.19 was spent on implementing WSP. | | **Target Achieved** |  | | | |  | | | |
| **KPI5** | Review and Implementation of organogram | **5** | Submitted WSP and ART | Reviewed and Submitted Workplace Skills Plan by 30 April 2016 | **Target Achieved**  WSP was reviewed and submitted on 29/04/2016 | Submitted WSP and ATR by 30 April 2017 | | The Document was submitted on 26/04/2017. | | **Target Achieved** |  | | | |  | | | |
| **KPI6** | Review and implementation of EEP | **6** | Reviewed and implemented EEP | N/A | **N/A** | Reviewed and Implemented EEP by 30 June 2017 | |  | | **Target Not Achieved**  Financial Constraints. | The Municipality will engage Cogta for Financial Assistance. | | | |  | | | |
| **KPI7** | Review and implementation of EEP | **7** | Submitted EEP to DoL | Submitted Employment Equity Report to Department of Labour (DoL ) by 30 January 2016 | Acknowledgement letter from Cogta dated 25 January 2016 was received by the Municipality. | Submitted EEP to DoL by 31 January 2017 | | An acknowledgement letter dated 12/01/2017 was received by the Municipality. | | **Target Achieved** |  | | | |  | | | |
| **KPI8** | Review and implement ICT Strategy | **8** | 1 Reviewed and implemented ICT Strategy | N/A | N/A | 1 Reviewed ICT Strategy by 30 June 2017 | | ICT Strategy was approved by Council on 16/03/2017 together with ICT policies. | | **Target Achieved** |  | | | |  | | | |
| **KPI9** |  | **9** | Reviewed and Implemented ICT Policies | N/A | N/A | Reviewed and Implemented 26 ICT Policies by 30 June 2017 | | 26 ICT Policies were adopted by Council on 16/03/2017 | | **Target Achieved** |  | | | |  | | | |
| **KPI10** | Review and implement the ICT Government Framework | **10** | Reviewed and Implemented DRP and BCP Policies | N/A | N/A | Reviewed and Implemented DRP and BCP Policies by 30 June 2017 | | DRP and BCP Policies were approved on the same day with ICT Policies ( 16/03/2017 ) | | **Target Achieved** |  | | | |  | | | |
| **KPI11** | Review and implement the ICT Government Framework | **11** | Redesigned municipal website | N/A | N/A | Redesigned municipal website by 30 September 2016 | | Information for the new Councillors was sent to Service Provider on 07/10/2016. | | **Target not Achieved** | Information for the new Councillors was sent to Service Provider on 07/10/2016. | | | |  | | | |
| **KPI12** | Review and implement the ICT Government Framework | **12** | Functional ICT Steering Committee | N/A | N/A | Functional ICT Steering Committee by 30 June 2017 | | ICT Steering Committee conducted meetings on the following dates :16/09/2016, 12/12/2016,  13/03/2017 & 22/06/2017 | | **Target Achieved** |  | | | |  | | | |
| **KPI 13** |  |  | Review and implement the ICT Government Framework | **13** | Reviewed and implemented ICT Risk register | N/A | N/A | 1 ICT Risk Register Developed by 30 June 2017 | | The document was developed and is being implemented. | | **Target Achieved** |  | | | |  | | | |
| **KPI 14** | Review and implement the ICT Government Framework | **14** | PMS Software installed | N/A | N/A | PMS Software installed by 31 July 2016 | |  | | **Target Not Achieved**  The project was put on hold pending the final decision by Management Committee of the Municipality. | The project was put on hold pending the final decision by Management Committee of the Municipality. | | | |  | | | |
| **KPI 15** | PMS Review and implementation | **15** | Reviewed PMS Framework | N/A | N/A | Reviewed PMS Framework by 31 January 2017 | | PMS Framework was reviewed and adopted by Council on 16/03/2017 | | **Target Achieved** |  | | | |  | | | |
| **KPI 16** | PMS Review and implementation | **16** | Developed PMS Policy | N/A | N/A | Developed PMS Policy by 30 June 2017 | PMS Policy has was developed and adopted by Council on 16/03/2017. | | **Target Achieved** | | |  | | |  | | |
| **KPI17** | PMS Review and implementation | **17** | Developed SDBIP | N/A | N/A | 1 SDBIP developed and approved by 30 June 2017 | Organisational SDBIP was presented to Council on 07/06/2017 | | **Target Achieved** | | |  | | |  | | |
| **KPI18** | PMS Review and implementation | **18** | Developed Organisational Scorecard | N/A | N/A | 1 Organisational Scorecard developed and approved by 30 June 2017 | Organizational Scorecard was approved by Council on 07/06/2017. | | **Target Achieved** | | |  | | |  | | |
| **KPI19** | PMS Review and implementation | **19** | Signed Performance agreements | N/A | N/A | 5 Signed Performance Agreements by 31 August 2016 | Only 4 Performance were signed on the following dates :05/07/2016 & 07/07/2016 | | **Target not Achieved** | | |  | | |  | | |
| **KPI20** | PMS Review and implementation | **20** | Submitted PMS Reports | N/A | N/A | 4 Reports Submitted Reports by 30 June 2017 | 4 PMS Reports were submitted by 30 June 2017. | | **Target Achieved** | | |  | | |  | | |
| **KPI21** | Review Communication Strategy | **21** | Reviewed Communication Strategy | N/A | N/A | Reviewed Communication Strategy by 01 July 2016 |  | | **Target Not Achieved**  The draft document has been finalized and is waiting for Council approval | | | The draft document has been finalized and is waiting for Council approval | | |  | | |
| **KPI22** | Implement Communication Strategy | **22** | Issued Calendars | N/A | N/A | 10 000 Calendars issued by 31 December 2016 | Only 5225 Calendars were issued | | **Target not Achieved**  Financial Constraints | | |  | | |  | | |
| **KPI23** | Implement Communication Strategy | **23** | Issued Diaries | N/A | N/A | 100 Diaries issued by 31 December 2016 | | 115 Diaries were issued | **Target Achieved** | | |  | | |  | | |
| **KPI24** | **IMPROVED ACCESS TOBASIC SERVICES** | **BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT** | Enhancing Infrastructure Planning and Maintenance | **24** | Developed Electricity Master Plan | Developed Integrated Electrification master plan by 30 June 2016 | **Target not achieved**  We could not achieve the target due to financial Constraint. | Developed Electricity Master Plan by 30 June 2017 | The Plan was approved by Council on 16/03/2017 | | **Target Achieved** | | |  | | |  | | |
| **KPI25** | Enhancing Infrastructure Planning and Maintenance | **25** | Rehabilitated Kerk Street | N/A | N/A | Rehabilitated Kerk Stree( 410 m ) by 30 June 2017 | 80% of work was completed as of 30 June 2017. | | **Target not Achieved.**  Payment delays | | | The project will be completed on or before 30/09/2017. | | |  | | |
| **KPI26** | Improving Access to electricity | **26** | New Electricity Connections | N/A | N/A | 500 New Electricity Connections by 30 June 2017 | 807 Households were connected for the first time to electricity | | **Target Achieved** | | |  | | |  | | |
| **KPI27** | Improving Access to electricity | **27** | % of Electricity Connection | N/A | N/A | 22 % of households with access to basic level of electricity 30 June 2017 | 18% were connected with electricity for the first. | | **Target not Achieved**  Technical delays | | | The outstanding work will be completed before the end of quarter 1 2017/2018 financial year. | | |  | | |
| **KPI28** | Improving Access to electricity | **28** | Electrified Obivane/Nkonkotho | N/A | N/A | Electrified Obivane/Nkonkotho by 30 June 2017 | Farmers are not willing to sign Lavave Agreement. | | **Target not Achieved** | | | The target has been moved to 2017/2018 Financial year. | | |  | | |
| **KPI 29** | **IMPROVED ACCESS TOBASIC SERVICES** |  | Improving access to electricity | **29** | Electrified Mncelwini Phase 3 | N/A | N/A | Electrified Mncelwini Phase 3 by 30 June 2017 | 198 Connections were completed as of 30 June 2017. | | **Target Achieved** | | |  | | |  | | |
| **KPI30** | Improving Access to electricity | **30** | Electrified Ntungwini (Ward 6) | N/A | N/A | Electrified Ntungwini (Ward 6) by 30 June 2017 | No Connections as of 30 June 2017 | | **Target not Achieved**  Payment delays | | | The Project will be finalized before 31/12/2017. | | |  | | |
| **KPI31** | Improving Access to electricity | **31** | Electrified Zungwini (Ward 7) | N/A | N/A | Electrified Zungwini (Ward 7) by 30 June 2017 |  | | **Target not Achieved**    The project was cancelled due to financial challenges. | | | The project will be moved to 2018/2019 Financial Year. | | |  | | |
| **KPI32** | Improving Access to electricity | **32** | Electrified Enkembeni Phase 3 | N/A | N/A | Electrified Enkembeni Phase 3 by 30 June 2017 | The project was at 88% as of 30 June 2017. | | **Target not Achieved** | | | The outstanding connections of 212 will be completed in 2017/2018 Financial year. | | |  | | |
| **KPI33** | Improving Access to electricity | **33** | 4 Completed Bilanyoni High Masts | 2 Completed Bilanyoni High Masts by 30 June 2016 | **Target not Achieved**  80% of the project has been completed. | 4 Completed Bilanyoni High Masts by 30 June 2017 | 90% of work was completed as of 30 June 2017. | | **Target not Achieved.**  Payment delays | | | The project will be completed before 30/09/2017. |  | | | | |
