

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE	
								ANNUAL TARGET						ANNUAL ACTUAL
							BASELINE	PROJECTED						ACTUAL
CORP17			To improve the performance and functioning of the municipality	Distribution of agendas	Turnaround time for distributing agenda to the members of Infrastructure Planning & Development portfolio before the meeting	Turnaround time	Secretariat supports provided to IPD portfolio throughout the 4 quarters	Distribute the agenda of the IPD Portfolio committee meeting 5 days prior to meeting	1. Infrastructure Planning and Development agenda was distributed 7 days before the meeting. The agenda was distributed on 13 July 2016 and the meeting was held on the 21th July 2016. 2. The agenda was distributed 8 days before the meeting. the agenda was distributed on the 14th September 2016 and the meeting was held on the 22 September 2016. 3. Infrastructure Planning and Development agenda was distributed 7 days before the meeting. The agenda was distributed on the 25 October 2016 and the meeting was held on the 02 November 2016. 4. Infrastructure Planning and Development agenda was distributed 6 days before the meeting. The agenda was distributed on the 31 January 2017 and the meeting was held on 06th February 2017. 5. Infrastructure Planning and Development agenda for the month of April was distributed 8 days before the meeting. The agenda was distributed on the 12th April 2017 and the meeting was held on 20th April 2017. 6. Infrastructure Planning and Development agenda for the month of June was distributed 8 days before the meeting. The agenda was distributed on the 14th June 2017 and the meeting was held on 22nd June 2017	OPEX	OPEX			Approved schedule of meetings for 2016/17 & Proof of receipt with the date of the meeting and date received

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BTO03			To practice sound financial management principles	Bid processing turn around time	Turnaround time for bid processing not more than specified timeframes (bids R200000+ to be finalised) from the closing date of the tender	Turnaround time	bids of R200000+ finalised within 90 days	90 Days turnaround time for the bids R200000+ to be finalised from the closing date of the tender	OPEX	OPEX			adverts, requisitions & appointment letters or orders
BTO04					Turnaround time for bid processing not more than specified timeframes (bids 30000 to R199999) from the closing date of the tender	Turnaround time	bids of 30000 to R199999 finalised within 14 days	14 day turnaround time for bids 30000 to R199999 from the closing date of the tender					
BTO05					Turnaround time for bid processing not more than specified timeframes (quotations less than R30000) from the closing date of the quotation	Turnaround time	quotations less than R30000 finalised within 6 days	6 day turnaround time for quotations less than R30000 from the closing date of the quotation					

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BTO06			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Updating and approval of the indigent register	Date by which indigent register is updated and approved	Date	Indigent register updated in 2015/16	Update and approve Indigent register by 30-Jun-17	Indigent register was update and approved by council on the 25/05/2017	OPEX	OPEX			Updated indigent register & Council resolution
IPD03			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Construction of new gravel roads – 4.6km	Percentage of gravel roads constructed by 31-Mar-17	Percentage	new indicator	100% of new Gravel roads to be constructed (Msenge road 0.930km), (Mxolisi Ngubo0.30km), (Nomakhele 1.7km), (Thuleshe road 1.3km by 31-Mar -17	(Msenge Access Road is at 100% with completion certificate on 6-Jan-17, Mxolisi Ngubo Access Road is at 100% where the completion certificate was issued on the 17 March 2017, Nomakhele Access Road is at 100% where the completion certificate was issued on the 10 March 2017 and Thuleshe access Road is at 100% where the completion certificate was issued on the 17 March 2017	R 4,976,453	R 4 344 281.41			signed consultant's progress report and completion certificates
IPD04			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Municipal Infrastructure Grants	Date of which design report and business plans are approved for 2017/18 projects	Date	new indicator	Approve design reports and business plans of 2017/2018 projects by 31-Mar-17	Draft Service Level Agreement for Chapel Street has been developed by this 29 September 2016. All project were registered on MIG MIS on the 20th December 2016 and the designs were approved and the requisition was signed on the 9 March 2017	CAPEX	CAPEX			Requisitions, Business Plans, Service Level Agreement & Design report
IPD05			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Construction of community halls	Percentage of constructed community hall (Phase 1 of Morningside hall-Soweto) by 30-Sept-16	Percentage	new indicator	100% completion of a community hall constructed (Phase 1 of Morningside hall-Soweto) by 30-Sep-16	Construction of Morning side hall is at 95% complete by 30-Jun-17	R 2,110,600	R 1 313 690.78	Delays have been experienced through the poor performance of the contractor that yielded not to achieving 100% which were beyond my control.	There are several letters that has been issued to the contractor regarding the non performance and they form part of evidence, The remaining 5 percent is the completion of	Completion Certificate & signed consultant's progress report

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													the fencing but the hall is now operational.	
IPD06			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Construction of community halls	Percentage of constructed community hall (Madungeni Hall) by 30-June-17	Percentage	new indicator	100% completion of a community hall constructed (Madungeni Hall) by 30-Jun-17	Madungeni Hall has been completed and the completion certificate was issued on the 2nd May 2017 where percentage achieved was 100%	R 3,688,220	R 2 776 379.21			Completion Certificate & signed consultant's progress report
IPD07			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Construction of community halls	Percentage of constructed community hall (Kintail Hall) by 30-June-17	Percentage	new indicator	100% completion of a community hall constructed (Kintail Hall) by 30-Jun-17	Construction of Kintail hall is at 20% complete by 30-Jun-17	R 2,639,648	R 1 006 831.82	Delays were experienced due to the failing of the columns in the project that were demolished and the slow pace of the Contractor is not up to the satisfaction.	A contractor has been issued with the letter of non performance on the 16 May 2017 where he has diverted from the programme and he has been asked to remedy the situation and failure of the contractor not achieving the completion time will yield to the termination processes	Requisition, Completion Certificate & signed consultant's progress report

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IPD08			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Construction of black top roads	Percentage of constructed road completed by 30-Sept-16	Percentage	100% completion of Portion of East Street Phase 1-(0.4km) constructed by 31-Dec-15	100% completion of East Street Phase 2(0.4km) constructed by 30-Sept-16	The project is at 100% with the practical completion certificate that was issued on the 16 September 2016.	R 2,260,347	R 2 064 367.38			Completion Certificate & signed consultant's progress report
IPD09			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Upgrade of sports fields	Percentage of upgraded sport field completed by 31-Mar-17	Percentage	Consultant and a constructor appointed by 30-Jun-16	100% Completion of the upgrading of Phase 2 Jolivet sports field & Jeffrey Zungu sports field upgrade by 31-Mar-17	Jolivet Sportfield was at 100% complete by end of 06 December 2016 and Jeffrey Zungu Sportfield was at 45% complete as at 30-Jun-17	R 9,468,537	R 10 493 917.71	The project Jeffrey Zungu Sports field Phase 2 did not commence due to the re-advertisement, because of the non-availability of a suitable contractor to do the construction. The first advert was on the newspaper on the 2nd May 2016 due to the non-availability of the suitable contractor it was then resolved to opt for re-advertisement that was done on the18th July 2016.	The contractor for the Jeffrey Zungu Sportfield had appointed on the 2 March 2017 due to the tender being advertised three times, the start date was 22 March 2017 and the end date is 22 November 2017.	Signed Consultant's Report & Completion Certificate
IPD10			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Construction of a Bus Rank	Percentage completion of a bus rank construction by 30-Sept-16	Percentage	50% completion of a bus rank construction by 30-Jun-16	100% completion of construction of Bus Rank by 30-Sept-16	The project is not yet completed it is sitting at 95% as at 30-Jun-17	R 8,040,225	R 6 207 804.62	Delays have been experienced through the poor performance of the contractor that yielded not to achieving 100% which were beyond my control.	The remaining 5 percent is the completion of the bollard and the snag list, it's anticipated this will be completed by July 2017.	Signed consultant's progress report & completion certificate

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IPD11			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Maintenance of blacktop roads	Square meters of blacktop roads maintained (potholes) by 30-Jun-17	Square meters	60m2 blacktop roads maintained	400m2 of blacktop roads maintained (potholes) by 30-Jun-17	A total number of blacktop Roads maintained for all the quarters is 1776.08m2 where in Q2 we achieved 9.80m² and Q3 achieved 1421.67m² and Q4 achieved 344.61m² by 30-Jun-17.	OPEX	OPEX			Signed report with dated photos before & after
IPD12			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Maintenance of community facilities	Number of community Facilities Maintained as directed by prescripts from Social Development Services by 30-Jun- 2017	Number	4 community facilities maintained	2 Community Facilities maintained as directed by prescripts from Social Development Services by 30-June-2017	Nkululeko Hall was maintained as per directive from social development department. Where another directive was obtained on the 22 February 2017 to proceed with the maintenance of Shiyabanye where the tender was advertised on the 3 -5 April 2017	OPEX	OPEX			Requisition, Signed report with dated photos before & after, memo from SD & Technical Assessment report
IPD13			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Maintenance of access roads	Kilometres of gravel roads maintained as per maintenance plan by 30-Jun-17	Kilometers	45 km gravel roads maintained	40KM of gravel roads maintained as per maintenance plan by 30-Jun-17	157KM of gravel roads maintained as per maintenance plan by 30-Jun-17	OPEX	OPEX			signed report & dated photos before and after
IPD14			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Monitoring of meetings with DoHS	Number of coordinated meetings on progress of housing projects by 30 June 2017	Number	Quarterly progrees reporting meetings held with DoHS	Monitor coordination of 4 meetings on progress of Housing project by 30-Jun-17	5 meetings on progress of Housing projects held on the 24-Aug-16, 24-Nov-16, 15-Feb-17, 11-Apr-17 and 14-Jun-17	DOHS	DOHS			Signed attendance register, Agenda, minutes , progress report and invitations

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IPD15			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development		Number of meetings coordinated on progress on 150 Units - Phase 1 Community Residential Units by 30-Jun-17	Number	Quarterly progress reporting meetings held with DoHS	Monitor coordination of 4 meetings on progress on 150 Units - Phase 1 Community Residential Units by 30-Jun-17	6 meetings on progress on 150 Units - Phase 1 Community Residential Units on the 13-Sep16, 25-Nov-16, 28-Feb-17, 5-Apr-17, 10-May-17 and 15-Jun-17	DOHS	DOHS		Invitations, signed attendance register, progress report and signed minutes
IPD16			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development		Date by which monitoring of the production Housing/migration plan as an annexure of the IDP by 30-Jun-17	Date	new indicator	Monitoring of the production of Housing/Migration plan as an annexure of the IDP by 30-Apr-17	The Housing/Migration plan was submitted to the council that was on the 25 May 2017 as it forms part of the document that need to be included in the IDP and the draft was presented to the municipality on the 15 March 2017 where there were comments which were finalised and submitted to the IDP section on the 12 May 2017 as per directive IDP section	DOHS	OPEX		Dated proof of the production Housing/migration plan
IPD17			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Processing of Building and alteration plans	Turnaround time for processing of building and alteration plans after receipt of payment fees	Turnaround time	building and alteration plans were processed within 30 days after receipt of payment fees	Processing of building and alteration plans within 30 days after receipt of payment fees	In Q1 there were three (3) building plans were accepted during the first quarter and that is for the standard Bank Housing Program accepted on the 12/09/16 and approved by the 19/09/16; Lot 474 which was accepted on the 16/09/16 together with a building plan for Lot 1. Both have not been approved due to outstanding building plans fee not paid and in Q2 One building plan received on the 7th November 2016 was processed and approved on the 15th November 2016. In Q3 There were two (2) building plans accepted during the third quarter. One was for internal alterations of an old building to be occupied by Nedbank. The second one was on a new dwelling house on Erf 70 High street. Both were accepted and processed within the applicable timeframe of 30 days. In Q4 There were two (2) building plans accepted during the fourth	OPEX	OPEX		Register of accepted building plans, acceptance letters, comments from relevant departments and signed building inspectorate report

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									quarter. One was for the renovations and additions to Erf KZN dept of Education) Nobengela Primary School .The second one was on the existing building in Erf 646 (extension. Both were accepted and processed within the applicable timeframe of 30 days.					
IPD18			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Electrification of wards	Percentage of electrified wards completed by 30-Sept-16	Percentage	80% completion on the electrification of wards 3 (Ofafa) by 30-Jun-16	100% completion on the electrification of wards 3 (Ofafa) by 30-Sept-16	The overall percentage for the work done to date is 100% completion by 25 January 2017	R 30 000 000	R 29 999 998.57			Progress report & Closure report
IPD19			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development		Percentage of electrified wards completed by 30-Jun-17	Percentage	new indicator	80% Phase 2 completion on the electrification of wards 5 (Mkhunya) by 30-Jun-17	Overall percentage for Mkhunya is at 60% complete by 30-Jun-17			Delays were experienced on the requisition of meters from eskom on the 26 January 2017 where it was identified that they don't have old meters in their stock, they only have split meters that is a new meter system.	A second letter was also written on the 7 March 2017 and the approval was received on the 8 June 2017. That has created delays in the project in obtaining 80% of completion, we have received another crisis regarding the delays in delivery of the meters where the supplier has identified	Progress report & Closure report