| **KPI34** | Providing refuse removal | **34** | 5181 Households with access to refuse removal per month | 5000 refuse removed from households by 30 June 2016 | **Target Achieved**  5000 Refuse removed from households as of 30 June 2016 | 5181 Households with access to refuse removal per month by 30 June 2017 | Only 951 have access to waste removal monthly. | | **Target not Achieved**  eDumbe Municipality only provides waste collection on two wards ( Ward 3 & Ward 4) | | | The municipality needs to fix waste tractor in order to provide adequate service. |  | | | | |
| **KPI 35** | Providing refuse removal | **35** | % of refuse removal | N/A | N/A | 30.57 % of households with access to refuse removal per month by 30 June 2017 | The Municipality only provide 5.46% households with refuse removal. | | **Target not Achieved** | | | The municipality needs to fix waste tractor in order to provide adequate service. |  | | | | |
| **KPI 36** | Providing refuse removal | **36** | Facilitated Housing Forums | 10 Conducted Housing Forums by 30 June 2016 | **Target not Achieved**  Only 8 Housing forum meetings were conducted on the following dates ((11/08/2015,15/09/2015,17/11/2015,15/02/2016,15/03/2016. 12/04/2016,17/05/2016& 14/05/2016 | 10 Facilitated Housing Forums by 30 June 2017 | 9 Housing Forums were conducted on the following dates : 12/07/2016  23/08/2016 13/09/2016  16/11/2016  14/02/2017 14/03/2017  11/04/2017  16/05/2017 &  13/06/2017 | | **Target Not Achieved** | | |  |  | | | | |
| **KPI 37** | Providing refuse removal | **37** | Conducted Housing Consumer Education workshops | N/A | N/A | 4 Housing Consumer Education workshops Conducted by 30 June 2017 |  | | **Target not Achieved**  Housing Projects have not been implemented. Reports have been submitted | | | Consumer Education will be conducted once housing project is implemented. | |  | | | |
| **KPI 38** | Providing refuse removal | **38** | Monitored Housing Projects | N/A | N/A | 12 Implemented Housing Projects by 30 June 2017 | Housing Projects have not been implemented. Reports have been submitted | | **Target not Achieved** | | |  | |  | | | |
| **KPI 39** | Providing refuse removal | **39** | Identified land for Middle Income Housing Project | N/A | N/A | 1 Identified land for Middle Income Housing Project by 30 June 2017 |  | | **Target not Achieved**  Council has not decided as to which land must be used for Middle Income Houses. | | | The Council will take decision on the issue before 30 June 2018. | |  | | | |
| **KPI 40** | Improving access to public facilities and amenities. | **40** | Rehabilitated Edumbe Regional Stadium  ( Ward 3) | N/A | N/A | Rehabilitated Edumbe Regional Stadium ( Ward 3 ) by 30 June 2017 | 98 % of work was completed as of 30 June 2017. | | **Target Not Achieved.**  Payment delays | | | The project will be completed by 30/09/2017. | |  | | | |
| **KPI 41** | Improving access to public facilities and amenities. | **41** | Completed Bhadeni Stadium  ( Ward 6) | N/A | N/A | Completed Bhadeni Stadium ( Ward 6) by 30 June 2017 | 70 % of work was completed as of 30 June 2017. | | **Target Not Achieved.**  Payment delays | | | The project will be completed by 30/09/2017. | |  | | | |
| **KPI42** | Improving access to public facilities and amenities. | **42** | Completed Nhlakanipho Hall by 30 June 2017 | N/A | N/A | Completed Nhlakanipho Hall by 30 June 2017 | 94% of work was completed as of 30 June 2017. | | **Target Not Achieved.**  Payment delays | | | The project will be completed by 30/09/2017. | |  | | | |
| **KPI 43** | **COMMUNITY WORK PROGRAMME IMPLEMENTED AND COOPERATIVES SUPPORTED** | **LOCAL ECONOMIC DEVELOPMENT** | Promoting job creation and employment opportunities | **43** | Implementd EPWP Programme | N/A | N/A | 80 Job Opportunities created by 30 June 2017. | Only 51 Jobs created through EPWP Programme | | **Target not Achieved** | | | POE | |  | | | |
| **KPI44** | Promoting job creation and employment opportunities | **44** | Created Job opportunities through capital projects | N/A | N/A | 30 Created Job opportunities through each Mig Project by 30 June 2017 | Job created are as follow:  Bhadeni Stadium = 06  Bilanyoni High Masts = 11  Nhlakanipho Hall = 10  Dumbe Regional Stadium = 10  Kerk Street = 12 | | **Target Not Achieved** | | | The Municipality will monitor closely the issue of employment | | |  | | |
| **KPI45** | Promoting job creation and employment opportunities | **45** | Coordinated CWP Programme | N/A | N/A | 4 Provincial CWP Meetings attended by 30 June 2017 | 4 Provincial CWP Meetings attended on the following dates :  29/09/2016  23/03/2017  23/06/2017 &  24/06/2017 | | **Target Achieved** | | |  | | |  | | |
| **KPI46** | Promoting job creation and employment opportunities | **46** | Coordinated CWP Programme | N/A | N/A | 12 Monthly CWP Meetings attended by 30 June 2017 | 6 CWP Meetings (Local ) were facilitated on the following dates :  18/07/2016  21/07/2016  19/10/2016  24/11/2016  01/12/2016 &  17/05/2017 | | **Target not Achieved** | | |  | | |  | | |
| **KPI47** | Promoting job creation and employment opportunities | **47** | Established CTO | N/A | N/A | Established CTO by 30 September 2016 |  | | **Target Not Achieved**  The challenge was the unavailability of stakeholders. | | | The municipality is planning the inception with stakeholders. | | |  | | |
| **KPI48** | Promoting job creation and employment opportunities | **48** | Signed Agreements with Development Agencies | N/A | N/A | 1 Signed Agreement with Development Agencies by 30 June 2017 |  | | **Target Not Achieved**  Sanitation in town is still a big challenge | | | The Council has approved the intervention by Department of Water and Sanitation national | | |  | | |
| **KPI49** | Promoting job creation and employment opportunities | **49** | Signed Agreement with investors | N/A | N/A | 1 Signed Agreement with investors by 31 December 2016 |  | | **Target Not Achieved**  Sanitation in town is still a big challenge | | | The Council has approved the intervention by Department of Water and Sanitation national | | |  | | |
| **KPI 50** |  |  | Facilitating the implementation of LED Anchor Projects | **50** | Approved Documents for the Development of a shopping centre | N/A | N/A | .Approved Documents for the Development of a shopping centre by 31 December 2016 |  | | **Target not Achieved**  Afri- Forum has lodged a dispute on site where the shopping Mall is going to be developed. A new site has been identified and Department of Environment has authorised the sewerage plant for the Mall. | | |  | | |  | | |
| **KPI 51** |  |  | Promoting Arts , Culture and Heritage | **51** | Hosted Heritage Festival | 1 Dumbe Heritage Festival Event held by 30 September 2016 | **Target Achieved**  EDumbe Heritage day festival was held on 19 September 2015. | 1 Heritage Festival by 30 September 2016 | Heritage Festival was held on 01/10/2016 | | **Target Achieved** | | |  | | |  | | |
| **KPI 52** | Promoting Arts , Culture and Heritage | **KPI 52** | Participation at Umkhosi Womhlanga | 8 Arts and Culture Programmes conducted by 30 June 2016 | **Target Exceeded**  The following programmes were organised on the following dates: 01/07/2015 (Local Umbele wethu festival at Bilanyoni ) 10/07/2015 District Umbele wethu at Cecil Emmet) 30/07/2015 (School Cultural Competition ) 26//9/2015 (Cothoza Selection mfana) 24/09/2015 (Umkhosi weLembe ) 03/09/2015 **(Umkhosi womhlanga ) 26/12/2015** ((Ingoma KwaNgwanya) 28/12/2015 (Ingoma KwaVova ) 31/12/2015 (Ingoma Mangosuthu ) 29/12/2015 (Isicathamiya ) 26/03/2016 (Ingoma Competition ) | Participation at Umkhosi Womhlanga by 30 September 2016 | The municipality participated at Umkhosi Womhlanga on 9-11/09/2016 | | **Target Achieved** | | |  | | |  | | |
| **KPI 53** | Promoting Arts , Culture and Heritage | **KPI 53** | Training Programmes for arts | N/A | N/A | 4 Training Programmes held by 30 June 2017 |  | | **Target Not Achieved**  Financial challenges | | | The target has been moved to 2018/2019 Financial year. | | |  | | |
| **KPI 54** |  |  | Promoting Arts , Culture and Heritage | **KPI 54** | Conducted Tourism Awareness Campaigns | N/A | N/A | 3 Tourism Awaness Campaigns conducted by 30 June 2017 | Only 1 Campaign was organised on 30/08/2016. | | **Target not Achieved**  Financial Constraints. | | | The Municipality will search for donors to sponsor the project in 2017/2018 Financial Year. | | |  | | |
| **KPI 55** | Promoting Arts , Culture and Heritage | **KPI 55** | Participated at Tourism Indaba | N/A | N/A | Participated at Tourism Indaba by 30 June 2017 |  | | **Target not Achieved**  Financial Constraints | | | Moved to 2018/2019 Financial Year. | | |  | | |
| **KPI 56** | Formalizing the Informal Economy | **KPI 56** | Identified Participants | N/A | N/A | 25 Identified Participants by 30 June 2017 |  | | **Target not Achieved**  Financial Constraints | | | Moved to 2018/2019  Financial Year. | | | |  | |
| **KPI 57** | Formalizing the Informal Economy | **KPI 57** | Facilitated Trainings | 4 SMMEs workshops conducted by 30 June 2016 | Workshops for SMMEs were organised on the following dates:  15&/07/2015,  07/10/2015.  17/11/2015,  10/02/2016 &  10/05/2016 | 4 Facilitated Trainings by 30 June 2017 | Trainings were conducted on the following dates :  01/07/2016  05-07/07/2016  27/07/2016 &  14/02/2017 | | **Target Achieved** | | |  | | | |  | |