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								PROJECTED					
							BASELINE	ACTUAL					
												faults in the stock that was delivered from overseas. We anticipate that the matter will be resolve in the first quarter of 2017/2018 FY	
IPD20			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development		Percentage of electrified wards completed by 31-Dec-16	Percentage	50% completion on the electrification of wards 5 (Mkhunya) by 30-Jun-16	100% Phase 1 completion on the electrification of wards 5 (Mkhunya) by 31-Dec-16	Overall percentage for Mkhunya Phase 1 is at 93% complete by 30-Jun-17		Delays were experienced on the requisition of meters from Eskom on the 26 January 2017 where it was identified that they don't have old meters in their stock, they only have split meters that is a new meter system. A second letter was also written on the 7 March 2017 and the approval was received on the 8 June 2017. That has created delays in the project in obtaining 80% of completion; we have received another crisis regarding the delays in delivery of the meters where the supplier has	We anticipate that the matter will be resolve in the first quarter of 2017/2018 FY	Progress report & Closure report

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											identified faults in the stock that was delivered from overseas.		
SD08			To improve safety and security within the municipal environment	Monitor maintenance of law and order	Number of roadblocks conducted by 30-Jun-17	Number	4 roadblocks held by 30-Jun-16	Monitor that 4 roadblocks are conducted by 30-Jun-17					Tickets and dated photos
IPD21			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Conservative notices served for illegal/ improper building operation	Turnaround time for serving conservative notices for illegal/improper building operations	Turnaround time	conservative notices for illegal/ improper building operations were served within 21 days21 days	serve conservative notices for illegal/ improper building operations within 21 days					Register of illegal building/improper land uses. Notices issued.

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										Grants - (illegal boundary wall), Erf 192 Brigadler Royston - (structure not in as per approved building plan)					
IPD22			To improve the performance and functioning of the municipality	Submission of Infrastructure Planning & Development Portfolio items	Turnaround time for submission of Infrastructure Planning & Development Portfolio items to Corporate Services after receiving circular.		Turnaround time	Infrastructure Planning & Development Portfolio items were submitted to Corporate Services within 7 working days after receiving circular	Submission of Infrastructure Planning & Development Portfolio items to Corporate Services within 7 working days after receiving circular	1. Circular date: 24-Jun-16 and 2-Sep-16, Submission of items: 11-Jul-16 and 9-Sep-16 respectively. 2. Circular date: 17-Oct-16, Submission of items: 25-Oct-16. 3. Circular date: 13-Jan-17, Submission of items: 19-Jan-17. 4. Circular date: 31-Mar-17 and 7-Jun-17, Submission of items: 7-Apr-17 and 13-Jun-17	OPEX	OPEX			Proof of submission & circular
SD09	COMMUNITY WORK PROGRAMME IMPLEMENTED AND COOPERATIVES	SOCIAL AND LOCAL ECONOMIC DEVELOPMENT	To improve sustainable economic growth and development	Submission of progress reports on small farmers programme	Number of progress report on small farmers programme submitted to the portfolio committee by 30-Jun-17		Number	new indicator	Submit 4 progress report on small farmers programme to the portfolio committee by 30-Jun-17	5 progress reports on small farmers programme submitted to the portfolio committee on the 20-Jul-16, 23-Sep-16, 3-Nov-16, 6-Feb-17 and 21-Apr-17	OPEX	OPEX			Signed portfolio minutes & attendance register
SD10			To improve sustainable economic growth and development	Renewal of informal traders licenses	Turnaround time for renewal of informal traders licenses in Ixopo and Highflats		Turnaround time	Renewal of informal traders licenses in Ixopo and Highflats within 30 days after the submission of renewal form was done	Renewal of informal traders licenses in Ixopo and Highflats within 30 days after the submission of renewal form	Applications for renewal of informal traders licenses in Ixopo and Highflats within 30 days after the submission of renewal form was done. 177 submitted on the 24/11/16, 29/11/16 and 01/12/16 and approved on the 05/12/16; 100 submitted on the 16/11/16 and approved on the 20/12/16; 36 submitted on the 15/12/16 and approved on the 20/12/16;	OPEX	OPEX			Hawkers licenses and register with date

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SD11			To improve sustainable economic growth and development	Monitor the Implementation of LED projects	Number of LED projects implemented by 30-Jun-17	Number	2 LED projects implemented by 30-Jun-16	Monitor the Implementation of 2 LED projects by 30-Jun-17	8 LED projects implemented by 30 June 2017	R 1000 000	R 894 801.43		Signed report by manager LED and HOD
SD12			To improve sustainable economic growth and development	Monitor Processing of business licenses	Turnaround time for submitting business license applications upon the receipt of applications to the office of the Municipal Manager for approval	turnaround time	business license applications were processed within 3 days upon the receipt of applications to the office of the Municipal Manager for approval	Monitor the submission of business license applications within 3 days upon the receipt of applications to the office of the Municipal Manager for approval	1. 2 days turnaround time for business licenses submission to the office of the MM: submitted on the 5th of July 2016 and returned on the 7th of July 2016, 2. 1 day turnaround time, submitted on the 25th of July 16 and returned on the 26th of July 2016. 1 day turnaround time, submitted on the 3 October 2016 and returned on the 3 October 2016; 5 day turnaround time, submitted on the 30 November 2016 and returned on the 5 december 2016 3. 1 day turnaround time, submitted on the 17 January 2017 and returned on the 18 January 2017; 5 day turnaround time, submitted on the 1st of February 2017 and returned on the 6th of February 2017. 4. 5 days turnaround time, submitted on the 1 February 2017 and returned on the 6 February 2017; 4 days turnaround time, submitted on the 10th of February 2017 and returned on the 14th of February 2017	OPEX	OPEX		Business license register with date
SD13			To improve sustainable economic growth and development	Monitor the functionality of LED forum	Number of LED Forum meetings held by 30-Jun-17	Number	2 LED Forum meetings held by 30-Jun-16	2 LED Forum meetings held by 30-Jun-17	2 LED Forum meetings held on the 7-Dec-16 and 26-Jun-17.	R 10 000	R 660.88		Minutes and attendance registers
SD14			To improve sustainable economic growth and development	Monitor the creation of jobs through EPWP	Number of jobs created through EPWP by 30-Jun-17	Number	40 jobs through LED projects by 30-Jun-16	Monitor the creation of 60 jobs through EPWP by 30-Jun-17	87 jobs created through EPWP by 30 June 2017	OPEX	OPEX		Attendance register with names of the people and Signed report by

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SD15			To improve sustainable economic growth and development	Coordination of CWP Rep Forum meetings	Number of CWP Rep Forum meetings coordinated by 30-Jun-17	Number	08 CWP Rep Forum meetings by 30-Jun-16	Coordinate 6 CWP Rep Forum meetings by 30-Jun-17	4 CWP Rep Forum meetings held on the 22-Jul-16, 31-Oct-16, 31-Mar-17 and 30-Jun-17	OPEX	OPEX			Proof of Invitations and attendance registers
SD16			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Monitor the implementation of Youth Programme	Date by which one youth programme emanating from the adopted Youth Development Strategy is implemented	Date	01 Youth Programme emanating from the adopted Youth Development Strategy by 30-Jun-16	Monitor implementation of one Youth Programme emanating from the adopted Youth Development Strategy by 30-Jun-17	One youth program was monitored to address program emanates from youth development strategy. 14 local youth went for Welding Skills Programme Training at KZN School of Welding & Training from the 6th to 20th of March 2017	R 200 000	R 195 151.90			Signed report by manager community services and HOD
SD17			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Awarding of external bursaries	Date by which the recommendations for External bursaries are sent to the Office of the MM	Date	Recommendations for External bursaries sent to the Office of the MM on the 4th of February 2016.	Recommendations for External bursaries sent to the Office of the MM by 20- Feb-17	Finalising the selection of bursary applicants by 03-Feb-17 after the closing date which was on the 31st of January 2017. Eleven applicants were recommended and submitted to the office of the MM on the 3rd of February 2017 for financial year 2016/17 Budget.	R 600 000	R 599 990.00			Proof of submission to the Office of the MM and report signed by the panel and HOD
SD18			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Monitor back to school campaign	Date by which Back to school campaign is conducted	Date	Back to school campaign was conducted on the 13th of January 2016.	Monitor Back to school campaign to be conducted by 31-Jan-17	Back to school campaign was done on the first day of school opening where ward councillors and relevant stakeholders were taking part on this program. All High Schools were visited on the 11th of January 2017	R 15 000	R 12 526.60			Signed attendance register and report signed by manager community services and HOD

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							BASELINE	PROJECTED	ACTUAL					
CORP18			To improve the performance and functioning of the municipality	Distribution of agendas	Turnaround time for distributing agenda to the members of Social Development portfolio before the meeting	turnaround time	agenda of the SD Portfolio committee meeting distributed 5 days prior to meeting	Distribute the agenda of the SD Portfolio committee meeting 5 days prior to meeting	1. The agenda was distributed 7 days before the meeting. The agenda was distributed on the 13th July 2016 and the meeting was held on 20th July 2016. 2. The agenda was distributed 7 days before the meeting. The agenda was distributed on the 14th September 2016 and the meeting was held on the 21st September 2016. 3. The agenda was distributed 6 days before the meeting. The agenda was distributed on the 25th October 2016 and the meeting was held on the 1st November 2016. 4. The agenda was distributed 6 days before the meeting. The agenda was distributed on the 31 January 2017 and the meeting was held on 06th February 2017. 5. The agenda for the month of April was distributed 7 days before the meeting. The agenda was distributed on the 12th April 2017 and the meeting was held on 19th April 2017. 6. The agenda for the month of June was distributed 7 days before the meeting. The agenda was distributed on the 14th June 2017 and the meeting was held on 21 June 2017	OPEX	OPEX			Approved schedule of meetings for 2016/17 &Proof of receipt with the dates of the meeting and date received
CORP19			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Train unemployed youth	Number of trained unemployed youth in brick laying and plastering by 30-Jun-17	Number	Train 24 unemployed youth in brick laying and plastering by 30-Jun-16	Train 14 unemployed youth in brick laying and plastering by 30-Jun-17	22 Unemployed youth was trained on Bricklaying and Plastering on the 19- 30 June 2017.	R 1 600 000	R 1 502 431.46			Attendance registers & dated photos

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017		ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
								ANNUAL TARGET	ANNUAL ACTUAL					
							BASELINE	PROJECTED	ACTUAL					
IPD23			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Job creation through maintenance programme	Number of jobs created through EPWP - maintenance projects by 30-Jun-17	Number	Sustainability of 59 Jobs created through EPWP maintenance projects by 30-Jun-16	Sustainability of 75 Jobs created through EPWP maintenance projects by 30-Jun-17	A total number of EPWP employed was 90 where the payment summary and attendance register form part of the portfolio of evidence by 30-Jun-17	CAPEX	CAPEX			Attendance register & time sheets
SD19			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Monitor Library services awareness campaign	Number of Library services awareness campaign conducted by 30-Jun-17	Number	4 Library services awareness campaign conducted by 30-Jun-16	Monitor 4 Library services awareness campaign conducted by 30-Jun-17	6 Library services awareness campaign conducted on the 25-Aug-16, 29-Sep16, 28-Oct-16, 17-Mar-17, 23-Mar-17 and 26-May-17.	OPEX	OPEX			Signed report community services and HOD and dated pictures
SD20			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Support performing groups with equipment	Number of performing art groups supported with equipment by 30-June-2017	Number	8 performing art groups supported with equipment by 30-June-2016	Monitor the support of 11 performing art groups with equipment by 30-June-2017	Supporting 16 performing art groups with equipment on the 30 March 2017	R 320 000	R 292 964.19			Hand over certificates and dated photos
OMM09			To improve sustainable economic growth and development	Holding of social portfolio committee meetings as per approved schedule	Number of social portfolio committee meetings set as per approved schedule by 30-Jun-17	Number	4 social portfolio committee meetings set as per approved schedule by 30-Jun-16	Holding of 4 social portfolio committee meetings as per approved schedule by 30-Jun-17	6 social portfolio committee meetings held on the 20-Jul-16, 23-Sep-16, 3-Nov-16, 6-Feb-17, 21-Apr-17 and 21-Jun-17	OPEX	OPEX			Signed attendance register and a signed minutes
OMM10			To improve sustainable economic growth and development	Supporting of HIV support groups	Number of HIV support groups supported with resources by 30-Jun-17	Number	Training request for 6 HIV Support Groups in Food Security was submitted to Corporate Services Department on 30-Sep-15	Support 6 HIV support groups involved in food security projects with resources by 30-Jun-17	6 HIV support groups involved in food security projects was supported with resources on the 20/03/17 (Vuka Syaphila); 28/10/16 (Lufafa Multipurpose) ;02/11/16 (Grace Assembly Sizanani) ; 12/12/16 (Siyanqoba) ;12/12/16 (Mpilonde) and 12/12/16 (Sinawe)	R 167,000	R 137 826.21			Photos and signed register by the Chairperson

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							BASELINE	ANNUAL TARGET					
								PROJECTED					
OMM11			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Commemoration of world aids day and awarding of best performing ward aids committees and support groups	Date by which the world aids day is commemorated and best performing ward aids committees and support groups are awarded	Date	World Aids Day was commomerated on the 03 of December 2015	Commemoration of World Aids Day and award ceremony for best performing ward aids committees and support group by 31-Dec-16					signed attendance register and dated photos
OMM12			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Commemoration of a national Men's Day	Date by which national Men's day is commemorated	Date	new indicator	Commemoration of national Men's Day by 30-Sept-16					Attendance register and dated photos
OMM13			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Commemoration of a national Women's Day	Date by which national Women's day is commemorated	Date	new indicator	Commemoration national Women's day by 30-Sept-16					Attendance register and dated photos
OMM14			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Coordination of Izimbizo Zamadoda programme	Date by which Izimbizo Zamadoda will be coordinated	Date	new indicator	Coordinate 1 Izimbizo zamadoda programme by 31-Dec-16					Attendance register and dated photos
SD21			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Monitor coordination of child protection week	Date by which Child protection week campaign is coordinated	Date	Child protection week coordinated on the 27 May 2016	Monitor coordination of child protection week by 30-Jun-17					Attendance register and dated photos
									R 300 000	R 300 000			
									R 120 000	R 34 860.00			

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							BASELINE	ANNUAL TARGET					
								PROJECTED					
SD22			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Monitor commemoration of a national disability day	Date by which National Disability Day for disabled people is commemorated	Date	National disability day commemorated on the 25th of November 2015 at Highflats Hall5	Monitor commemoration of National Disability Day for disabled people by 31-Dec-16	commemoration of National Disability Day for disabled people was held on the 23rd of November 2016 at Ward 3 Nonkwenkwana Hall.				Attendance register and dated photos
SD23			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Monitor coordination of the local golden games selection	Date by which Local Golden Games Selections for elderly people is coordinated	Date	Local Golden Games Selections for elderly people were held on the 29th of July 2015 at Lower sports field.	Monitor the coordination of Local Golden Games Selections for elderly people by 30-Sep-16	Local Golden Games Selections for elderly people was coordinated on the 13th of July 2016.				Attendance register and dated photos
SD24			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Monitor coordination of the world heritage day celebration and arts & culture programme	Date by which World Heritage Day Celebration and Art and Culture Programme is coordinated	Date	World Heritage Day Celebration and Art and Culture Programme was held on the 25th of September 2015	Monitor coordination of World Heritage Day Celebration and Art and Culture Programme by 30-Sep16	World Heritage Day Celebration and Art and Culture Programme was coordinated on the 29th of September to the 1st of October 2016.	R 250 000	R 217 985.59		Attendance register and dated photos
SD25			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Monitor coordination of umkhosi womhlanga	Date by which participation of Ubuhlebezwe Maidens in Umkhosi Womhlanga is coordinated	Date	Coordination of the participation of Ubuhlebezwe Maidens in Umkhosi Womhlanga was done on the 4th to 6th of September 2015	Monitor coordination of the participation of Ubuhlebezwe Maidens in Umkhosi Womhlanga by 30-Sep-16	Participation of Ubuhlebezwe Maidens in Umkhosi womhlanga was monitored on the 9th of September 2016 and 10th of September 2016				Attendance register and dated photos
SD26			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Monitor coordination of the activist programme	Date by which 16 days of Activism (Fight against children and women abuse) is commemorated	Date	Commemoration of 16 days of activism was held on the 26 November 2015 at Jolivet Hall.	Monitor coordination of commemoration of 16 days of Activism (Fight against children and women abuse) by 31-Dec-16	Coordination of commemoration of 16 days of Activism (Fight against children and women abuse) was held on the 30th of November 2016 at Ward 4 Fairview Hall	R 120 000	R 34 860.00		Attendance register and dated photos

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							BASELINE	ANNUAL TARGET					
								PROJECTED					
SD46			To improve sustainable economic growth and development	Review and Submit LED Strategy to Council for adoption	Date by which an LED Strategy is reviewed and submitted to Council for adoption	Date	New indicator	Review and submit an LED Strategy to Council for adoption by 25-May-17	LED Strategy submitted to Council for adoption at a Council meeting held on the 25th of May 2017.	OPEX	OPEX		Proof of submission; Council Resolution
SD47			To improve sustainable economic growth and development	Create jobs through LED projects	Number of jobs created through LED projects by 30-Jun-17	Number	New indicator	Creation of 40 jobs through LED projects by 30-Jun-17	Created of 59 jobs through LED projects on the 30 June 2017	OPEX	OPEX		Signed attendance registers with the names of people
OMM15	DEEPEN DEMOCRACY THROUGH A REFINED WARD COMMITTEE SYSTEM	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	To improve performance and functioning of the municipality	Publishing of Section 57 employees performance agreements	Turnaround time for publishing of Section 57 employees performance agreements within 14 days after signing	Turnaround time	The organisational key performance indicators & targets were published on the 4th June 2015 after approval by council on the 28th May 2015	Publish Section 57 employees performance agreements within 14 days after signing	All section 57 employees' performance agreements were published on the 07th of July 2016 which was within 14 days after signing.	OPEX	OPEX		Public notice & signed performance agreements
OMM16			To improve performance and functioning of the municipality	Conducting performance reviews	Number of performance reviews conducted by 30-June-17	Number	4 performance reviews conducted	2 performance reviews conducted by 30-Jun-17	6 performance reviews were conducted on the 4th, 5th and 6th of October 2016 and 6th;7th and 10th of March 2017	OPEX	OPEX		Signed attendance register with minutes
OMM17			To improve performance and functioning of the municipality	Preparation and submission of a mid-year performance report	Date by which Mid-year Performance Report is Prepared and submitted to the Mayor, & COGTA	Date	The Mid-year Performance Report was Prepared and submitted to the Mayor on the 21st of January 2016 & to COGTA on the 25th of January 16	Prepare and submit the Mid-year Performance Report to the Mayor & COGTA by 25-Jan-17	The Mid-year Performance Report was prepared and submitted to Mayor & COGTA on the 24th of January 2017	OPEX	OPEX		Council signed minutes; proof of submissions

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017		ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
								ANNUAL TARGET	ANNUAL ACTUAL					
							BASELINE	PROJECTED	ACTUAL					
OMM18			To promote accountability to the citizens of Ubuhlebezwe	Commencement of the community consultation meetings	Number of community consultation meetings held for 2017/18 IDP by 30-Jun-17	Number	Community consultation held on 17-19 Nov-2015 & 12-14 April 2016	8 community consultation meetings held for 2017/18 IDP (6 Clustered & 2 Ratepayers) by 30-Jun-17	8 community consultation meetings held for 2017/18 IDP : (3 clustered on 25 Oct-16 Sportsfield near kwaMpondo), 26-Oct-16 at Madungeni & 27 of October 2016 at Ncakubani and 1 ratepayers on 27 of October 2016) and (3 clustered and 1 ratepayers) on the 10-Apr-17 at Gudwini; 11-Apr-17 at Sukuma; 12 of April 2017 at Nokweja and 12 of April 2017(ratepayers)	OPEX	OPEX			Signed attendance register
OMM19			To improve performance and functioning of the municipality	Submission of the annual report to AG	Date by which the Annual performance report will be submitted to AG	Date	APR submitted on 31 August 2015	Submit 2015/16 Annual performance report to AG by 31-Aug-16	2015/16 Annual performance report was submitted to AG by 31-Aug-16	OPEX	OPEX			Proof of submission
OMM20			To improve performance and functioning of the municipality	Submission of the draft annual report to Council	Date by which the Draft annual report will be submitted to council	Date	The draft annual report was submitted to council for approval on the 21-Jan-16	Submission of the Draft 2015/16 annual report to council for approval by 31- Jan-17	2015/16 draft annual report was submitted on the 24th of January 2017 to council for approval	OPEX	OPEX			Council minutes and attendance register
OMM21			To improve performance and functioning of the municipality	Adoption of an oversight report	Date by which the 2015/16 oversight report is submitted to Council for adoption (MFMA section 129(1))	Date	The 2014/15 oversight report was submitted to Council for adoption at a Council meeting held on the 23 March 2016 (MFMA section 129(1))	Submit the 2015/16 oversight report to Council for adoption (MFMA section 129(1)) by 31-Mar-17	The 2015/16 oversight report was submitted on the 30th of March 2017 to Council for adoption (MFMA section 129(1))	OPEX	OPEX			Council minutes and attendance register
OMM22			To promote accountability to the citizens of Ubuhlebezwe	Publishing of the oversight report	Turnaround time for publishing of an oversight report after adoption	Turnaround time	An oversight report published within 14 days after adoption	Publishing of 2015/16 Oversight report within 14 days after adoption	2015/16 oversight report was adopted on the 30th of March 2017 and published on the 21st of April 2017 which was within 14 days after adoption	OPEX	OPEX			public notice & council resolution

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							BASELINE	ANNUAL TARGET					
								PROJECTED					
OMM23			To improve the performance and functioning of the municipality	Submission of the oversight report to COGTA	Date by which an Oversight Report is submitted to COGTA	Date	Oversight report submitted to COGTA	Submission of 2015/16 Oversight Report to COGTA by 07-Apr-17	2015/16 Oversight Report was submitted to COGTA on the 31st of March 2017	OPEX	OPEX		Proof of submission
OMM24			To improve the performance and functioning of the municipality	Development and approval of the risk based internal audit plan	Date by which a risk-based internal audit plan for 16/17 is developed and approved	Date	Risk-based internal audit plan for 15/16 was developed and approved on the 21-Aug-15	Develop and approve risk-based Internal Audit plan for 16/17 by 30-Sep-16	Risk-based internal audit plan for 16/17 was submitted to developed and approved on the 21-Apr-17	OPEX	OPEX		Risk internal audit plan and signed APAC minutes
OMM25			To improve the performance and functioning of the municipality	Submission of internal audit reports to APAC	Number of internal audit reports submitted to the APAC by 30-Jun-17	Number	4 internal audit reports submitted to APAC by 30-Jun-16	4 Internal Audit reports submitted to the APAC by 30-Jun-17	4 Internal Audit reports submitted to the APAC on the 26-Aug-16, 18-Nov-16, 3-Feb-17 and 21-Apr-17	OPEX	OPEX		Internal audit report, signed APAC minutes
OMM26			To improve the performance and functioning of the municipality	Holding of audit committee meetings	Number of APAC meetings held by 30-Jun-17	Number	4 APAC meetings held by 30-Jun-16	Holding of 4 APAC meetings by 30-Jun-17	4 APAC meetings held on the 26-Aug-16, 18-Nov-16, 3-Feb-17 and 21-Apr-17	OPEX	OPEX		APAC agenda; signed attendance register
OMM27			To improve the performance and functioning of the municipality	Holding of risk management committee meetings	Number of risk management committee meetings held by 30-Jun-17	Number	4 risk management committee meetings held by 30-Jun-16	4 risk management committee meetings by 30-Jun-17	3 risk management committee meetings held on the 12-Dec-16, 24-Mar-17, 1-Jun-17 and	OPEX	OPEX	Risk and Compliance position vacant due to the resignation of the officer responsible for Risk and Compliance matters	Signed minutes and signed attendance register
OMM28			To improve the performance and functioning of the municipality	Tabling of the IDP process plan	Date by which the 2017/18 IDP framework and process plan is submitted to council for approval	Date	The 2016/17 IDP framework and process plan was submitted to council for approval on the 30-Jul-15	submit a 2017/18 IDP framework and process plan to council for approval by 31-Aug-16	2017/18 IDP framework and process plan was submitted to council for approval on the 28-Jul-16	OPEX	OPEX		Council minutes and attendance register