| **KPI 58** | Formalizing the Informal Economy | **KPI 58** | Conducted Informal Meetings | N/A | N/A | 4 Informal Meetings conducted with Informal Traders Association by 30 June 2017 | 4 Meetings with Informal Traders were conducted on the following dates :  20/09/2016  16/01/2017  07/02/2017&  15/03/2017 | | **Target Achieved** | | |  | | | |  | |
| **KPI 59** | Establishing Functional Forums | **KPI 59** | Established Functional Forums | N/A | N/A | 12 Functional Forums established by 30 June 2017 | Only 1 Forum was established  ( Small Business Forum) | | **Target Not Achieved** | | | The Target has been moved to 2017/2018 Financial Year | | | |  | |
| **KPI 60** |  |  | Establishing Functional Forums | **KPI 60** | Established 15 Local Federation Structures | N/A | N/A | 15 Local Federation Structures established by 30 June 2017 |  | | **Target Not Achieved**  Transport issue | | | The Target has been moved to 2017/2018 Financial Year. | | | |  | |
| **KPI 61** | Sports Development | **KPI 61** | Established Sports Structures | N/A | N/A | 8 Established Sports Structures by 30 June 2017 | Only two structures have been established in ward 1,ward 3 & ward 4 | | **Target not Achieved**  Transport issue | | |  | | | |  | |
| **KPI 62** | Sports Development | **KPI 62** | Established Local Sports Confederations | N/A | N/A | Established Local Sports Confederations by 30 June 20 17 | Local Sports Confederation Committees were established and approved by Council on 28/02/2017 | | **Target Achieved** | | |  | | | | |  |
| **KPI 63** | Sports Development | **KPI 63** | Meetings held to facilitate integration | N/A | N/A | 4 Meetings held to facilitate integration by 30 June 2017 |  | | **Target not Achieved**  Financial Constraints | | |  | | | | |  |
| **KPI 64** | Sports Development | **KPI 64** | Established soccer and netball leagues | N/A | N/A | Established soccer and netball leagues by 31 December 2016 |  | | **Target not Achieved**  Financial Constraints | | |  | | | | |  |
| **KPI 65** | Sports Development | **KPI 65** | Functional LAC and ACCs | N/A | N/A | 4 LAC and ACC Meetings by 30 June 2017 |  | | **Target not Achieved**  Financial Constraints | | | Wards will be grouped in 2017/2018 so that people can attend meetings | | | | |  |
| **KPI 66** |  |  | Sports Development | **KPI 66** | Reviewed HIV/AIDS Strategy | N/A | N/A | Reviewed HIV/AIDS Strategy by 30 June 2017 |  | | **Target not Achieved**  The Municipality does not have HIV/AIDS Strategy. Financial muscles are needed to develop a strategy. | | | Moved to 2018/2019 Financial Year. | | | | |  |
| **KPI 67** | **DEEPEN DEMOCRACY THROUGH REFINED WARD COMMITTEE SYSTEM** | **GOOD GOVERNANCE,COMMUNITY PARTICIPATION AND WARD COMMITTEE SYSTEMS** | Functional Based Internal Audit Unit | **KPI 67** | Conducted Risk Assessment | N/A | N/A | 1 Risk Assessment conducted by 30 June 2017 | Risk Assessment was conducted on 30 August 2016. | | **Target Achieved** | | |  | | | | |  |
| **KPI 68** | Functional Based Internal Audit Unit | **KPI 68** | Risk Based Internal Audit Plan | N/A | N/A | 1 Risk Strategy by 30 June 2017 |  | | **Target Not Achieved**  The Target should be Risk Framework not strategy as indicated. The Framework has been developed but has not been presented to Council for approval | | | The Target will be presented to Council before the end of Q2 2017/2018 Financial Year. | | | | |  |
| **KPI 69** | Functional Based Internal Audit Unit | **KPI 69** | Functional Risk Management Committee | N/A | N/A | 4 Risk Management meetings by 30 June 2017 | 4 Risk Management Meetings were conducted on the following dates :  24/10/2016  13/02/2017  11/04/2017 &  22/06/2017 | | **Target Achieved** | | |  | | | | |  |
| **KPI 70** |  |  | Fraud Prevention | **KPI 70** | Reviewed Fraud Prevention Plan |  |  | 1 Reviewed Fraud Prevention Plan by 30 June 2017 |  | | **Target Not Achieved**    Fraud Prevention Plan was presented to Council but it has not been discussed by the Council | | | The Item will be re-presented to Council in 2017/2018 Financial Year. | | | | |  |
| **KPI 71** | Developing and Implementing Audit Action Plan | **KPI 71** | Developed Audit Action Plan | N/A | N/A | Developed Audit Action Plan by 30 January 2017 | Action Plan for 2015/2016 Audit Queries has been developed. | | **Target Achieved** | | |  | | | |  | |
| **KPI 72** | Developing and Implementing Audit Action Plan | **KPI 72** | Implemented Audit Action Plan | N/A | N/A | 100% Implemented Audit Action Plan by 30 June 2017 | 2015/2016 Action Plan is being implemented. | | **Target Achieved** | | |  | | | |  | |
| **KPI 73** | Facilitating the functioning of Council and Council committees | **KPI 73** | Prepared Schedules of Council and Council Committee Meetings | N/A | N/A | 2 Prepared Schedules of Council and Council Committee Meetings by 31 August 2016 | Schedule for Council and Council Committee was prepared and approved by Council by 31 August 2016 | | **Target Achieved** | | |  | | | |  | |
| **K**  **PI 74** | Facilitating the functioning of Council and Council committees | **KPI 74** | Provided secretarial support to Council | N/A | N/A | 4 Council Meetings by 30 June 2017 | 20 Council Meetings were held on the following dates :22/08/2016  08/09/2016  30/09/2016  17/10/2016  09/11/2016  16/11/2016  15/12/2016  16/01/2017  18/01/2017  31/01/2017, 09/02/2017, 09/03/2017  31/03/2017, 07/04/2017  11/04/2017  08/05/2017  11/05/2017  30/05/2017  07/06/2017 & 29/06/2017. | | **Target Over-Achieved** | | |  | | | |  | |
| **KPI 75** | Facilitating the functioning of Council and Council committees | **KPI 75** | Provided secretarial support to Council Committees | N/A | N/A | 12 Council Committee Meetings by 30 June 2017 | 11 Portfolio Committee Meetings were held on the dates provided. (13/10/2016, 10/10/2016, 18/10/2016, 16/11/2016, 23/11/2016, 23/11/2016, 20/02/2017, 20/02/2017, 10/03/2017, 27/03/2017, & 19/04/2017. | | **Target not Achieved** | | |  | | | |  | |
| **KPI 76** | Strengthening the functioning of Ward Committees | **KPI 76** | Elected Ward Committees | N/A | N/A | 80 Elected Ward Committees by 31 March 2017 | 80 Ward Committee Members were elected | | **Target Achieved** | | |  | | | |  | |
| **KPI 77** | Strengthening the functioning of Ward Committees | **KPI 77** | Trained Ward Committees | N/A | N/A | 80 Trained Ward Committees by 30 June 2017 | Training for Ward Committees was conducted on 07 June 2017.& 13/06/2017 | | **Target Achieved** | | |  | | |  | | |
| **KPI 78** | Strengthening the functioning of Ward Committees | **KPI 78** | Facilitated Ward Committee sittings | N/A | N/A | 96 Meetings held by 30 June 2017 | 48 Meetings were facilitated | | **Target not Achieved.**  Ward Committees were elected in November 2016.They started attending meetings in January 2017 | | |  | | |  | | |
| **KPI 79** | Implementing Community Participation Framework | **KPI 79** | Facilitated Mayoral Imbizo | N/A | N/A | 1 Annual Mayoral Imbizo held by 31 May 2017 |  | | **Target Not Achieved**  Financial Constraints**.** | | | Moved to 2018/2019 Financial Year | | |  | | |
| **KPI 80** | Implementing Community Participation Framework | **KPI 80** | Facilitated IDP Road shows | 8 IDP Road-shows and 1 IDP Representative Forum by 30 June 2016 | **Target Achieved**  8 IDP Road shows for second round were organised on 9-10 May 2016.IDP Rep Forum was convened on 20 April 2016. | 8 IDP Road shows held by 30 November 2016 | Road shows were conducted on the following dates.  Ward 1= 28/11/2017  Ward 2 = 24/11/2017  Ward 3= 29/11/2017  Ward 4 = 24/11/2017  Ward 5 = 25/11/2017  Ward 6 = 28/11/2017  Ward 7 = 23/11/2017  Ward 8 = 25/11/2017 | | **Target Achieved** | | |  | | |  | | |
| **KPI 81** | Implementing Community Participation Framework | **KPI 81** | Facilitated IDP Representative Forums | 8 IDP Road-shows and 1 IDP Representative Forum by 30 June 2016 | **Target Achieved**  8 IDP Road shows for second round were organised on 9-10 May 2016.IDP Rep Forum was convened on 20 April 2016. | 4 IDP Representative forums held by 30 June 2017 | Only 1 IDP Representative Forum conducted on 30/11/2016. | | **Target not Achieved** | | |  | | |  | | |
| **KPI 82** | Implementing Community Participation Framework | **KPI 82** | Facilitated Publication through Newsletter | 4 Newsletter published and distributed by 30 June 2016 | **Target not Achieved**  Only 3 Newsletter were published by 30 June 2016 | 4 Newsletter Publicized by 30 June 2017 |  | | **Target not Achieved**  Financial Constraints | | | The Target will be attended in 2018/2019 Financial Year. | | |  | | |
| **KPI 83** | Implementing Operation Sukuma Sakhe | **KPI 83** | Functional War-room through Deployment of Senior Officials per each War-room | N/A | N/A | 8 War-rooms held per month by 30 June 2017 | 8 War-Room meetings were held on the following dates :  17/03/2017(W 8)  04/04/2017( W4)  18/05/2017( W 4)  18/05/2017( W 8)  23/05/2017(W 5)  23/05/2017( W2)  06/06/207(W 6)  22/06/2017 (W8) | | **Target Achieved** | | |  | | |  | | |
| **KPI 84** | Implementing Operation Sukuma Sakhe | **KPI 84** | Functional Local Task Team | N/A | N/A | 4 Meetings facilitated by 30 June 2017 | 12 Local Task Team meetings were held on the following dates :  14/02/2017  16/02/2017  21/02/2017  28/02/2017  01/03/2017  03/03/2017  09/03/2017  22/03/2017  10/04/2017  12/04/2017  17/05/2017&  24/05/2017 | | **Target Achieved** | | |  | | |  | | |
| **KPI 85** | **IMPROVED MUNICIPAL FINANCIAL AND ADMINISTRATIVE CAPABILITY** | **FINANCIAL VIABILITY AND MANAGEMENT** | Ensuring financial reporting and compliance | **KPI 85** | Submitted in-year Financial Reports in line with legislation | Submitted 48 Financial Reports by 30 June 2016 | **Target Achieved**  48 Reports were submitted as of 30 June 2016 | 19 Reports submitted by 30 June 2017 | 48 Reports were submitted as of 30 June 2017 | | **Target Achieved** | | |  | | |  | | |
| **KPI 86** | Implementing revenue enhancement strategy | **KPI 86** | Implemented Revenue Enhancement Strategy | Developed Revenue Enhancement Strategy by 30 September 2015 | **Target not Achieved**  Revenue Enhancement Strategy was developed but was not presented to council for approval. | 100% Implementation of the Revenue Enhancement Strategy by 30 June 2017 | Revenue Enhancement Strategy is being implemented. | | **Target Achieved** | | |  | | |  | | |
| **KPI 87** | Expenditure Management | **KPI 87** | Formulated Plan for a Capital Budget | N/A | N/A | 100% Implementation of the Capital Budget Plan by 30 June 2017 | Capital Budget Plan is implemented | | **Target Achieved** | | |  | | |  | | |
| **KPI 88** | Expenditure Management | **KPI 88** | Formulated Plan for Operational Budget | N/A | N/A | 100% Implementation of the Operational Budget plan by 30 June 2017 | Operational Budget Plan is implemented | | **Target Achieved** | | |  | | |  | | |
| **KPI 89** | Expenditure Management | **KPI 89** | Monitored Expenditure against approved Budget | Submitted 48 Financial Reports by 30 June 2016 | **Target Achieved**  48 Reports were submitted as of 30 June 2016 | 12 Comparison reports prepared by 30 June 2017 | 12 Reports were submitted as of 30 June 2017 | | **Target Achieved** | | |  | | |  | | |
| **KPI 90** | Improving Budget Process and implementation. | **KPI 90** | Functional IDP/Budget Steering Committee | N/A | N/A | 12 Steering Committee Meetings held by 30 June 2017 |  | | **Target not Achieved**  Chairperson did not convene meetings | | | The Municipality will ensure that chairperson is not a committed individual like MM. | | |  | | |
| **KPI 91** | Improving Budget Process and implementation. | **KPI 91** | An approved IDP/Budget Process Plan | N/A | N/A | An approved IDP/Budget Process Plan by 31 August 2016 | .Budget Process Plan was approved on 08/09/2016 | | **Target Achieved** | | |  | | |  | | |
| **KPI 92** | Enhancing actual service charges and property rates revenue | **KPI 92** | Implemented tariffs | N/A | N/A | Implemented tariffs by 30 June 2017 | Tariffs are being implemented. | | **Target Achieved** | | |  | | |  | | |
| **KPI 93** |  |  | Enhancing actual service charges and property rates revenue | **KPI 93** | Reviewed Tariffs | N/A | N/A | Reviewed Tariffs by 30 June 2017 | Tariffs Policy was reviewed by Council on 29/06/2017 | | **Target Achieved** | | |  | | |  | | |
| **KPI 94** | Enhancing actual service charges and property rates revenue | **KPI 94** | Implemented Valuation Roll | N/A | N/A | Implemented Valuation Roll by 30 July 2016 |  | | **Target not Achieved**  The supplementary valuation roll was prepared by the Municipality however due to cash flow challenges the service provider was not paid hence the SV roll was not provided to the Municipality | | | The municipality has subsequently paid the service provider and the SV roll will be provided to the Municipality. | | |  | | |
| **KPI 95** | Enhancing actual service charges and property rates revenue | **KPI 95** | Reviewed Valuation Roll | N/A | N/A | Reviewed Valuation Roll by 30 June 2017 |  | | **Target not Achieved**  The supplementary valuation roll was prepared by the Municipality however due to cash flow challenges the service provider was not paid hence the SV roll was not provided to the Municipality | | | The municipality has subsequently paid the service provider and the SV roll will be provided to the Municipality. | | |  | | |
| **KPI 96** | Ensuring Compliance with SCM regulations | **KPI 96** | Reviewed SCM Policy | N/A | N/A | Reviewed SCM Policy by 30 June 2017 | SCM Policy was approved by Council on 29/06/2017 | | **Target Achieved** | | |  | | |  | | |
| **KPI 97** | Ensuring Compliance with SCM regulations | **KPI 97** | Appointed New Bid Committees | N/A | N/A | 3 Bid Committees appointed by 30 June 2017 | Bid Committee Members were appointed on 12 June 2017. | | **Target Achieved** | | |  | | |  | | |
| **KPI 98** | Ensuring Compliance with SCM regulations | **KPI 98** | Trained Bid Committees | N/A | N/A | 2 Trainings conducted by 30 June 2017 | Bid Committee members attended only 1 meeting at Ulundi Municipality on 04/11/2016 | | **Target not Achieved** | | | Treasury has promised to assist in training Bid Committees. | | |  | | |
| **KPI 99** | Ensuring Compliance with SCM regulations | **KPI 99** | SCM Quarterly Reports | N/A | N/A | 4 SCM Reports by 30 June 2017 | 12 SCM reports were submitted by 30 Juen 2017 | | **Target Achieved** | | |  | | |  | | |
| **KPI 100** | Ensuring Compliance with SCM regulations | **KPI 100** | Developed schedule of Bid Committee Meetings | N/A | N/A | Developed schedule of Bid Committee Meetings by 30 June 2017 | Schedule for Training was developed. | | **Target Achieved** | | |  | | |  | | |
| **KPI 101** | Effective Management of Assets | **KPI 101** | Developed Disposal Policy | N/A | N/A | Developed Disposal Policy by 30 September 2016 |  | | **Target not Achieved**  Financial Constraints | | | The draft has been completed and needs to be submitted to Council for approval | | |  | | |
| **KPI 102** | Effective Management of Assets | **KPI 102** | Reviewed Fixed Asset Register | Updated and Reviewed Asset Register by 30 June 2016 | **Target not Achieved**  Target has been moved to 2016/2017 financial year. | Reviewed Fixed Asset Register by 30 June 2017 |  | | **Target not Achieved**  The Municipality had a challenge with regard to the appointment of Consultant which resulted to the delay of the finalisation of FAR. | | |  | | |  | | |
| **KPI 103** | **CROSS CUTTING INTERVENTIONS** | **CROSS CUTTING INTERVENTIONS** | Facilitate the formulation of the credible IDP | **KPI 103** | Formulated IDP Process Plan | N/A | N/A | Formulated IDP Process Plan by 30 September 2016 | IDP Process Plan was approved by Council on 08/09/2016. | | **Target Achieved** | | |  | | |  | | |
| **KPI 104** | Facilitate the formulation of the credible IDP | **KPI 104** | Formulated Credible IDP | Approved IPD Document by 30 June 2016. | **Target Achieved**  IDP Document was approved by Council on 13 May 2016. | Formulated Credible IDP by 30 June 2017 | IDP was approved by Council on 07/06/2017. | | **Target Achieved** | | |  | | |  | | |
| **KPI 105** | Enhancing land use management | **KPI 105** | Established Municipal Planning Tribunal | N/A | N/A | Established Municipal Planning Tribunal by 31 August 2016 | Municipal Planning has been established and was approve by Council on 16/03/2017 | | **Target Achieved** | | |  | | |  | | |
| **KPI 106** | Enhancing land use management | **KPI 106** | Enforced Land Use Scheme | N/A | N/A | 100% Enforcement of Schemes by 30 June 2017 |  | | **Target not Achieved**  The municipality does not have an inspector who will ensure the enforcement of the scheme. | | | The Municipality will take one official from PMU and train him/her as an inspector | | |  | | |
| **KPI 107** | Enhancing Community Safety | **KKI 107** | Developed Disaster Management Plan | Reviewed Disaster Management Plan by 30 June 2016 | **Target not Achieved**  Target has been moved to 2016/2017 financial year | Developed Disaster Management Plan by 30 June 2017 |  | | **Target not Achieved**  Important information to be incorporated into the document is still outstanding. | | | Draft Document has been completed and waiting for submission to Council | | |  | | |
| **KPI 108** | Improving municipal response towards Disaster Occurrences | **KPI 108** | 8 Established Disaster Structures | N/A | N/A | 8 Established Disaster Structures by 30 June 2017 | The Municipality is using Ward Committee in Disaster Structures. | | **Target Achieved** | | |  | | |  | | |
| **KPI 109** | Improving municipal response towards Disaster Occurrences | **KPI 109** | 1 Developed Business Plan | N/A | N/A | 1 Developed Business Plan by 30 June 2017 |  | | **Target Not Achieved**  Financial Constraints. | | | Moved to 2018/2019 Financial Year. | | |  | | |
| **KPI 110** | Improving municipal response towards Disaster Occurrences |  | Signed Agreement with other agencies | N/A | N/A | 1 Signed Agreement by 30 September 2016 |  | | **Target not Achieved.** | | | eDumbe Municipality is engaging Umkhondo Municipality to deal with disaster issues. | | |  | | |
| **KPI 111** | Improving municipal response towards Disaster Occurrences |  | 12 Reports on Disaster Relief Programme | N/A | N/A | 12 Reports on Disaster Relief Programme by 30 June 2017 | Only 10 reports were submitted | | **Target not Achieved**  No serious incidents reported in October 2016 and December 2016. | | |  | | |  | | |