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS		UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017		ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
									ANNUAL TARGET	ANNUAL ACTUAL					
								BASELINE	PROJECTED	ACTUAL					
OMM29			To promote accountability to the citizens of Ubuhlebezwe	Publishing of 2017/2018 draft annual budget and draft IDP	Turnaround time for publishing of 2017/18 draft annual budget and draft IDP for public comments before final adoption		Turnaround time	2016/17 draft annual budget and draft IDP for public comments was publicised 21 days before final adoption	Publish 2017/18 draft annual budget and draft IDP for public comments 21 days before final adoption	2017/18 draft annual budget was approved on the 30th of March 2017 and published on the 07th April 2017 and draft IDP was approved 30th March 2017 and published on the 3-5 April 2017 for public comments 21 days before final adoption	OPEX	OPEX			Council resolution and public notice
OMM30			To promote accountability to the citizens of Ubuhlebezwe	Publishing the 2017/2018 annual budget and IDP	Turnaround time for publishing of the final annual budget and IDP for 2017/18 after its adoption		Turnaround time	final annual budget and IDP for 2016/17 was made public within 14 days of its adoption	final annual budget and IDP for 2017/18 made public within 14 days of its adoption	2017/18 final annual budget was adopted on the 25th of May 2017 and published on the 9th of June 2017 and IDP was adopted on the 25th of May and made public on the 2nd of June 2017 which was within 14 days of its adoption	OPEX	OPEX			Council resolution and public notice
OMM31			To improve the performance and functioning of the municipality	Holding of a general staff meeting	Number of general staff meetings held by 31-Mar-17		Number	2 general staff meetings were held on 15-Dec-15 and 10-Feb-16	Holding of 2 general staff meetings by 31-Mar-17	2 general staff meetings held on the 14-Dec-16 and 12-Jan-17	OPEX	OPEX			Signed attendance registers
OMM32			To improve the performance and functioning of the municipality	Development of an action plan addressing AG quiries	Date by which the Action Plan to address AG queries is developed		Date	Action Plan to address AG queries was developed on 11-Feb-16	Develop Action Plan to address AG queries by 28-Feb-17	Action Plan to address AG queries was developed and tabled to Council at a meeting held on the 24th of January 2017	OPEX	OPEX			Action plan and signed council minutes
OMM33			To improve the performance and functioning of the municipality	Reviewal and approval of fraud prevention plan	Date by which the fraud prevention plan is reviewed and approved		Date	workshops were conducted by KZN Treasury. The results of the fraud risk assessment will be incorporated into the fraud prevention plan in order to finalise the review of the fraud prevention.	Review and approve fraud prevention plan by 30-Jun-17	fraud prevention plan was reviewed and approved at a Council meeting held on the 22nd of June 2017	OPEX	OPEX			Fraud prevention plan and Council resolution

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							BASELINE	ANNUAL TARGET					
								PROJECTED					
SD27			To promote accountability to the citizens of Ubuhlebezwe	Coordination of centralised ward committee	Number of centralised ward committee meetings coordinated by 30-Jun-17	Number	2 centralised ward committees meeting held by 30-Jun-16	Coordinate a sitting of 2 centralised ward committees meetings by 30-Jun-17	1 centralised ward committees meetings coordinated on the 7-Jun-17	OPEX	OPEX	Due to the new elections and the Ward Committee structures desolved, the meeting could not sit	Attendance register and minutes
SD28			To promote accountability to the citizens of Ubuhlebezwe	Submission of OSS progress report to Social Developmet portfolio	Number of OSS progress reports submitted to Social Development Portfolio by 30- June -17	Number	12 OSS meetings were coordinated by 30- June -16	Submission of 4 progress reports on OSS to Social Development portfolio committee by 30- June -17	4 progress reports on OSS submitted to Social Development portfolio committee on the 23-Sep-16, 3-Nov-16, 6 Feb 2017, 21 April 2017	OPEX	OPEX		Signed minutes and Progress report
SD29			To promote accountability to the citizens of Ubuhlebezwe	Co-ordination ward committee visits	Number of visits to ward committees meetings by Public Participation Officer co-ordinated by 30-Jun-17	Number	4 visits to ward committee meetings by Public Participation Officer by 30-Jun-16	Co-ordinate 4 Public Participation Officer visits to ward committee meetings by 30-Jun-17	11 Public Participation Officer visits to ward committee meetings on the 8-Jul-16 at ward 4, 21-Dec-16 at ward 11, 4th of January 2017 at ward 8, on the 5th of January 2017 at ward 10, on the 6th of January 2017 at ward 5, on the 9th of January 2017 at ward 2, on the 10th of January 2017 at ward 6, on the 13th of January 2017 at ward 4, on the 19th of January 2017 at ward 1, on the 6th of February 2017 at ward 3, 12-May-17 at ward 9	OPEX	OPEX		Signed Attendance register
SD30			To promote accountability to the citizens of Ubuhlebezwe	Coordination of IDP roadshows	Number of IDP public participation meetings coordinated by 30-Apr-17	Number	2 IDP public participation meetings coordinated by 30-Apr-16	8 IDP public participation meetings coordinated (6 clustered and 2 ratepayers) by 30-Apr-17	8 IDP public participation meetings coordinated: (25th of October 2016 at Kwampondo Skills centre ward 7, On the 26th of October 2016 at Emadungeni Hall ward 12, on the 27th of October 2016 at Ncakubani ward 1 and on the 27th of October Ratepayers at Peace Initiative hall ward 2) and (Gudwini Hall on the 10th of April 2017, Sukuma Hall on the 11th of April 2017 Nokweja hall on the 12th of April 2017 and ratepayers meeting on the 12th of April 2017)	OPEX	OPEX		Signed attendance registers

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							BASELINE	ANNUAL TARGET					
								PROJECTED					
SD31 IPD24 BTO07 CORP20			To improve the performance and functioning of the municipality	Holding of departmental meetings	Number of departmental meetings held by 30-Jun-17	Number	4 departmental meetings were held by 30-Jun-16	Holding of 4 departmental meetings by 30-Jun-17	Departmental meetings held by the 30-Jun-17: SD = 5 meetings: 2nd of August 2016, 17 Oct 2016, 24 Oct 2016, 28 Nov 2016, 23rd of January 2017 and on the 22nd of February 2017, 17th of May 2017 and on the 12th of June 2017; IPD= 5 meetings: 29th September 2016, 24 January 2017 and 22nd March 2017, 05 June 2017 and formal managers meeting was held on the 18th May 2017; BTO= 4 meetings: 21/09/2016, 17/11/2016, 15/03/2017, 30/05/2017; CORP=13 meetings: 7th July 2016, 2nd meeting held on the 18th July 2015 and 3rd meeting held on the 19th September 2016, 17 October 2016, 24 October 2016 and 28 November 2016, 23 January 2017, 13 February 2017 and 22 February 2017, 15 May 2017, 17 May 2017, 12 June 2017 and 26 June 2017.	OPEX	OPEX		Signed attendance register & signed minutes
SD32 IPD25 BTO08 CORP21			To promote accountability to the citizens of Ubuhlebezwe	Attending IDP public participation meetings	Number of IDP public participation meetings attended by 30-Apr-17	Number	8 public participation meetings attended in Nov 2015 & April 2016	4 IDP public participation meetings attended (2 Clustered and 2 Ratepayers) by 30-Apr-17	SD=6 IDP meetings were attended on the 25th of October 2016 at Kwampondo Skills Centre and Ratepayers meeting on the 27th of October 2016 at Peace Initiative Hall, Gudwini Hall on the 10th of April 2017, Sukuma Hall on the 11th of April 2017 Nokweja hall on the 12th of April 2017 and 1 ratepayers meeting attended on the 12th of April; IPD= 5 public participation meeting attended by 30-Jun-17. The one attended was on the 25-Oct-16 at sportfield near kwaMpondo, 27th October 2016 for ratepayers, Gudwini Hall clustered on the 10th April 2017 and 1 2-Apr-17 at Nokweja Hall and 12-Apr-17 for ratepayers; BTO= 4 Public participation meetings attended was held on the 27/10/2016 for ratepayers and 27/10/2016 at Ncakubane, 12/04/2017 at Nokweja and 12/14/2017 for	OPEX	OPEX		Signed attendance register

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							BASELINE	ANNUAL TARGET					
								PROJECTED					
SD33 IPD26 BTO09 CORP22			To improve the performance and functioning of the municipality	Attending council committee meetings	Number of council committee meetings attended by 30-Jun-17	Number	64 council committee meetings attended by 30-Jun-16	Attend 64 council committee meetings (16 MANCO, 16 Portfolio, 16 EXCO, 16 Council meetings by 30-Jun-17					Signed attendance register and signed minutes
								ratepayers; CORP = 4 IDP Public Participation meetings attended on the 25 October 2016 at Sportsfield near kwaMpondo skills centre , 27 October 2016 for ratepayers, 10 April 2017 at Gudwini and 12 April 2017 for Ratepayers					
								SD=MANCO: 24th of August 2016, 13th of September 2016, 19th of October 2016 and on the 10th of November 2016, 18th of January 2017, on the 21st of February 2017 and on the 28th of March 2017, 14th of June 2017, <u>Portfolio</u> on the 20th of July and on the 23rd Of September 2016, 3rd of November 2016, 6th of February 2017, 21st of April 2017 and 21st of June 2017. <u>EXCO</u> on the 26th of July 2016, 11th of October 2016, , 17th of January 2017 and on the 21st of February 2017, 23rd of May 2017 and 6th of June 2017. <u>Council</u> on the 28th of July 2016, on the 18th of August 2016 and on the 24th of August 2016, 3rd of November 2016 and on the 8th of December 2016, 24th of January 2017, on the 23rd of February 2017 and on the 30th of March 2017; 26 April 2017, 25 May 2017, 22 June 2017; IPD: <u>MANCO:</u> 21/07/2016,24/08/2016 , 13/09/2016, 28 October 2016, 10 November 2016, 18 January, 21 February, 28 March, 24th May 2017 and 14th June 2017; <u>Portfolio:</u> 21st July 2016, 26th September 2016, 6th February 2017; <u>Executive Committee:</u>					

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE	
							BASELINE	ANNUAL TARGET						ANNUAL ACTUAL
								PROJECTED						ACTUAL
								26th July 2016, 21-Oct-16, 22 November 2016, 17 January 2017,21 February 2017, 23rd May 2017; <u>Council:</u> 13th July 2016, 28 July 2016, 18th August 2016, 24th August 2016, 8 September 2016, 3 November 2016 and the 8 December, 24th January 2017, 23-Feb-17, and 30 March 2017; 26 April ,25 May 2017; <u>BTO=MANCO:</u> 21/07/2016,24/08/2016,13/09/2016, 19/10/2016. 10/11/2016, 18/01/2017. 21/02/2017, 24/05/2017; <u>Council:</u> 28/07/2016, 8/09/2016, 18/08/2016, 03/11/2016, 24/01/2017, 23/02/2017, 26/04/2017, 25/05/2017; <u>EXCO:</u> 26/7/2016, 22/11/2016,11/10/2016,21/10/2016, 17/01/2017, 16/03/2017, 21/02/2017, 06/06/2017, 23/05/2017; <u>Portfolio:</u> 12/7/2016, 10/11/2016,13/12/2016 , 14/02/2017, 14/03/2017, 12/01/2017, 12/05/2017, 13/06/2017; <u>CORP=10 MANCO:</u> 13-Sep-16, 24-Aug-16, 21-Jul-16, 6-Jul-16, 19-Oct-16, 10-Nov-16, 21-Feb-17, 28-Mar-17, 18-Jan-17, 14 June 2017 , 6 <u>Portfolio:</u> 19-Jul-16, 20-Sep-16, 31-Oct-16, 7-Feb-17, 18 April and 20 June 2017 , 6 <u>EXCO:</u> 11-Oct-16, 17-Jan-17, 21-Feb-17, 16-Mar-17, 23 May and 6 June 2017 , 10 <u>Council:</u> 18-Aug-16, 8-Sep-16, 20-Sep-16, 24-Aug-16, 8-Dec-16, 3-Nov-16, 24-Jan-17, 23-Feb-17, 26 April 2017 and 25 May 2017.						

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017		ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
								ANNUAL TARGET	ANNUAL ACTUAL					
							BASELINE	PROJECTED	ACTUAL					
SD34	CORP23 IPD27 SD35 BTO10		To improve the performance and functioning of the municipality	Submission of Social Development Portfolio items	Turnaround time for submission of Social Development Portfolio items to Corporate Services after receiving circular.	Turnaround time	Social Development Portfolio items were submitted to Corporate Services within 7 working days after receiving circular	Submission of Social Development Portfolio items to Corporate Services within 7 working days after receiving circular	1. Circular date: ; 2 Sep-16. Submission of items: 11-Jul-16 and 8-Sep-16 respectively. 2. Circular date:17 Oct 16. Submission of items: 19 Oct 2016 3. Circular date: 12 Jan 2017. Submission of items: 18-Jan-17. 4. Circular date: 31-Mar-17, 7 June 2017, . Submission of items:7-Apr-17 and 12-Jun-17 respectively.	OPEX	OPEX			Proof of submission and Circular
			To improve the performance and functioning of the municipality	attending of risk management committee meetings	Number of risk management committee meetings attended by 30-Jun-17	Number	4 risk management committee meetings attended by 30-Jun-16	Attend 4 risk management committee meetings by 30-Jun-17	CORP; IPD; SD; BTO: =3 Risk committee meetings were held on the 12/12/2016, 24-Mar-17 and 01-Jun-17	OPEX	OPEX	Risk and Compliance position vacant due to the resignation of the officer responsible for Risk and Compliance matters	Risk and Compliance officer was appointed during quarter 2.	Signed minutes and signed attendance register
OMM34	IMPROVED MUNICIPAL FINANCIAL AND ADMINISTRATIVE CAPABILITY	FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	To practice sound financial management principles	Tabling of the 2017/2018 draft annual budget to Council	Date by which the 2017/18 Draft annual budget is tabled to council	Date	2016/17 Draft annual budget was tabled to council on the 23-Mar-16	Tabling of 2017/18 Draft annual budget to council by the 31-Mar-17	2017/18 Draft annual budget was tabled to council on the 30th of March 2017	OPEX	OPEX			Signed council minutes and resolution
OMM35			To practice sound financial management principles	Submission of the 2017/18 draft annual budget to PT & NT	Date by which the 2017/18 Draft Annual Budget is submitted to PT & NT after approval by Council	Date	Draft annual budget submitted to PT & NT	Submission of 2016/17 Draft Annual Budget to PT & NT after approval by Council (03-Apr-17)	Draft Annual Budget for 2017/18 was approved on the 30th March 2017 and submitted to PT & NT on the 3rd of April 2017 after approval by Council	OPEX	OPEX			Proof of submission
BTO11			To invest in the development of the municipal area to enhance revenue	Producing a monthly billing / collection report	Number of billing/collection reports produced on monthly billings/collection by 30-Jun-17	Number	12 monthly billings and collection reports produced by 30-Jun-16	12 Summary debtors age analysis /collection reports produced on monthly billings/collection by 30-Jun-17	11 Summary debtors age analysis /collection reports produced on monthly billings/collection by 30-Jun-17: 16/08/2016, 5/09/2016, 3/10/2016, 2/12/2016, 6/01/2017, 2/11/2016, 6/03/2017, 6/02/2017, 5/04/2017, 2/05/2017, 01/06/2017	OPEX	OPEX	Summary debtors age analysis /collection reports were not done on time during other months.	This 2017/2018 financial year asset office will prepare capital grants on time.	Summary debtors age analysis and collection reports

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017		ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
								ANNUAL TARGET	ANNUAL ACTUAL					
							BASELINE	PROJECTED	ACTUAL					
OMM36 BTO21			To practice sound financial management principles	Adoption of the 2017/18 annual budget	Date by which the 2017/18 annual budget is adopted by Council	Date	2016/17 Annual budget adopted at a Council meeting held on the 26-May-16	2017/18 annual budget adopted by Council (31-May-17)	2017/18 annual budget adopted by Council on the 25th of May 2017	OPEX	OPEX			Council minutes and resolution
OMM37 BTO22			To practice sound financial management principles	Submission of the final 2017/18 annual budget to NT & PT	Turnaround time for submission of 2017/18 Final Budget to NT & PT after Council adoption	Turnaround time	Final budget submitted to NT & PT	2017/18 Final Budget submitted to NT & PT within 10 days of council adoption	2017/18 Final Budget was adopted on the 25th of May 2017 and submitted to NT & PT on the 9th of June 2017 which was within 10 days of council adoption	OPEX	OPEX			Proof of submission
OMM38 BTO12			To practice sound financial management principles	Submission of section 71 reports to finance portfolio committee	Number of section 71 reports submitted to finance portfolio committee by 30-Jun-17	Number	12 section 71 reports submitted to portfolio monthly	Submission of 12 section 71 reports' to finance portfolio committee by 30-Jun-17	11 section 71 reports' submitted to finance portfolio committee on the 12-Jul-16, 13-Sep-16, 12-Oct-16, 10-Nov-16, 13-Dec-16, 12-Jan-17, 14-Feb-17, 14-Mar-17, 13-Apr-17, 12-May-17, 13-Jun-17	OPEX	OPEX	Due to the council elections, council was not yet established hence the number of section 71 reports submitted are not equaling to 12	Council was only established in August 2016	Signed portfolio minutes and section 71 reports
OMM39			To practice sound financial management principles	Submission of the 2016/17 draft SDBIP and annual performance agreements to the Mayor	Turnaround time for submission of 2016/17 draft SDBIP and annual performance agreements to Mayor after budget adoption	Turnaround time	Draft SDBIP submitted to Mayor on 23 March 2016	Submission of 2017/18 draft SDBIP and annual performance agreements to Mayor within 14 days of budget adoption	2017/18 draft SDBIP and annual performance agreements to Mayor was submitted on the 30th of March 2017 which was within 14 days of budget adoption	OPEX	OPEX			Signed council minutes and resolution
OMM40			To practice sound financial management principles	Submission of the 2016/17 draft SDBIP to COGTA	Turnaround time for submission of Draft 2016/17 SDBIP to COGTA after council approval	Turnaround time	Draft SDBIP submitted to NT, PT & COGTA	Submission of the Draft 2017/18SDBIP to COGTA within 10 days after council approval	2017/18 Draft SDBIP was approved on the 30th of March 2017 and submitted to COGTA on the 30th of March 2017 which was within 10 days after council approval	OPEX	OPEX			Proof of submission

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							BASELINE	ANNUAL TARGET					
								PROJECTED					
OMM41			To practice sound financial management principles	Adoption of 2016/17 SDBIP to Council	Turnaround time for submission of 2016/17 SDBIP to Council for adoption after budget adoption	Turnaround time	SDBIP adopted by Council on 26 May 2016	Submit 2016/17 SDBIP to Council for adoption within 28 days after budget adoption	2017/18 SDBIP was submitted to council on the 25th of May 2017 for adoption which was within 28 days after budget adoption that was on the 25th of May 2015	OPEX	OPEX		Signed minutes & attendance register
OMM42			To practice sound financial management principles	Publication of adjusted 2016/17 SDBIP and IDP	Turnaround time for which the 2016/17 adjusted SDBIP and IDP is published after the approval of adjusted budget	Turnaround time	Publication of adjusted 2016/17 SDBIP and IDP was done within 10 days after approval of adjusted budget	Publication of adjusted 2016/17 SDBIP and IDP within 10 days after approval of adjusted budget	adjusted 2016/17 SDBIP and IDP was published on the 03rd of March 2017 after approval that was on the 23rd of February 2017 which was within 10 days after approval of adjusted budget	OPEX	OPEX		Public notice
CORP24			To improve performance and functioning of the municipality	Distribution of agendas	Turnaround time for distributing agenda to the members of Finance portfolio committee before the meeting	Turnaround time	agenda of the Finance Portfolio committee meeting was distributed 2 days prior to meeting	Distribute the agenda of the Finance Portfolio committee meeting 2 days prior to meeting	1. The Agenda was distributed 3 days before the meeting. The agenda was distributed on the 8th July 2016 and the meeting was held on the 12th July 2016. 2. The agenda was distributed 2 day before the meeting. The agenda was distributed on the 10th September 2016 and the meeting was held on the 12th September 2016. 3. October Finance Portfolio Agenda was distributed 2 days before the meeting, the agenda was distributed on the 10th October and the meeting was held on the 12th October 2016. 4. November Finance Portfolio Agenda was distributed 2 days before the meeting. The Agenda was distributed on the 8th November 2016 and the meeting was held on the 10th November 2016. 5. December Finance Portfolio agenda was distributed 2 days before the meeting the agenda was distributed on the 11th December and the meeting was held on the 13th December 2016. 6. January Finance Portfolio Agenda was distributed 2 days	OPEX	OPEX		Proof of receipt with dates of the meeting and receiving date

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							BASELINE	ANNUAL TARGET					
								PROJECTED					
BTO13			To practice sound financial management principles	Paying service providers within 30 days	Turnaround time for paying service providers	Turnaround time							Invoices and proof of payments

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017		ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
								ANNUAL TARGET	ANNUAL ACTUAL					
							BASELINE	PROJECTED	ACTUAL					
									3. Invoice received on the 12/01/2017 and paid on 26/01//2017 second invoice received on the 03/02//2017 and paid on the 23/02/2017, the third invoice received 08/03/2017 and paid 28/03/2017 4. Invoice received on the 16/05/2017 and paid on 30/05/2017 second invoice received on the 11/04//2017 and paid on the 26/04/2017, the third invoice received 12/06/2017 and paid 26/06/2017					
To practice sound financial management principles			Reviewal of monthly reconciliations of assets	Number of asset management reconciliations, updated asset register and a list of all insured assets reviewed by 30-Jun-17	Number	12 monthly asset registers were produced by 30-Jun-16	Review 12 asset management reconciliations, updated asset register and a list of all insured assets by 30-Jun-17	14 asset management reconciliations, updated asset register and a list of all insured assets on: 4/08/2016, 6/09/2016, 5/10/2016, 4/11/2016, 2/12/2016, 5/01/2017, 11/01/2017, 3/11/2016, 7/04/2017, 3/02/2017, 6/03/2017, 5/04/2017, 7/07/2017, 5/05/2017	OPEX	OPEX			Updated assets register and a list of all insured assets and signed reconciliations	
To practice sound financial management principles			Reviewal of newly barcoded assets	Date by which newly barcoded assets are reviewed	Date	new indicator	Review a list of newly barcoded assets by 30-May-17	New assets were barcoded on the 31/05/2017	OPEX	OPEX			Reviewed list of newly barcoded assets	
To practice sound financial management principles			Adoption of asset management policy	Date by which asset management policy is adopted	Date	new indicator	Adoption of asset management policy by 30-Jun-17	Asset management policy adopted at a Council meeting held on the 25/05/2017	OPEX	OPEX			Council resolution	
To practice sound financial management principles			Reviewal and signing of Asset Verification plan	Date by which Asset Verification plan is reviewed and signed	Date	new indicator	Reviewal and signing of Asset Verification plan by 31-May-17	The asset verification plan was reviewed on the 7 April 2017	OPEX	OPEX			Signed asset verification plan	

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE	
								ANNUAL TARGET						ANNUAL ACTUAL
							BASELINE	PROJECTED	ACTUAL					
BTO18			To practice sound financial management principles	Reviewal and signing of Asset Verification report	Date by which Asset Verification report is reviewed and signed	Date	new indicator	Reviewal and signing of Asset Verification Report by 30-Jun-17	Asset verification report was reviewed however it was not signed	OPEX	OPEX	CFOs post is vacant	Asset verification report will be signed as submitted to the office of the MM.	Signed asset verification report
BTO19			To practice sound financial management principles	Reviewal and submission of annual disposal report	Date by which annual disposal report is submitted to Council	Date	new indicator	Review and submit annual disposal report to Council by 30-Sep-16	annual asset disposal report to council for approval by 31-Aug-16 was not submitted	OPEX	OPEX	Annual asset disposal will be submitted to council in the following first quarter	Annual asset disposal will be submitted to council in the following first quarter during 2017/2018 financial year	Council Resolution
BTO20			To practice sound financial management principles	Reviewal and approval of investigation report	Date by which investigation report with recommendations from investigative committee is reviewed and approved	Date	new indicator	Review and approve investigation report with the recommendations from investigative committee by 31-Mar-17	Investigative committee meeting was on the 02/02/2017	OPEX	OPEX			Signed investigative committee report
BTO21			To practice sound financial management principles	Approval of capital commitments register	Date by which capital commitment register is approved	Date	new indicator	Approve capital commitment register by 30-Jun-17	capital commitment register is extracted for section 71 which is never signed but only get reviewed	OPEX	OPEX			Capital commitment register
BTO22			To practice sound financial management principles	Approval of exit and entry register	Date by which exit and entry register is approved	Date	new indicator	Approve exit and entry asset register by 30-Jun-17	Approve exit and entry asset register was not done. It was implemented but there were challenges. The department is currently sorting out the issue of asset tags for employees to minimise traffic at the gate during entry and exit.	OPEX	OPEX	It was implemented but there were challenges.	We currently sorting out the issue of asset tags for employees to minimise traffic at the gate during entry and exit	Dated exit and entry register