**7. PERFORMANCE OF EXTERNAL SERVICE PROVIDERS**

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement. It is currently being done by user department levels. The end user department is providing monthly reports to the SCM unit as well. Service providers who fail to perform are reported to SCM and the necessary action is taken including the termination of the contract or cancellation of an order.

|  |  |
| --- | --- |
| Good (G) | **The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract** |
| Satisfactory (S) | **The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract** |
| Poor (P) | **The service has been provided below acceptable standards** |

The following are the service providers engaged in each business unit during the 2016/2017 financial year

| **Assessment of External Service Providers** | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Bid Number** | **Name of Service Provider** | **Date Contracted** | **Service provided in terms of signed SLA** | **Performance Target/**  **Time-frames** | **Value of Project** | **Comparison with previous financial year 2015/2016** | | **Current Financial year 2016/2017** | | **Assessment of Service Provider’s Performance** | **Measures Taken for Poor Performance** |
| **Target** | **Actual** | **Target** | **Actual** |
| EDUMT-012016/17 | Ekhaya Promotions | 25-07-2016 | Supply and Delivery of Mayoral Cup Tracksuit | once-off | R 397 404.00 | N/A | N/A | Supply and Delivery of Mayoral Cup Tracksuit | Target Achieved |  | N/A |
| EDUMT-10/2016/17 | Ausphi Trading cc | 03-11-2016 | Matshekazi Community hall | 5 months | R 2 127 607.38 | N/A | N/A | Matshekazi Community hall | Target Achieved |  | N/A |
| EDUMT-06/2016/17 | V-Tom JV Dlabandlondlo | 21-09-2016 | Tholakele High Masts | 3 months | R 1 720 000.00 | N/A | N/A | Tholakele High Masts | 79% of work was completed as of 30 June 2017. |  | The project will be completed before 30/09/2017 |
| EDUMT-04/2016/17 | Inhlanzeko Project Management Services | 21-09-2016 | Bilanyoni High Masts | 3 months | R 1 297 874.55 | N/A | N/A | Bilanyoni High Masts | 90% of work was completed as of 30 June 2017. |  | The project will be completed before 30/09/2017. |
| EDUMT-14/2016/17 | Anesco Toyota | 28-11-2016 | Supply and delivery of New 4x4 Vehicle and Trade in of old Vehicle | once-off | R 572 365.75 | N/A | N/A | Supply and delivery of New 4x4 Vihicle and Trade in of old Vihicle | Target Achieved |  | N/A |
| EDUMT-11/2016/17 | Amoret Trading | 02-11-2016 | Supply and delivery of laptops . | once-off | R 239 400.00 | N/A | N/A | Supply and delivery of laptops | The contract was terminated. |  | The tender will be re-advertised |
| REGULATION 32 | Mela Okuhle |  | Nkakanipho Hall | 5 months | R 2 649 649.96 | N/A | N/A | Nkakanipho Hall | 94% of work was completed as of 30 June 2017. |  | The project will be completed on or before 30/09/2017 |
| REGULATION 32 | Isibaya Asphalting JV Zamer Trans (section 32) |  | Kerk and Mildden street | 2 months | R 1 891 969.99 | Construction of eDumbe Testing Ground | Target was not Achieved | Kerk and Mildden street | **Target Not Achieved**  80% of work was completed as of 30 June 2017. |  | The project will be completed on or before 30/09/2017. |
| EDUMT07/2016/17 | Off-Camp Trading Enterprise | 28-11-2016 | Up-grade of Bhadeni Sports Facility | 5 months | R 1 227 000.00 | N/A | N/A | Up-grade of Bhadeni Sports Facility | 70 % of work was completed as of 30 June 2017. |  | The project will be completed on or before 30/09/2017. |
| FWPQ-02/2016/17 | Mzimayi River Lodge & Conference Center | 21 -07-2016 | Accomodation for Salga Games | once-off | R 36 000.00 | N/A | N/A | Accomodation for Salga Games | .Target Achieved |  | N/A |
| FWPQ-01/2016/17 | Ice Promotion & Sport wear | 21-07-2016 | Supply and delivery of sport equipment | Once-off | R 97 235.00 | N/A | N/A | Supply and delivery of sport equipment | Target Achieved |  | N/A |
| FWPQ-03/2016/17 | Nyawo Supply And Projects | 05-07-2016 | Umbele Wethu Sream A | Once-off | R 17 850.00 | N/A | N/A | Umbele Wethu Sream A | Target Achieved |  | N/A |
| FWPQ-03/2016/17 | Eyakhonawe Trading Enterprise | 05-07-2016 | UMbele Wethu Sream B | Once-off | R 9 250.00 | N/A | N/A | UMbele Wethu Sream B | Target Achieved |  | N/A |
| FWPQ-07/2016/17 | Sabriel Prperties | 08 -09-2016 | Umkhosi Womhlanga Transport | Once-off | R 76 600.00 | N/A | N/A | Umkhosi Womhlanga Transport | Target Achieved |  | N/A |
| FWPQ-10/2016/17 | Staten Investment Cloud Media | 25-10-2016 | Supply and Delivery of Calenders and Diaries | Once-off | R 86 400.00 | N/A | N/A | Supply and Delivery of Calenders and Diaries | Target Achieved |  | N/A |
| FWPQ-11/2016/17 | Wealthness Trading | 14-11-2016 | Occupational Health And Safety Maintanance | Once-off | R 52 930.00 | N/A | N/A | Occupational Health And Safety Maintanance | Target Achieved |  | N/A |
| FWPQ-12/2016/17 | Really Trading | 14-11-2016 | Cleaning Matarials | Once-off | R 52 930.00 | N/A | N/A | Cleaning Matarials | Target Achieved |  | N/A |
| FWPQ-08/2016/17 | Sanchaa Connection | 11-11-2016 | Leadership Development Training | Once-off | R 191 520.00 | N/A | N/A | Leadership Development Training | Target Achieved |  | N/A |

**7.1. MUNICIPAL INFRASTRUCTURE GRANT (MIG) EXPENDITURE**

**Table 3. Total grants, donations and contributions received by municipality**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| éDumbe Municipality | 2014/2015 | | | 2015/2017 | | | 2016/2017 | | | Corrective Measure |
| Allocations | Amount spent | % spent | Allocations | Amount spent | % spent | Allocations | Amount spent | % spent |
| Rands and percentages | R 40 826 158.59 | R47 082 351.57 | 115.32% | R 47 407 000.00 | R 44 449 092.01 | 94% | R 40 619 000.00 | R 35 048 447.90 | 86% | N/A |

**Table 4**

**Grant Funding Received by éDumbe Municipality in 2016/2017 financial year**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Grant Name** | **Date in which the Grant was received** | **Amount Received** | **Opening Balance** | **Conditions of the Grant (Briefly)** | **Amount Spent as of 30 June 2017** | **Balance Left** | **Reason for not Spending/ Over Spending** |
| Finance Management Grant | 31/08/2016 | R 1 825 000.00 | R 0.00 |  | R 1 825 000.00 | R 0.00 | N/A |
| ARTS & CULTURE | 03/11/2016 | R 1 073 000.00 | R 530 120.46 |  | R 1 168 078.00 | R 435 042.46 | N/A |
| Energy | 08/07/2016 | R 7 588 000.00 |  |  |  |  |  |
| 08/07/2016 | R 1 000 000.00 |
| 09/09/2016 | R 2 500 000.00 |
| 17/10/2016 | R 2 500 000.00 |
| 10/11/2016 | R 1 912 000.00 |
| 09/12/2016 | R 500 000.00 |
| 10/01/2017 | R 1 000 000.00 |
| 10/02/2017 | R1 000 000.00 |
| 22/03/2017 | R1 500 000.00 |
| Total Grant Received | N/A | R19 500 000.00 | R 0.00 | N/A | R13 528 133.40 | R5 971 866.60 | N/A |
| Municipal Infrastructure Grant | 27/07/2016 | R10 000 000.00 |  |  |  |  |  |
| 05/12/2016 | R 3 221 000.00 |
| 22/03/2017 | R 4 000 000.00 |
| Total Grant Received | N/A | R 17 221 000.00 | R 0.00 | N/A | R17 104 701.22 | R 116 298.78 | N/A |
| E P W P Integrated Grant | 15/08/2016 | R 250 000.00 |  |  |  |  |  |
| 15/11/2016 | R 450 000.00 |
| 15/03/2017 | R 300 000.00 |
| Total Grant Received |  | R 1 000 000.00 | R 422 535.28 |  | R 1 422 535.28 | R 0.00 | N/A |

**Table 5**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Project Name | Ward in which the project is implemented | Project Description | Budget (Primary) allocation | Expenditure as of 30 June 2017 | Percentage of work done as of 30 June 2017 | Balance left after 30 June 2017 | Over Spent Amount | Actual/Expected Expenditure | Total Amount | Reason for over spending |
| R0.00 | R0.00 | % | R0.00 | R0.00 | R0.00 | R0.00 |
| Rehabilitated Kerk Street ( 410m ) | Ward 3 | Rehabilitated Kerk Street ( 410 ) | R 1 198 339.50 | R 529 287.75 | 80% | R 669 052.75 | R 0,00 | R 1 198 339.50 | R 529 287.75 | N/A |
| 500 New Electricity Connections | Ward 2 | 500 New Electricity Connections | R 21 130 804.33 | R 8 797 940.55 | 86% | R 12 332 863.78 | R 0,00 | R 21 130 804.33 | R 8 797 940.55 | N/A |
| Electrified Obivane/Nkonkotho | Ward 1 & 7 | Electrified Obivane/Nkonkotho | R 10 284 666.70 | R 0,00 | 0% | R 0,00 | R 0,00 | R 0,00 | R 0,00 | N/A |
| Electrified Mncelwini Phase 3 | Ward 3 | Electrified Mncelwini Phase 3 | R 5 639 664.26 | R 2 918 141.96 | 100% | R 2 721 522.30 | R 0.00 | R 5 639 664.26 | R 2 918 141.96 | N/A |
| Electrified Ntungwini | Ward 6 | Electrified Ntungwini | R 7 951 281.53 | R 2 104 721.99 | 70% | R 5 846 559.54 | R 0.00 | R 7 951 281.53 | R 2 104 721.99 | N/A |
| Electrified Zungwini | Ward 7 | Electrified Zungwini | R 0,00 | R 0,00 | 0% | R 0,00 | R 0,00 | R 0,00 | R 0,00 | N/A |
| Electrified Enkembeni ( Phase 3) | Ward 6 | Electrified Enkembeni ( Phase 3) | R 7 539 858.54 | R 3 775 076.60 | 88% | R 3 764 781.94 | R 0.00 | R 7 539 858.54 | R 3 775 076.60 | N/A |
| 4 Completed Bilanyoni High Masts  Rehabilitated Edumbe Regional Stadium | Ward 2  ( Ward 3) | 4 Completed Bilanyoni High Masts  Rehabilitated Edumbe Regional Stadium | R1 417 773.41 | R 1 210 400.91 | 90% | R 207 372.50 | R 0.00 | R1 417 773.41 | R 1 210 400.91 | N/A |
| Completed Bhadeni Stadium | Ward 6 | Completed Bhadeni Stadium | R 1 452 965.36 | R 1 402 196.89 | 70% | R 50 768.47 | R 0.00 | R 1 452 965.36 | R 1 402 196.89 | N/A |
| Completed Nhlakanipho Hall | Ward 8 | Completed Nhlakanipho Hall | R 2 779 723.41 | R 1 676 447.43 | 94% | R 1 103 275.98 | R 0.00 | R 2 779 723.41 | R 1 676 447.43 | N/A |

**8. PERFORMANCE MANAGEMENT PROCESSES**

In terms of Chapter 6, of the Municipal Systems Act. No 32 of 2000, the 2001 Municipal Planning and Performance Management Regulations (2001) were published, setting out the requirements for a municipal PMS. The Regulations also contain the general indicators prescribed by the Minister responsible for local government and have been attached as Annexure 1in our PMS Framework. A further set of Regulations were published in 2006 and they deal with Performance Management for Municipal Managers and managers that are directly accountable to Municipal Managers.

The performance Management System is located within a legislative and policy framework and is influenced by, but not limited to the following:

* The Constitution of the Republic of South Africa, Act 108 of 1996.
* The White Paper on Local Government,1998
* The Municipal Systems Act 32 of 2000
* The Municipal Planning and Performance Regulations 2001
* The Municipal Finance Management Act 56 of 2003
* Monitoring and Evaluation Policy Framework and Procedure Manual

The major PMS policy instruments is the 1998 White Paper on Local Government supported by the Batho Pele principles, and was given legal stature through the adoption of the Local Government: Municipal Systems Act in 2000 (Act 32 of 2000). The said Act requires all municipalities to:

* Develop a performance management system
* Set targets and monitor and review the performance of the Municipality based on indicators linked to their Integrated Development Plan (IDP)
* Publish an annual performance report on the performance of the Municipality forming part of its annual report as per the Municipal Finance Management Act (MFMA).
* Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the Minister responsible for local government
* Conduct, on a continuous basis, an internal audit of all performance measures
* Have their annual performance report audited by the Auditor-General
* Involve the community in setting indicators and targets and reviewing municipal performance

**8.1. MONITORING, EVALUATION AND REVIEW**

The Municipality has got PMS Framework that is aligned to the legislation and Integrated Development Plan .The Framework is best suited to the circumstances of the municipality and it was approved by the Council. Monthly reports are submitted by senior managers for all activities carried out in that particular month and at the end of every quarter. Senior managers were expected to prepare and submit quarterly performance reports for monitoring and evaluation of actual performance against set targets.

Quarterly reports have been submitted to Council, Internal Auditors, MPAC and Audi Committee for assessment, auditing and evaluation. Assessment of section 54/56 employees has been conducted in quarter 1, quarter 2 and quarte3. Q4 Assessment will be done in September 2017. The Municipal Manager and the Managers that are directly accountable to the Municipal Managers have not signed the performance agreements. Council Committees are fully functional and effective in performing their delegated task

**8.2. PERFORMANCE ASSESSMENT**

It is reported that quarterly assessments for 2016/2017 were performed as legislated. The 2016/2017 year-end assessments have not been conducted; the results will be included in the final 2016/2017 Annual Report.

**Table 6. BONUSES PAID TO SECTION 54/56 EMPLOYEES**

|  |  |  |  |
| --- | --- | --- | --- |
| **No** | **Position held** | **Period Covered** | **Performance Bonus Paid/Not Yet Paid** |
| 1. | Municipal Manager | 01 July 2016 – 30 April 2017 | Not Yet Paid |
| 2. | Acting Municipal Manager | 01 May 2017 - 30 June 2017 | Not Yet Paid |
| 3. | Chief Financial Officer | 01 July 2016 – 30 June 2017 | Not Yet Paid |
| 4. | Director Corporate & Community Services | Post still vacant |  |
| 5. | Director Infrastructure & Planning | 01 July 2016 – 30 June 2017 | Not Yet Paid |

**8.3 STEPS FOR MANAGING PERFORMANCE AT ORGANIZATIONAL LEVEL**

2. Performance Monitoring

6. Performance Review

1. Performance Planning

3. Performance Measurement

4. Performance

Analysis

5. Performance

Reporting

**Organisational Performance Management**

**9. PERFORMANCE AND SUPPORTING INFORMATION**

|  |  |  |  |
| --- | --- | --- | --- |
| Traffic Light Status | 2016/2017  ( Performance) | 2015/2016 (Performance) | 2014/2015 (Performance ) |
| Municipal Transformation and Organisational Development | 74% | 63% | 83% |
| Basic Service Delivery and Infrastructure Development | 16% | 57% | 77% |
| Local Economic Development | 25% | 80% | 80% |
| Good Governance, Community Participation & Ward Committee Systems | 65% | 73% | 14% |
| Financial Viability and Finance Management | 67% | 44% | 86% |
| Cross Cutting Intervention | 44% | 0% | 100% |

**9.1.BACKGROUND TO MUNICIPAL SCORECARD/SDBIP**

In terms of MSA (1) (a) A municipality must set key performance indicators ,including input indicators ,output iand outcome indicators,in respect of each of the developmental priorities and objectives referred to in section 26 (c) of the Act.

(b) A key performance indicator must be measurable,relevant,objective and precise.

(2) In setting key performance indicators ,a municipality must ensure that :

* Communities are involved.

The Municipal Scorecard reflects the 6 National KPAs and local priorities .The Scorecard enables a wider assessment of how the municipality is performing.

The performance report is based on measures included within the Municipal Screcard and incoperates priority measures selected from the IDP.

The set targets on the Scorecard and IDP strategies and objectieves were approved by Council on 13/05/2016

These targets were reviewed and updated by Council at Council meeting on 16/03/2015

We also have legislative framework which provides for performance management at various levels in a municipality including **Organizational** (sometimes also referred to as municipal, corporate or strategic level), **departmental** (also referred to as services, operational or section/team level) and lastly, **individual** level.

At **Organizational** level, the five-year IDP forms the basis for performance management, whereas at operational level the annual SDBIP /Scorecard forms basis. The performance measures associated with the IDP have a long-term focus, whereas those associated with the SDBIP are short-term and focus on reviewing the progress made in implementing the current budget and achieving the annual service delivery targets.

At **Departmental** level, the measures are captured in the SDBIPs /Scorecards of the various departments that operate within the municipality. Performance management should occur at the various levels and relate to one another, as required by the 2001 Municipal Planning and Performance Regulations through cascading performance measures from organisational to departmental level, both the IDP and the SDBIP/Scorecard eventually link with individual performance management. Regarding performance management at **individual** level, the MFMA specifically requires that the annual performance agreements of Section 57 Managers must be linked to the SDBIP and the measurable performance objectives approved with the budget.

**9.2. Municipal Transformation and Institutional Development**

The overall score for this KPA is 74 % for 2016/2017 up with 11% from 2015/2016 financial year.

**9.2.1 Performance Highlights for 2016/2017**

Performance percentage has gone up with 11% in this KPA. It must be noted that a very crucial target under this KPA was approved by Council in 2015/2016(Staff establishment) It has enabled the Municipality to advertise correctly and employ people in the correct position. Employees are remunerated accordingly based on job descriptions and relevant qualifications. The workshop that was organised for Councillors will also add value to the functionality of the Municipality.

**9.2.2. Challenges**

The municipality does not have enough ICT Equipments to enable municipality to operate fully. Buying ICT Equipments was one of the municipal priorities this financial year but the target was not achieved due to financial constraints. Another crucial challenge is that the municipal by-laws are not gazetted and it has resulted to high level of encroachment in CDB. Historical lack of appetite to comply is still a challenge; this is evident by the fact that the municipality has been all these years not subjecting its new staff to the medical practitioner to examine then as per the pension fund regulation. In 31 May 2016 Director Corporate resigned from the municipality and got appointed at uPhongolo municipality. This became a challenge because the department has to operate without its Director however Municipal Manager acted quickly and recommended to Council to appoint someone to act as a Director in Corporate Services. The post has since been advertised.

**9.2.3 Measures taken to improve Performance**

Many employees have been sent to medical practitioner for medical examination as per the pension fund regulation. The municipality has managed this financial year to do staff establishment and it has been approved by Council. To avoid the issue of non-compliance with labour legislations by employees, municipality has been having a slot on labour issues during staff meeting to workshop staff members. The Municipality has committed itself to restore order and without any fear to take stringent measures against any employee who violet the code of conduct and those who have develop immoral desires to swindling for the municipality..

The municipality has budgeted for the purchase of ICT Equipments in 2017/2018 financial year.ICT Policies has been approved to ensure that our ICT governance is compliant to the ICT standard.

**Training of staff** the municipality has been engaged in training some employees during 2016/2017 financial as a result of the compliance with the MFMA Minimum Competency for our Senior Managers, Line Managers and Finance Staff. Although the municipality has spent so much but it is exciting that the municipality has complied with National treasury. MFMA section 71 Reports: the municipality has tried it level best to comply with the MFMA s71 (1). Further to this SCM Bid Committees are in place.

**9.3. Basic Service Delivery and Infrastructure Development**

The overall score for this KPA is 16 % for 2016/2017 down with 41% from 2015/2016 financial year

**9.3.1. Performance Highlights for 2016/2017**

Director Infrastructure was appointed late in 2015/2016 financial year. This was a challenge as some reports were not done accordingly however the Department has tried to operate smoothly as most projects were not completed on time**.** The issue of service providers who do not finish their work on time and some deserted projects is still a challenge, however the level of such scenario has alleviated in 2016/2017 financial year. It was a serious concern to the municipality since service providers compromised project plans for the bigger provincial and big cities projects

**9.3.2. Challenges**

The Roads conditions in town, eDumbe Location, Mangosuthu and Bilanyoni are atrociously. There are reasons for this 1st in town the roads need to be rehabilitated, these roads are aging and cannot be patched with the allocation of MIG. 2nd in the location most of the roads were never tarred and even the ones that were tarred were eroded by storm water since there were no storm water drainages. 3rd Mangosuthu and Bilanyoni roads were not properly planned since these areas were not subjected to the town planning scheme before. The sites are designed based on indigenous knowledge. 4th Aging of electricity infrastructure and bridging of electricity is still a huge challenge in our municipality.

**9.3.4. Measures taken to improve Performance**

The municipality has appointed Director Infrastructure and he assumed his duty on the 1 of April 2016.The post for senior electrician has also been filled and this will enhance the performance of the department. A support plan has also been made between the municipality and Cogta with regard to some challenges facing the municipality. The Council has taken a resolution to engage Department of Water and Sanitation with regard to water and sanitation in Paulpietersburg town and Location. Small Town rehabilitation project has been approved and was launched by MEC in 2016.

**9.4.** **Local Economic Development**

The overall score for this KPA is 25% in 2016/2017 down with 55% from 2015/2016.

**9.4.1 Performance Highlights for 2016/2017**

Performance percentage in this unit has subsequently dropped this financial year. The percentage obtained proved that things are not in order in Local Economic and Social Development. More should be done to create more job opportunities through LED projects and poverty alleviation initiative.

**9.4.2 Challenges**

The unit has challenges like other department in the municipality .One of key issue is that the post for LED Officer is still vacant since the previous incumbent resigned. There is no proper funding to boast the operation of the unit. The Municipality has got LED strategy that was presented and approved by Council but the challenge is on its implementation. The Municipality could not hold C.T.O meetings because people are invited but they do not attend.