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017		ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
								ANNUAL TARGET	ANNUAL ACTUAL					
							BASELINE	PROJECTED	ACTUAL					
BTO23			To practice sound financial management principles	Approval of capital grants reconciliations	Number of approved capital grants reconciliations	Number	new indicator	Approve 12 capital grants reconciliations by 30-Jun-17	09 capital grants reconciliations approved on the: 04/11/2016,06/12/2016,05/01/2017, 06/02/2017 ,06/03/2017,04/04/2017, 05/05/2017 ,8/06/2017, 07/072017	OPEX	OPEX	Capital grant recons were not done on time during other months.	This 2017/2018 financial year asset office will prepare capital grants on time.	Monthly capital grants reconciliations
BTO24			To practice sound financial management principles	Approval of lease registers	Number of approved lease registers	Number	new indicator	Approve 12 lease registers by 30-Jun-17	8 Monthly lease register approved on the 05/05/2017, 07/07/2017, Monthly lease register as at 31/10/2016, 30/11/2016 and 31/12/2016 attached, Monthly lease register as at 06/03/2017, 06/02/2017 and 07/04/2017attached	OPEX	OPEX	Lease register was not done on time during other months.	This 2017/2018 financial year asset office will prepare lease register on time.	Monthly Lease register
BTO25			To practice sound financial management principles	Approval of retention registers	Number of approved retention registers	Number	new indicator	Approve 12 retention registers by 30-Jun-17	7 retention register is attached approved on the following date 04/05/2017 08/062017, 07/07/2017, 10/11/2016, 05/01/2017, 06/03/2017 06/042017	OPEX	OPEX	Retention register was not done on time during other months.	This 2017/2018 financial year asset office will prepare retention register on time.	Monthly retention register
BTO27			To practice sound financial management principles	Approval of maintenance plan	Date by which 2016/17 maintenance plan is approved	Date	new indicator	Approve 2016/17 maintenance plan by 30-Jun-17	Conditional assessment was not done on time which had an impact for the maintenance plan not being prepared on time	OPEX	OPEX	Conditional assessment was not done on time which had an impact for the maintenance plan not being prepared on time	IPD office is currently busy with the maintenance plan and will be submitted to MM's office as soon as it is done	Maintenance plan
BTO26			To practice sound financial management principles	Approval of conditional assessment report	Date by which 2016/17 conditional assessment report is approved	Date	new indicator	Approve 2016/17 conditional assessment report by 30-Jun-17	Conditional assessment report approved by 31/05/2017	OPEX	OPEX			Conditional assessment report

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							BASELINE	ANNUAL TARGET					
								PROJECTED					
BTO28			To practice sound financial management principles	Adoption of the 2016/17 adjustments budget	Date by which 2016/17 Adjustments budget is Adopted	Date	2015/16 Adjustments budget adopted by 18 February 2016	Adopt 2016/17 Adjustments budget by 28-Feb-17	Adopt 2016/17 Adjustments budget by Council was resolved on 23/02/2017	OPEX	OPEX		Council resolution
BTO29			To practice sound financial management principles	Submission of the 2016/17 adjustments budget to NT & PT	Turnaround time for submission of 2016/17 adjustments budget to NT & PT after the adoption	Turnaround time	Adjustments budget submitted to NT & PT on the 25/02/2016	Submission of Adjustments Budget for 2016/17 to NT & PT within 10 days after adoption	Submission of Adjustments Budget for 2016/17 to NT was on 07/03/2017 and PT 02/03/2017	OPEX	OPEX		Proof of submission
BTO30			To practice sound financial management principles	Adoption of the 2017/18 draft annual budget	Date by which 2017/18 Draft budget is adopted	Date	Draft budget was adopted on the 23/03/2016	Adopt Draft budget for 2017/2018 by 31-Mar-17	Adoption of Draft budget for 2017/2018 was on 30/03/2017	OPEX	OPEX		Council resolution
BTO31			To practice sound financial management principles	Submission of the 2017/18 draft annual budget to PT & NT	Date by which 2017/18 Draft Budget is Submitted to NT & PT after approval by Council	Date	Draft budget submitted to NT & PT	Submission of the 2017/18 Draft Budget to NT & PT after approval by Council (02-Apr-17)	Draft Budget approved by Council on the 30th of March 2017 and submitted to NT & PT on the 03/04/2017 and to PT 03/04/2017	OPEX	OPEX		Proof of submission
BTO32			To practice sound financial management principles	Adoption of the Final 2017/18 annual budget	Date by which 2017/18 Final budget is Adopted	Date	Final budget adopted by 26 May 2016	Adopt 2017/18 Final budget by 31-May-17	2017/18 Final budget adopted at a Council meeting held on the 25th of May 2017.	OPEX	OPEX		Signed minutes & council resolution
BTO33			To practice sound financial management principles	Submission of the 2017/18 final budget to NT & PT	Turnaround time for submission of 2017/18 adopted final budget to NT & PT.	Turnaround time	Final budget submitted to NT & PT	Submission of 2017/18 adopted Final Budget to NT & PT within 10 days	Final budget adopted at a Council meeting held on the 25th of May 2017 and submitted to NT on the 09/06/2017 and to PT 08/06/2017	OPEX	OPEX		Proof of submission
BTO34			To practice sound financial management principles	Submission of the AFS to AG	Date by which 2015/16 Annual financial statements (with annual report) is Submitted to AG	Date	AFS submitted on 31 August 2015	Submit 2015/16 Annual financial statements (with annual report) to AG by 31-Aug-16	Annual Financial Statement was submitted to AG on the 31/08/2016	OPEX	OPEX		Proof of submission

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017		ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
								ANNUAL TARGET	ANNUAL ACTUAL					
							BASELINE	PROJECTED	ACTUAL					
BTO35			To practice sound financial management principles	Tabling of the 2016/17 Mid-Term budget	Date by which 2016/17 Mid-Term budget review is tabled to Council – section 72	Date	Tabling of Mid-Term budget review to council (section 72) was done on 21/01/2016	Tabling of 2016/17 Mid-Term budget review to Council– section 72 by 25-Jan-17	Tabling of 2016/17 Mid-Term budget review to Council– section 72 was resolved on 24/01/2017	OPEX	OPEX			Council resolution
BTO36			To practice sound financial management principles	Submission of the 2016/17 Mid-Term budget to NT & PT	Date by which 2016/17 Mid-Term budget review is Submitted to NT& PT	Date	2015/16 Mid-Term budget was submitted on the 25 Jan 2016	Submission of the 2016/17 Mid-Term budget review to NT& PT by 25-Jan-17	Submission of the 2016/17 Mid-Term budget review to NT was on 25/01/2017 and PT on 25/01/2017	OPEX	OPEX			Proof of submission
BTO37			To invest in the development of the municipal area to enhance revenue	Implementation of MPRA	Date by which MPRA as per the new valuation roll is implemented (billings according to the valuation values)	Date	MPRA implemented as per the new valuation roll (billings according to the valuation values).	Implementation of the MPRA as per the new valuation roll (billings according to the valuation values) by 30-Jun-17	Debtors and valuation roll reconciliation were produced by the 30/07/2017	OPEX	OPEX	Debtor and Val roll recon are produced monthly however they are not dated they are only produced to the end of 30/07/2017.	They will be monthly dated in a first quarter.	Debtors and valuation roll reconciliation
IPD28			To practice sound financial management principles	100% spending of MIG projects, small town rehabilitation projects, electrification projects and internal funded projects	Percentage of a municipality's CAPITAL BUDGET actually spent on CAPITAL PROJECTS identified in the IDP by 30-Jun-17	Percentage	(MIG=100% ; STR=78%) spent on capital budget monitored through MIG expenditure reports	Percentage of a municipality's CAPITAL BUDGET actually spent on CAPITAL PROJECTS identified in the IDP at 100% by 30-Jun-17	Overall percentage is 98% where 100% have been spent on MIG Grant , 100% has been spent on INEP Grant,88% has been spent on internal funding and 86% has been spent on Cota	OPEX	OPEX		I have managed to spend 100% in Mug, internal and electrification project where the remaining two percent are the savings	Signed expenditure report
BTO38			To practice sound financial management principles	Updating of the supplier database	Date by which supplier database is updated	Date	Supplier database was updated by 31-Dec-15	Update supplier database by 31-Dec-16	Update supplier database was updated between 01/07/2016 to 31/12/2016	OPEX	OPEX			Updated supplier database
BTO39			To practice sound financial management principles	Development and adoption of the annual procurement plan	Date by which Annual procurement plan is developed and adopted	Date	Procurement plan adopted by Council on the 26-May-16	Adopt and develop an Annual procurement plan by 31-May-17	Annual Procurement Plan developed and adopted at a Council meeting held on the 25th of May 2017	OPEX	OPEX			Council resolution

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							BASELINE	ANNUAL TARGET					
								PROJECTED					
BTO40			To practice sound financial management principles	Current debtors not above 40% of the total debtors	Percentage of current debt over total debt by 30-Jun-17	Percentage	4%	Current Debtors not above 40% of the total debtors by 30-Jun-17 (% of current debt over total debt)	Current Debtors are at 1.00 % of the total debtors by 30/06/2017	OPEX	OPEX		Summary Debtor age analysis report and calculations
BTO41			To practice sound financial management principles	Financial viability in terms of ratios	(Financial viability in terms of cost coverage ratio quarterly) Ratio: Available cash plus investments divided by monthly fixed operating expenditure	Ratio	14:01	(Financial viability in terms of cost coverage at 7: 1 ratio quarterly) Ratio: Available cash plus investments divided by monthly fixed operating expenditure	The total Financial viability as at quarter 4 was 18.28:1 by 30-Jun-17	OPEX	OPEX		Detailed Calculation
BTO42			To improve the performance and functioning of the municipality	Submission of Finance portfolio committee items	Turnaround time for submission of Finance portfolio committee items to Corporate Services after receiving circular.	Turnaround time	Finance portfolio committee items were submitted to Corporate Services within 7 working days after receiving circular	Submission of Finance portfolio committee items to Corporate Services within 7 working days after receiving circular	<p>Circular was received and submitted as follows: July ; 5th July 2016 and submitted on the 8th July 2016 September: 7th of September and submitted on 9th of September 2016 October: Submitted on the 10th October 2017. November : 1st November 2016 and submitted on 7th of November 2016 December: 5th of December and submitted on 8th of December 2016 January : 5th January 2017 and Submitted on 9th January 2017 February:03 February and submitted 9&10 February</p> <p>March: 6th of March 2017 and submitted on 10th of March 2017 April :03 April 2017 and submitted on the 7th April 2017 May : 5th May 2017 and submitted 9&10 May 2017 June: 7th of June 2017 and submitted on 9th June 2017</p>	OPEX	OPEX		Proof of submission

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							BASELINE	ANNUAL TARGET					
								PROJECTED					
SD36			To invest in the development of the municipal area to enhance revenue	Monitor the increase of revenue through community safety services	Amount / Revenue collected through Community Safety Services by 30-Jun-17	Amount / Revenue	R3 188 043 revenue generated through community safety services by 30-Jun-16	Monitor revenue collection of R3 500 000 through Community Safety Services by 30-Jun-17	Revenue collection of R 3 960 736,90 was collected through community safety services by 30-juner-17	R 3 500 000	R 3 061 044.91		E-Natis report
IPD29			To practice sound financial management principles	Compliance with the MFMA	Number of progress reports submitted to IPD Portfolio Committee by 30-Jun-17	Number	6 Progress reports submitted to IPD portfolio committee by 30-Jun-16	6 progress reports submitted to IPD Portfolio Committee by 30-Jun-17	6 progress reports submitted to IPD Portfolio Committee on the 21-Jul-16, 22-Sep-16, 2-Nov-16, 6-Feb-17, 24-Apr-17 and 22-Jun-17	OPEX	OPEX		Signed portfolio minutes with signed attendance register
IPD30	DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT	CROSS CUTTING INTERVENTIONS	To facilitate spatial development in the entire area of Ubuhlebezwe and at the same time achieve economic social and environmental sustainability	Reviewal and submission of annual Spatial Development Framework	Date by which annual Spatial Development Framework is reviewed and submitted	Date	SDF reviewed together with IDP on 26 May 2016	Annual review and submission of Spatial Development Framework by 10-May-17	The FINAL Spatial Development Framework was produced, finalised and submitted for inclusion toward the Final IDP (as annexure/sector plan) on the 12th of May 2017 as per directive of IDP section.. The Final IDP together SDF were approved on the 25th of May 2017.	OPEX	OPEX		Minutes of meetings, Key Focus Report & proof of submission
IPD31			To facilitate spatial development in the entire area of Ubuhlebezwe and at the same time achieve economic social and environmental sustainability	Development of Ogle Farm precinct plan	Date by which Ogle Farm precinct plan is development	Date	new indicator	Development of Ogle Farm precinct plan by 30-Jun-17	The Ogle Farm Precinct Plan has been completed and submitted to Council Committee on the 22nd June 2017.	OPEX	OPEX		Terms of Reference, Advert, SLA, Appointment letter, Inception report & proof of submission