**9.4.3 Measures taken to improve Performance**

To address the issue of LED Officer who has resigned, the municipality has deployed one official from executive Department to perform LED responsibilities. The Municipality had convened some meetings with local business people and foreign business people with an intention of ironing out some misunderstandings between the two groups. One needs to applaud Hon Mayor for his endless trials in bringing peace at eDumbe.

**9.5. Good Governance, Community Participation & Ward Committee Systems**

The overall score for this KPA is 65% in 2016/2017 down with 8% from 2015/2016

**9.5.1 Performance Highlights for 2016/2017**

Good governance according to the democratic principles is achieved through effective public participation. Not only does public participation allow constituents to monitor the governance record of its elected officials, but it also encourages the public to take an active interest in the performance of their municipality and region. It is only through broad public participation that citizens will recognise that their interests are taken to heart – especially the needs of the most vulnerable members of society. This allows all citizens to be heard in determining the political, social and economic priorities through the establishment of a broad societal consensus that includes civil society, government and the private sector. Active ward-based plans and consultative forums are central structures through which public participation and, ultimately, good governance can be achieved.

This necessarily means that municipalities need to be enabled to perform their duties in order to ensure the implementation of good governance practices and public participation. Section 151 of Chapter 7 of the South African Constitution gives each municipality the right to govern the local government affairs of its community on its own initiative, subject to national and provincial legislation. Additionally, the by-laws of municipal councils are legislative acts that are not reviewable in terms of administrative law.

The Ward Committees were established in terms of Chapter 4 of the Municipal Structures Act, 1998. The ward committee system was designed to ensure that citizens’ inputs are taken into account during planning and decision-making processes at local government level. Ward committee functionality has grown vigorously due to the administrative support deployed to public participation and the support in the office of the Speaker. This includes our participation in the Provincial Public Participation Committee and District Public Participation Committee which is stable. The compliance with the guidelines as set by Cogta proves on its own.

**9.5.2 Challenges**

Challenges are still the same as the ones for last year. The Municipality could not afford to provide the ward committees with stationary and other working resources. The geographically location of wards makes it difficult for all members to convene their meetings hence some their attendance depends on the availability of transport in the ward.The legislation did not make provision for the remuneration of ward committee members as a result it is difficult to find dedicated members of the community who are willing to serve without remuneration.

Minutes in some meetings convened by councillors are not recorded which give the municipality a challenge in terms of providing POEs for the numbers of meetings convened in a particular time .However we are engaging with Councillor to consider taking minutes for each and every meeting convened.

The Municipal Council understand the challenges of having the wards izimbizo and the ward committee meetings taking place as agreed, but to have a budget for that is also challenging since the municipality little budget for the basic services delivery. Another challenge is the financial affordability to train the ward committees in all the modules.

**9.5.3 Measures taken to improve Performance**

Most of targets that were not achieved in 2015/2016 financial year were achieved during 2016/2017 financial year. The ward committee system is fully operational .The ward committee system was designed to ensure that the grassroots’ inputs are considered in planning and decision making processes at the municipal level. The Municipality is trying to provide sufficient administrative and human resource support to the ward committees for the effective and efficient operation.

**9.6. Financial Viability and Finance Management**

The overall score for this KPA is 67% for 2016/2017 up 23% from 2015/2016

**9.6.1 Performance Highlights for 2016/2017**

The relationship between Rates Payers Association and Municipality has improved since 2015/2016 financial year. Some community members are now paying their services to the municipality. The situation experienced by municipality in 2012/2013, 2013/2014 and 2014/2015 where some community members were paying to the Rates Payers Association has improved.The Municipality has tried to put stringent measures in the capital and operational expenditures to ensure that there is a core relation between the expenditure and the projects plan.

**9.6.2 Challenges**

Most challenges experienced by the municipality in the last financial have not improved that much. Some people still do not want to pay for the services they receive from the municipality. The level of bridging electricity is still high .The installation of smart meters which was approved in 2015/2016 financial year has been put on hold.The bridging of electricity is causing the Municipality to pay Eskom more than what the municipality is collecting from the residents. Even business people are reluctant to pay for the electricity. Based on the observation of the municipality there are professionals who are residing in these areas who do not by any chance qualify to be indigent but claim to be indigents and it cost the municipality a lot of money. Submission of section 71 monthly budget statements and understanding of new financial system by all staff has also been identified as a challenge.The following important documents still need to be finalized.

* Indigent register.
* Asset Register

**9.6.3 Measures taken to improve Performance**

Revenue Enhancement Policy which was a challenge has been approved by Council on 29 June 2017.This will improve the revenuecollection of the municipality. The municipality is currently collecting the household’s information to verify the information on the indigent register. . This emanated from the speculation which says all household in eDumbe Location and Bilanyoni are indigents which logically is incorrect. Based on the observation of the municipality there are professionals who are residing in these areas who cannot by any chance qualify to be indigent. The municipality has then commissioned the team to get house by house to verify the ownership and members of the households. The council has decided to exempt interests on rates accounts until that the indigent register is finalised.

This will assist in recovering some of the debt which can be recovered. The Municipality has also employed people in critical positions and that will help Finance department to improve its performance. Manager Finance post and other critical positions have been filled and we believe that the municipal performance will improve. The municipality is keen to ensure its sustainability and continuity by employing young people in various positions.

**9.7. Cross Cutting Intervention**

The overall score for this KPA is 44% for 2016/2017 up with 44% from 2015/2016 financial year

**9.7.1. Introduction**

. The interventions deal with how municipalities should organize themselves and mobilize human and financial support to discharge their mandate as provided in the Constitution of the Republic of South Africa. Progress in municipal performance in this KPA had been assessed in the following focus areas:

* Disaster management;
* Realigned municipalities;
* Urban and rural nodes; and

This is to be achieved through: capacitating municipalities to deliver quality services to communities; promoting participative, integrated and sustainable communities; ensuring municipal plans reflect national, provincial and local priorities and resources through sound intergovernmental relations; being the first port of call for municipalities for advice and support; facilitating delivery through sound administration and the engagement of all spheres of government and social partners.

**9.7.2.** **Disaster Management**

The aim of the Disaster Management Act (Act No.57 of 2002) is to ensure a uniform approach to disaster risk management in each sphere of government. According to the National Disaster Management Centre’s (NMDC) The Disaster Management Act focuses on disaster prevention and risk reduction, mitigation of severity and consequences of disasters, emergency and preparedness, and a rapid and effective response to disasters leading to restoration of normal conditions. In terms of the Sections in the Constitution of the Republic of South Africa that provide for disaster management includes the Intergovernmental Relations Framework Act, 2005 (Act number 13 of 2005), the Local Government: Municipal Systems Act, 2000 (Act number 32 of 2000), the Disaster Management Act, 2002 (Act number 57 of 2002) and the National Disaster Risk Management Policy Framework of 2005. These sections provide for: the establishment, implementation and maintenance of an integrated rapid and effective disaster response system, post-disaster recovery and rehabilitation; the identification, assessment, classification and prioritisation of hazards and vulnerable elements; the development, implementation, monitoring and evaluation of disaster risk reduction (prevention, mitigation and preparedness) programmes, projects and measures; and the establishment, implementation and maintenance of systems and structures through and across the three spheres of government, the state-owned enterprises (SOEs), the Private Sector, non-governmental organisations (NGOs), communities and individuals.

**These policies require the metropolitan and district municipalities to:**

Establish a fully functional disaster management centre

Appoint a head of the centre

Establish disaster management forums

Finalize disaster management plans

The NDMC is located within the COGTA. Its main objective is to contribute to the overall resilience of communities and infrastructure to disaster risk, to strengthen the capacity of provinces and municipalities in pre-empting and responding to disasters, as well as ensuring cross-functional disaster management in all spheres of government.

The effects of global warming and climate change are beginning to be felt in South Africa. Managing disasters such as floods, drought, tornadoes, or veld fires requires government and people working together in a coordinated way through a coherent disaster management system. Municipalities for instance, have an important first response role to disasters, and therefore must always be in a position to combat disasters. Disaster management plans must be included in the municipal IDPs. The success of disaster management at the local level is dependent on the capacity and capabilities to combat disaster at national and provincial levels.

**9.7.3 Performance Highlights for 2016/2017**

The overall score for this KPA is 0%.There are some issues that need to be ironed out. The entry face of our town is a disaster and it contributes towards the migration of middle class to settle in nearby towns like Vryheid, Newcastle and Piet Retief. Illegal development is also a contributory factor towards this migration as middle class people fear that their properties might lose value due to illegal developments

**9.7.3. Challenges**

Housing projects are delayed by the land issues which are not resolved since most of the land is privately owned and some state owned and the transfer of ownership which is unbecoming. Despite all the challenges the implementing Agents are busy on sites packaging the projects and registering the beneficiaries. The formalization of Mangosuthu area which was going to add more revenue to the municipality when the residents pay their rates has not been finalized. Lumps at eDumbe and Bilanyoni are still not yet finished.

EDumbe Municipality does not have Disaster Management Centre but there are public safety offices where community has got access to report disaster and fire incidents. EDumbe area is vulnerable to lightnings, field fires and heavy rains which cause a huge damage including the loss of lives. Lack of human capacity and machinery is also a challenge. The man power that is currently assisting during the events of disaster is the Traffic Officers who have other responsibilities. The municipality does not have equipments for Disaster. It does not have a Disaster Management framework as a municipality.

**9.7.4. Measures taken to improve Performance**

The Municipality is engaging with uMkhondo Municipality to address some disastrous issues as it does not have enough resources to deal with disaster. Ward Committee members are serving as Disaster structures. The Municipality has also developed the Disaster Management Plan and is waiting for Council approval.