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017		ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
								ANNUAL TARGET	ANNUAL ACTUAL					
							BASELINE	PROJECTED	ACTUAL					
IPD32			To facilitate spatial development in the entire area of Ubuhlebezwe and at the same time achieve economic social and environmental sustainability	Development of surveying and sub dividing of municipal land	Date by which surveying and sub dividing of municipal land is developed	Date	new indicator	Development of surveying and sub deviding of municipal land by 30-Jun-17	The final layout plans for the Surveyed Municipal land has been submitted to the office of the Municipal Manager on the 31st May 2017 for the proposed subdivision of ERF 175 which is called the OR tambo Estate	OPEX	OPEX	The layout was submitted but still pending service departments comments.	After that it will be submitted to the municipal planning tribunal for approval, which will be held in August 2017	Terms of Reference, Advert, SLA, Appointment letter, Inception report & Layout plans
IPD33			To facilitate spatial development in the entire area of Ubuhlebezwe and at the same time achieve economic social and environmental sustainability	Development and approval of the Comprehensive Infrastructure Plan	Date by which the Comprehensive Infrastructure Plan is developed and approved	Date	new indicator	Development and approval of the Comprehensive Infrastructure Plan by 30-Sept-16	The CIP was developed in April 2017 but not approved based on the municipality not satisfied about the final product	OPEX	OPEX	The target was not met as the project was put on hold through the management meeting held on 24 August as there were new councillors elected that were needed to form part of the stakeholder analysis	It was revive after August elections as the new council was selected, the final has been submitted in april 2017 and the municipality is not certified with the final product and we have requested the consultant to redo the comments that we raised. we anticipate that it will be finalised in the 1st Quarter within 2017/2018 financial year	Signed Council minutes and Attendance Register
IPD34			To facilitate spatial development in the entire area of Ubuhlebezwe and at the same time achieve economic social and environmental sustainability	Monitoring of Updated Data Sets for GIS	Date by which Data Sets for GIS is updated	Date	new indicator	Updating of Data Sets for GIS by 30-Apr-17	The GIS data set were made in the following types : Monthly incident as per disaster management requirements, Geology including Land cover with was a requirement of the SDF, Liqour and church application which was a requirement for planning. 09-May-17, 23-Jun-17, 4-May-17 and 9-Mar-17	OPEX	OPEX			Spreadsheet of collected data and mapping of the collected sets

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							BASELINE	ANNUAL TARGET					
								PROJECTED					
IPD35			To facilitate spatial development in the entire area of Ubuhlebezwe and at the same time achieve economic social and environmental sustainability	Monitor the submission of final ward profiles reflecting information for all wards within Ubuhlebezwe jurisdiction	Date by which the final ward profiles reflecting information for all wards within Ubuhlebezwe jurisdiction is submitted	Date	new indicator	Monitor the submission of final ward profiles reflecting information for all wards within Ubuhlebezwe jurisdiction by 30-May-17	The submission was on the 5th April 2017. Ward profiles with maps were made, where focus was based in all the 14 wards within Ubuhlebezwe Municipality	OPEX	OPEX		Ward profile report on focus areas, Draft ward profiles reports and Final ward profiles reports & applicable mapping
OMM43			To improve performance and functioning of the municipality	Adoption of the 2017/18 IDP	Date by which the 2017/18 IDP is submitted to Council for adoption	Date	16/17 IDP adopted by Council on 26 May 2016	Submit 2017/18 IDP to Council for adoption by 31-May-17	2017/18 IDP was submitted to Council for adoption on the 25th of May 2017	OPEX	OPEX		Council resolution
OMM44			To improve performance and functioning of the municipality	Holding of IDP stakeholders meeting	Number of IDP Stakeholder meetings held by 30-Jun-17	Number	IDP Stakeholders meetings held	2 IDP Stakeholders meetings held by 30-Jun-17	2 IDP Stakeholders meetings held on the 19-Oct-16 and 5-May-17.	OPEX	OPEX		Signed Attendance register

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017		ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
								ANNUAL TARGET	ANNUAL ACTUAL					
							BASELINE	PROJECTED	ACTUAL					
SD37			To improve safety and security within the municipal environment	Monitor fire safety awareness campaigns conducted	Number of fire safety awareness campaigns conducted by 30- Jun-17	Number	4 fire safety awareness campaigns conducted.	Monitor 4 fire safety awareness campaigns conducted by 30- Jun-17	28 fire safety awareness campaign conducted by 30-Jun-17. Umhlabashane School on the 20th of July 2016, Mashumi Primary on the 28th July 2016, Hlokozi High School on the 2nd of August 2016,Mazongo Primary on the 4th of August 2016,Sinevuso Secondary on the 12th of August 2016, Mehlomane primary on the 2nd of September 2016, St Michaels primary on the 5th of September 2016,Mntungwana clinic on the 7th of September 2016 and Ncomani High school on the 12th of September 2016, 5th of October 2016 at Ndwebu clinic,on the 11th of October 2016 at Sangcwaba, on the 13th of October 2016 at Mavangane Hall, on the 18th of October 2016 at Glenmaize primary, on the 19th of October 2016 at Cekazi primary school, on the 30th of November 2016 at Nhlangwini Multipurpose centre, on the 7th of December 2016 at Jolivet Clinic, 12th of January 2017 at Nokweja clinic, on the 30th of January 2017 at Lusiba primary school, on the 16th of February 2017 at Nokweja community hall, on the 10th of March 2017 at Kwathathani high school, on the 14th of March 2017 at Mariathal combined school and on the 14th of March 2017 at Ntabane high school, 22nd of June 2017 at Sassa ixopo local office, on the 10th of May 2017 at Makhoba primary school, on the 30th of May 2017 at KwamaShumi clinic, on the 21st of June 2017 at Kwathathani Mntungwa clinic, on the 17th of May 2017 at Little flower combined school and on the 26th of April 2017 at Sinevuso Secondary school.	OPEX	OPEX			Letter signed by the head of the institution visited.

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							BASELINE	ANNUAL TARGET					
								PROJECTED					
SD38			To improve safety and security within the municipal environment	Monitor functionality of Disaster Management Advisory Forum	Number of Disaster Management Advisory Forum meetings held by 30-Jun-17	Number	4 Disaster Risk Management Advisory Forum meetings held by 30-Jun-16	Monitor 4 Disaster Management Advisory Forum meetings held by 30th June 2017	4 Disaster Management Advisory Forum meetings held on the 15-Sep-16, 6-Dec-16, 28-Mar-17 and 27-Jun-17.	OPEX	OPEX		Attendance register and signed minutes
SD39			To improve safety and security within the municipal environment	Monitor implementation of scheduled firebreaks	Number of scheduled firebreaks at three areas conducted, i.e. little flower to incinerator, behind Mariathal two rooms & behind Ixopo high school by 30-Jun-17	Number	Firebreaks conducted in Sept 2014 and May 2015.	Monitor 2 scheduled firebreaks conducted at three areas, i.e. little flower to insenarator, behind Mariathal two rooms & behind Ixopo high school by 30-Jun-17	5 scheduled firebreak conducted at three areas, i.e. little flower to insenarator on the 1st of September 2016, behind Mariathal rooms, behind Ixopo high school on the 14th of July 2016, Ixopo High school 13 June 2017, Little flower 02 June 2017 and Mariathal school 14 June 2017	OPEX	OPEX		Dated pictures
SD40			To improve safety and security within the municipal environment	Monitor Fire inspections conducted in buildings within Ubuhlebezwe	Number of Fire inspection conducted in buildings within Ubuhlebezwe by 30-Jun-17	Number	Conducted 180 (120 businesses & 60 public institutions) Fire inspection in buildings within Ubuhlebezwe by 30-Jun-16	Monitor 180 Fire inspections conducted in buildings within Ubuhlebezwe (120 businesses & 60 public institutions) Fire inspection in buildings within Ubuhlebezwe by 30-Jun-17	180 Fire inspections conducted in buildings within Ubuhlebezwe (120 businesses & 60 public institutions) by 30-Jun-17. 1. from the 06th of July 2016 to the 6th of December 2016. 2. from the 5th of October 2016 to the 6th of December 2016. 3. from the 13th of January 2017 to the 17th of March 2017. 4. from the 6th of April 2017 to the 20th of June 2017.	OPEX	OPEX		Inspection reports
SD41			To improve safety and security within the municipal environment	Monitor monthly inspections for fire hydrants	Number of inspections for fire hydrants conducted by 30-Jun-17	Number	12 inspections for 14 fire hydrants (4 at Margaret str; 2 at Main str; 1 at High str; 1 at Commercial str; 1 at Centenary str; 1 at Valley view place; 1 at Fairview and 3 at Morningside) conducted by 30-Jun-16	Monitor 12 inspections for 20 fire hydrants conducted by 30-Jun-17	12 inspections for 20 fire hydrants conducted by 30-Jun-17	OPEX	OPEX		Inspection reports

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							BASELINE	ANNUAL TARGET					
								PROJECTED					
SD42			To facilitate spatial development in the entire era of Ubuhlebezwe and at the same time achieve economic and environmental sustainability.	Monitor the commemoration of Arbor Day	Number of trees planted within Ubuhlebezwe by 30-Sep-16	Number	Arbor Day commemoration by planting 10 trees within Ubuhlebezwe was held on the 1st of September 2015	Monitor Arbor Day commemoration by planting 10 trees within Ubuhlebezwe by 30-Sep-16	Arbor Day commemoration by planting 10 trees within Ubuhlebezwe was done the 8th of September 2016	OPEX	OPEX		Dated Pictures
SD43			To facilitate spatial development in the entire era of Ubuhlebezwe and at the same time achieve economic and environmental sustainability.	Geo referencing funded LED projects	Date by which all LED projects are submitted to Infrastructure, Planning and Development Department	Date	LED projects to Infrastructure, Planning and Development Department submitted to IPD for reflection on municipal spatial plans by 30-Jun-16	Monitor submission of LED projects to Infrastructure, Planning and Development Department for reflection on municipal spatial plans by 30-Jun-17	Submitted LED projects to infrastructure, Planning and Development on the 21 June 2017	OPEX	OPEX		Proof of submission to IPD Department.
OMM45; IPD36; BTO43; SD44			To improve the performance and functioning of the municipality	Submission of the monthly back to basics template to the office of the Corporate Services	Turnaround time for submission of monthly back to basics template to Corporate Services after receiving template	Turnaround time	5 days within which the monthly back to basics completed template submitted to the office of the Director Corporate Services.	submit the required information at a monthly back to basics meeting within five working days after receiving the template from Corporate Services	1. July template received from Corporate Services on the: 1-Aug-16; August template received on the 5-Sep-16 and September template received on the 3-Oct-16. Submissions made on the: OMM:05/08/16 , 09/09/16 and 05/10/16 ; IPD: 5 August and 9 September 2016, 5-Oct-16 ; BTO: 05/08/2016, 09/09/2016, 12/10/2016 ; SD: 5th of August 2016, on the 13th of September 2016 and on the 5th of October 2016. 2. October template received from Corporate Services on the: 1-Nov-16, November template received on the 1-Dec-16, December template received on the 3-Jan-17. Submissions made on the: OMM=04/11/16 ;05/12/16 and 09/01/17; IPD=4 November, 5 December and 9 January 2017 ; BTO=08/12/2016, 05/12/2016, 10/01/2017; SD=4th of November 2016, on the 5th of December 2016 and on the 9th	OPEX	OPEX		Proof of submission and signed attendance register