**9.7.5. Disaster Management Recommendations.**

1. That the thunder storm lightening instruments be provided this will protect the communities from all forms of disasters.
2. Review the Disaster Plan and workshop the community and stakeholders for effectively implemented..
3. Establishment of Disaster Centre
4. Installation of Lightning conductors in ward 1, 6 and 7.
5. There is a need for a Disaster Framework.
6. The needs to have appropriate equipments
7. The municipality needs a disaster officer

**. Table 7: State of readiness on National Disaster implementation b Municipality (Y/N and Date)**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2014/2015** | | | | **2015/2016** | | | | **2016/2017** | | | |
| Functional disaster management centre | Disaster Management Head/ Manager appointed | Disaster management forums established | disaster management plan or framework in place | Functional disaster management centre | Disaster Management Head/ Manager appointed | Disaster management forums established | disaster management plan or framework in place | Functional disaster management centre | Disaster Management Head/ Manager appointed | Disaster management forums established | Disaster management plan or framework in place.( We have a plan not framework ) |
| No | Yes | Yes | Yes | No | Yes | Yes | Yes | No | Yes | Yes | Yes |

**CHAPTER 4**

**ORGANISATIONAL DEVELOPMENT PERFORMANC**

**CHAPTER 4- ORGANISATIONAL DEVELOPMENT PERFORMANCE**

**COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE**

**4.1.Development and Implementation of specific HR policies and systems per municipality**

The Human Resources Development Strategy (HRDS) of South Africa’s key mission is to maximise the potential of our people through knowledge and skills acquisition to improve livelihoods – (HRDS SA 2001). Capacity building at municipalities is crucial in achieving effective service delivery. As such, Human Resource management is aimed at strengthening institutional capacity. This is enshrined in the Municipal Systems Act of 2000: 68. (1)A municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way, and for this purpose must comply with the Skills Development Act, 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

The HRD Strategy consists of 5 strategic objectives, namely: Improving the foundation for human development; developing high quality skills that are more responsive to our developmental Needs; Improving and increasing employer participation in lifelong learning; supporting employment growth through creative innovation and policies; and Ensuring that the four objectives above are linked.

The table below indicates the status with regards to the development and implementation of specific HR policies by municipalities.

**Employment Equity**

This indicator is solely to determine the targets that the municipalities have either successfully achieved or partly achieved, as stipulated in their employment equity plans approved by the municipal councils. It incorporates the General Key Performance Indicator prescribed by the Minister in terms of Regulation 10 (e) of the Municipal Performance Management Regulations of 2001 which reads as follows:

“Number of people employed from employment equity target groups employed in the three highest levels of management in compliance with the municipality’s employment equity plan”.

**Skills Development**

This focus area is in response to one of the prescribed key performance indicators in terms of the Municipal Performance Management Regulations of 2001. All municipalities are obliged to report on progress in building skills capacity to deliver according to the developmental mandate.

**Recruitment Policy**

This is an implementation plan of the HRD strategy and the Employment Equity which require the specific inclusion and consideration of designated groups when recruiting employees of the municipality. The Policy should be in line with the Labour Relations Act by specifically describing the procedure to be followed when filling the vacancy.

**Leave Policy**

This policy provides a guideline on how leave will be managed to ensure proper implementation of the Basic Conditions of Employment Act which is generally applicable to all working environments. This policy prescribe the procedure to be followed when the employee want to apply for a leave and the various categories of leaves that are applicable in that particular organization.

**Adoption of Workplace Skills Plans**

Number of local government staff trained during the year under review as compared to 2016/17and percentage of budget spent in implementing municipalities’ Skills Development Plans

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

|  |  |  |
| --- | --- | --- |
| **HR POLICIES** | | |
| **No.** | **Name of Policy** | **Completed & Reviewed** |
| 1. | Municipal Chronic Policy | These policies were developed and adopted by Council in 2015/2016 financial year. |
|  | Dress Code Policy |
| 3. | Exit Interview Policy |
| 4. | Induction Policy |
| 5. | Health and Safety Policy |
| 6. | Leave Policy |
| 7. | Subsistence and Travelling Policy |
| 8. | Overtime Policy |
| 9. | Protective Clothing Policy |
| 10. | Selection and Recruitment Policy |
| 11. | Remuneration Policy |
| 12. | Sexual Harassment Policy |
| 13 | Fleet Management Policy |
| 14 | Training and Development Policy |
| 15 | Transfer and Staff Policy |
| 16 | Supply Chain Management Policy |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Number and Period of Suspensions** | | | | |
| **Position** | **Nature of alleged Misconduct** | **Date of Suspension** | **Details of Disciplinary Action taken or status of the case and Reasons why not Finalised** | **Date Finalised** |
| Senior Professional Town Planner ( Mr S.G.Ndaba ) | Charges are as follow   * Late coming on duty. * Fraud/Dishonesty * Absent on duty without permission. |  | **Result** : Termination of service | The suspension was finalised on 27/06/2016. |
|  |  |  |  |  |

**4.2. Compliance with the EEA**

**Table 1: Women appointments – Section 56/7 Managers**

**CORRECT**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| eDumbe  Municipality | 2014/2015 | | | 2015/2016 | | | 2016/2017 | | |
| No. of Section 56/7 posts approved | Women appointed in Section 56/7 posts | No of vacancies for women Section 56/7 Managers | No. of Section 56/7 posts approved | Women appointed in Section 56/7 posts | No of vacancies for women Section 56/7 Managers | No. of Section 56/7 posts approved | Women appointed in Section 56/7 posts | No of vacancies for women Section 56/7 Managers |
| Number: | 6 | 5 | 0 | 6 | 3 | 0 | 4 | 2 |  |

The above graph shows that the percentage of women appointed in section 56/57 position at eDumbe municipality is very low. A lot must be done to improve the situation.

**4.3. Municipal Posts**

**Table 2: Employment of people with disabilities (The entire Organization)**

| eDumbe Municipality | 2014/2015 | | | 2015/2016 | | | 2016/2017 | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Total no. of people with disabilities | No. of Section 56/7 Mangers with disabilities | No of vacancies for people with disabilities | Total no. of people with disabilities | No. of Section 56/7 Mangers with disabilities | No of vacancies for people with disabilities | Total no. of people with disabilities | No. of Section 56/7 Mangers with disabilities | No of vacancies for people with disabilities |
| Number: | 2 | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 0 |

The municipality has never had a senior manager who is disabled; we have always encouraged the people with disabilities to apply when there are vacant positions to be filled by the municipality. We are current having full management with no gap in terms of senior managers.

**Table 4: Development and Implementation of specific HR policies and systems per municipality – 2015/16**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| eDumbe  Municipality |  | Recruitment and selection policy | | | Skills Development Plan | | | EE Plan | | | HRM and HRD Strategy | | |
| Reviewed /Developed | Approved | Implemented | Reviewed /Developed | Approved | Implemented | Reviewed /Developed | Approved | Implemented | Reviewed /Developed | Approved | Implemented |
|  | Y/N | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

EDumbe Municipality has adopted 16 HR policies in 2016/2017 financial year. This HR policies have been implemented and will also be implemented in 2016/2017 for proper operation of the municipality.. This is the step forward in ensuring compliance with Labour Relations Act. We have never missed due date for the skills development Report and plan.

**Section 139 interventions**

**Table 6: Has the municipality been put under section 139 interventions. If YES, which year(s)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2014/2015 | 2015/2016 | 2016/2017 |
|  |  |  |
| Y/N: | No | No | No |
| Year: | - | - | - |

## **CoMPONENT D. : MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE**

**4.6 JOB EVALUATION**

The municipality has conducted Job Evaluation in 2015/2016 financial year to ensure that employees are remunerated accordingly and they perform as per their job descriptions. Most of the employees benefited from this exercise as some of them were not clear about their job descriptions and some were not remunerated accordingly. It also benefited the municipality as employees started to understand more clear the issue of line function.

**4.7. REMUNERATION**

EDumbe Municipality Employees are remunerated in terms of the TASK Grade System which started after the Job Evaluation process was completed and approved by the Council. The remunerations due date is 25th and 30 of each month to permanent and contractual employees.

**4.8. BENEFITS**

Employees are receiving statutory benefits such as Medical Aid, Unemployment Insurance, and Skills Development Levy and Pension. Other employees have Vehicle Allowances and Cell phone Allowances which are paid in terms of vehicle allowance policy and Cell phone allowance respectively.

**4.9. TERMINATION**

EDumbe Municipality has terminated the service of 7 employees due to death, retirement, resignation, and dismissal. The municipality has also terminated the service of 1 employee due to medical boarding.

**4.10. LEAVE**

EDumbe Municipality took the excessive annual leave in line with the SALGBC Main Collective Agreement as well as the Basic Conditions of Employment Act as amended. At the end of the leave cycle, all leave credits were quantified to formulate leave provision for 2016/2017 financial year.

**CHAPTER 5**

**FINANCIAL**

**PERFORMANCE**

CHAPER 6

AUDITOR-GENERAL AUDIT FINDINGS

**A** **U** **D** **I** **T** **O** **R** **-** **G** **E** **N** **E** **R** **A** **L**

**S O U T H** **A F R I C A**

Auditing*to buiid public* *confidence*

**AUDIT ACTION PLAN**

**VOLLUME II : ANNUAL FINANCIAL STATEMENTS**

**Compliance with Municipal Finance Management Act, 2003**

The Municipal Finance Management Act, 2003 stipulates that each municipality and municipal entity must timeously prepare and submit to the Auditor General an Annual Report for each financial year. This report consists mainly of the Annual Financial Statements (and their explanations thereof), the Auditor General’s Report (including corrective action taken or to be taken based on the audit reports), audit committee recommendations, approved annual budgets and annual performance report (Section 46 Report). The Annual Financial Statements and the annual performance report (Section 46 report) must be submitted to the Auditor General’s office by 31 August and the audited financial statement together with the audit reports must be ready by 31 December. The Annual Report must be tabled in council by 31 January This annual reporting forms the basis for transparent governance and accountability and acts as a measure of performance for each previous financial year. The requirements for this statutory disclosure by municipalities are measured through their demonstration that they comply with the three Key Performance Indicators as follows:

**6.5. Submission of Municipal Annual Financial Statements by 31 August 2017**

Section 126 1 (a) of MFMA provides as follows “ The accounting officer of a municipality must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor General for auditing”. They are the most important record of the financial status of a municipality and must be prepared and submitted to the Auditor-General no later than 31 August of each

The following audit opinions based on the audit of the financial statements of municipalities can be issued;

Unqualified opinion - The opinion is expressed when the auditor concludes that the financial statements is fairly presented.

* Qualified opinion - The opinion is expressed when the auditor concludes that misstatements, individually or in the aggregate, are material, but not pervasive, to the financial statements; or the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, but concludes that the possible effects on the financial statements of undetected misstatements could be material, but not pervasive.
* Disclaimer opinion - The opinion is expressed when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion and the undetected misstatements on the financial statements are both material and pervasive.
* Adverse opinion - The opinion is expressed when the auditor concludes that misstatements, individually or in the aggregate, are both material and pervasive to the financial statements.