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017		ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
								ANNUAL TARGET	ANNUAL ACTUAL					
							BASELINE	PROJECTED	ACTUAL					
									of January 2017. 3. January template Received from Corporate Services on the 31-Jan-17, February template received on the 8-Mar-17 and March template received on the 4-Apr-17. Submissions made on the: OMM= 02/02/17 , 10/03/17 and 07/04/17; IPD= 2nd February 2017 ,10th March 2017 and 7th April 2017; BTO=02/02/2017, 10/03/2017, 07/04/2017; SD=2nd of February 2017, on the 10th of March 2017 and on the 7th of April 2017. 4. April template received from Corporate Services on the 3-May-17, May template received on the 31-May-17 and June template received on the 3-July-17. Submissions made on the: OMM: 05/05/17 , 02/06/17 and 07/07/17; IPD: 5th May , 2 June 2017 and the 7th July 2017; BTO: 07/06/2017, 05/05/2017, 10/07/2017; SD: 05th of May 2017, on the 2nd of June and on the 7th of July 2017					
OMM46; IPD37; BTO44; SD45			To improve the performance and functioning of the municipality	Submission of the quarterly back to basics template to the office of the Corporate Services	Turnaround time for submission of quarterly back to basics template to Corporate Services after receiving template	Turnaround time	5 days within which the quarterly back to basics completed template submitted to the office of the Director Corporate Services.	submit the required information at a quarterly back to basics meeting within five working days after receiving the template from Corporate Services	1. Quarter 1 template received from Corporate Services on the: 27-Oct-16 and submitted to Corporate Services: OMM: 4-Nov-16; IPD: 4-Nov-16; BTO: 7-Nov-16; SD: 4-Nov-16 2. Quarter 2 Template received from Corporate Services on the: 3-Jan-17 and submissions made on the: OMM=09/01/17; IPD= 16th January 2016; BTO=10/01/2017; SD=9th of January 2017. 3. Quarter 3 Template received from Corporate Services on the: 4-Apr-17 and submissions made on the: OMM=07/04/17; IPD=7th April 2017 ; BTO=07/04/2017; SD=7th of April 2017. 4. Quarter 3 Template received from Corporate Services on the: 3-Jul-17 and submissions made on the: OMM:07/07/17 ; IPD: 7	OPEX	OPEX			Proof of submission and signed attendance register

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017		ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
								ANNUAL TARGET	ANNUAL ACTUAL					
							BASELINE	PROJECTED	ACTUAL					
									July 2017; BTO:12/07/2017; SD:7 July 2017					
CORP25			To improve the performance and functioning of the municipality	Submission of the back to basics to Cogta	Turnaround time for submission of monthly back to basics template to Cogta after receipt	Turnaround time	10 days within which the monthly back to basics completed template submitted to Cogta	submission of a monthly back to basics to COGTA within 10 working days after receiving template from COGTA	1. July template was received on the 4th Aug 2016 and submitted on 15th Aug 2016 which is 08 working days after the template has been received. 2. August template was received on 5 September 2016 and submitted on 13 September 2016 which is 6 days after the template has been received. 3. September template was received on the 30th September 2016 and submitted on the 12th October which is 7 days after the template has been received . 4. October template was received on the 1st of November 2016 and submitted on 8th of November 2016 which is 05 working days after the template has been received. 5. November template was received on 30th November 2016 and submitted on 8th December 2016 which is 6 days after the template has been received. 6. December template was received on the 5th of January 2017 and submitted on the 16th of January 2017. 7. January template was received on the 30th January 2017 and submitted on 9th of February 2017 which is 08 working days after the template has been received 8. February template was received on 06th March 2017 and submitted on13th March	OPEX	OPEX			Proof of submission to COGTA

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							ANNUAL TARGET	ANNUAL ACTUAL					
								ACTUAL					
								2017 which is 5 days after the template has been received. 9. March template was received on the 04th April 2017 and submitted on the 13th April 2017 which is 7 days after template has been received from Cogta. 10. April template was received on the 26th April 2017 and submitted on 9th of May 2017 which is 07 working days after the template has been received 11. May template was received on 30 May 2017 and submitted on 07 June 2017 which is 7 days after the template has been received. 12. June back to basics template received on the 03 July 2017 and submitted on the 10th July 2017 which is 5 working days after template has been received from Cogta.					
CORP26			To improve the performance and functioning of the municipality	Submission of the back to basics to Cogta	Turnaround time for submission of quarterly back to basics template to Cogta after receipt	Turnaround time	10 days within which the quarterly back to basics completed template submitted to Cogta	submission of a quarterly back to basics to COGTA within 10 working days after receiving template from COGTA	OPEX	OPEX		Comment: A quarter 1 and 4 templates were not received from Cogta; as a result an existing template was used since it is the same template.	Proof of submission to COGTA

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE/ CALCULATIONS	ANNUAL (2015/2016)	2016/2017	ANNUAL BUDGET	ACTUAL BUDGET SPENT (Jan-Mar)	BLOCKAGES	CORRECTIVE MEASURES	PORTFOLIO OF EVIDENCE
							ANNUAL (2015/2016)	ANNUAL TARGET					
								PROJECTED					

Assessment rating scale:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standards of the service provider at this level. The appraisal indicates that the service provider has achieved above fully effective results against all performance criteria and indicators as specified and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectation	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the service provider has fully achieved effective results against all significant performance criteria and indicators as specified.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisals indicate that the service provider has fully achieved effective results against all significant performance criteria and indicators as specified.					
2	Performance not fully satisfactory	Performance is below the standards required for the job key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the service provider has achieved below fully effective results against more than half the key performance criteria and indicators as specified.					
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the service provider has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance up to the level expected in job despite management efforts to encourage improvement.					

PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

Name of the Service Provider	Type of Service provided	Duration of service	Assessment of service provided	Challenges	Corrective Measure	Comment	Portfolio of Evidence
Steiner	PROVISION OF HYGIENE AND AUXILLARY SERVICES	5 years	4	None	None	A service level agreement was signed with Steiner Hygiene in December 2014 with the extension of scope as well and the term with a period of 5 years.	Appointment letter/ SLA
KSA	PROVISION OF SECURITY AND ACCESS CONTROL	2 years	4	None	None	Contract with the current service provider scheduled to expire 30 th September 2015. The tender was advertised in July 2015 and shall be awarded by no later than end of October.	Appointment letter/ SLA/ Bid advertisement
Xerox	PROVISION OF PHOTOCOPIERS AND FAX MACHINES	5 years	4	None	None	None	Appointment letter
PMB Security	PROVISION OF ALARM SYSTEM IN COUNCIL PROPERTY	Ongoing	4	None	None	None	Appointment letter
Indabuko Creations	SUPPLY AND INSTALLATION OF RECORDING EQUIPMENT	3 years	5	None	None	Contract with the current service provider scheduled to expire on the 19 th November 2015.	SLA
Altech Netstar	TRACKING SYSTEM FOR MUNICIPAL VEHICLES	Ongoing	5	None	None	The duration of this agreement shall be for the period specified in the Transaction schedule commencing from the date of signature and continue indefinitely.	SLA
Abaphumeli Trading	PROVISION OF DEEP CLEANING SERVICES FOR COUNCIL OWNED OFFICES	3 years	5	None	None	Contract with the current service provider scheduled to expire on the 31 ST December 2018	SLA

Loop Design	SUPPLY AND INSTALLATION OF TELEPHONE LINES AND TELEPHONE MNGT SYSTEM	3 years	4	None	None	Contract with the current service provider was entered into on the 1 July 2015 and is scheduled to expire on the 30 th June 2018	SLA
Khanya Africa Networks	PROVISION OF IT SERVICES	3 years	4	None	None	Contract with this service provider is reviewed on a quarterly basis. Last reviewed date according to the SLA was 31 October 2014.	SLA
SAMRAS	LICENCING AND MAINTENANCE SUPPORT FOR FINANCIAL SYSTEM	ongoing	4	None	None	Service level agreement remains valid for twelve months from date of signature and will continue thereafter unless varied in writing.	SLA
The Document Warehouse	OFFSITE STORAGE	Ongoing	5	None	None	None	MOA
Prime Media	STREET ADVERTISING BOARDS	5 years	4	None	None	Contract with the current service provider was renewed on the 1 st July 2015 and shall continue for an initial period of 5 years.	Appointment letter/SLA

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

The WSP, Occupational Health and Safety Officer, Wellness Clerk and team building sessions are part of what the municipality uses to ensure organizational development.

INTRODUCTION TO THE MUNICIPAL PERSONNEL

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEE TOTALS, TURNOVER AND VACANCIES			
Vacancy rate 2016/2017			
Designation	Total approved posts	Variances(total time that vacancies exist using fulltime equivalent) no.	Variances (as a proportion of total posts in each category) %
Municipal Manager	01	None	None
CFO	01	None	None
Other S57 Managers(excluding finance posts)	03	None	None
Other S57 Managers(Finance posts)	none	None	None
Municipal Police			
Fire Fighters	15	None	None
Senior management: levels 13-15 (excluding finance posts)	03	None	None
Senior management: levels 13-15 (finance posts)	04	None	None
Highly skilled supervision: levels 9-12 (excluding finance posts)	none	None	None
Highly skilled supervision: levels 9-12 (excluding finance posts)	none	None	None

TURNOVER RATE

TURNOVER RATE			
Details	Total appointments as of beginning of financial year no.	Termination during the financial year no.	Turnover rate
2011/12	17	9	53%
2012/13	44	4	9%

TURNOVER RATE			
Details	Total appointments as of beginning of financial year no.	Termination during the financial year no.	Turnover rate
2013/14	34	20	59%
2014/15	28	20	71%
2016/17	24	16	67%

COMMENT ON VACANCIES AND TURNOVER:

The municipality has a turnover of 67%. Positions are filled as people resign as a result there is a small vacancy rate. The positions of Municipal Manager, Directors of Corporate Services, Infrastructure Planning and Development are filled while the recruitment processes in respect of the positions of the Chief Financial Officer and Director Social Development are at an advanced stage. All sections 54 and 57 positions will be filled by the end of July 2017.

MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

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

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	100	N/A	Inbuilt in all recruitment related policies
2	Attraction and Retention	100	100	24/05/2017
3	Code of Conduct for employees	100	0	22/10/2009
4	Delegation, Authorisation & Responsibility	100	100	24/05/2017
5	Disciplinary Code and Procedures	100	100	24/05/2017
6	Essential Services	100	100	24/05/2017
7	Employee Assistance/Wellness	100	100	24/05/2017
8	Employment Equity	0	0	Policy(24/05/2017)
9	Exit Management	0	0	Resignation(24/05/2017)
10	Grievance Procedures	100	100	24/05/2017
11	HIV/AIDS	100	100	24/05/2017
12	Human Resource and Development	100	100	WSP(April 2017), Training & Succession(24/05/2017)
13	Information Technology	100	100	24/05/2017
14	Job Evaluation	0	0	Salga Mandate Function

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
15	Leave	100	100	24/05/2017
16	Occupational Health and Safety	100	100	24/05/2017
17	Official Housing	100	100	04/12/2014
18	Official Journeys	100	100	04/12/2014
19	Official transport to attend Funerals	100	100	24/05/2017
20	Official Working Hours and Overtime	100	100	24/05/2017
21	Organisational Rights	0	0	As per LRA
22	Payroll Deductions	0	0	Salga
23	Performance Management and Development	0	0	
24	Recruitment, Selection and Appointment	100	100	24/05/2017
25	Remuneration Scales and Allowances	40	40	Cellphone Allowance Salary Scales by Bargaining Council
26	Resettlement	0	0	04/12/2014
27	Sexual Harassment	100	100	24/05/2017
28	Skills Development	0	0	WSP(April 2017)
29	Smoking	100	100	24/05/2017
30	Special Skills	0	0	
31	Working Organisation	0	0	Organogram
32	Uniforms and Protective Clothing	100	100	24/05/2017

All HR policies were developed, reviewed and adopted by council for 2016/17 financial year.

INJURIES, SICKNESS AND SUSPENSIONS

INJURIES, SICKNESS AND SUSPENSIONS					
Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees Using sick leave	Average injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	60	5	8.33%	12	60

INJURIES, SICKNESS AND SUSPENSIONS					
Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees Using sick leave	Average injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Temporary total disablement					
Permanent disablement					
Fatal					
Total	60	5	8.33%	12	60
					T4.3.1

COMMENT ON INJURY AND SICK LEAVE:

There are no injuries for 2016/ 2017 and sick leave is managed in terms of the policy and the Basic Conditions of Employment Act.

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Designations	Total Sick Leave	Proportion of sick leave Without Medical Certification	Employees using sick leave	Total employees in post*	*Average sick leave per employees	Estimated cost
	Days	%	No.	No.	Days	R'000
Lower skilled (Levels 1-2)	135	0	49	66	5.2	42089.40
Skilled (Level 3-5)	91	0	9	13	7	184015.44
Highly skilled production (Level 6-8)	501	0	62	73	6.9	246165.40
Highly skilled supervision (Levels 13-15)	290	0	36	46	6.3	355140.24
Senior management (Levels 13-15)	69	0	13	14	4.9	103428.05
MM and S57	13	0	3	3	4.3	53520.72
Total	1309	0	172	215	34.6	984359.25

NUMBER AND PERIOD OF SUSPENSIONS

None during 2016/2017 Financial Year.

DISCIPLINARY ACTIONS TAKEN ON CASES OF FINANCIAL MISCONDUCT

None during 2016/2017 Financial Year.

PERFORMANCE REWARDS

Performance Rewards by Gender					
Designations	Gender	Beneficiary profile			
		Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2016/17 R 509428.00	Proportion of beneficiaries with group %
Lower skilled (Levels 1-2)	Female				
	Male				
Skilled (Levels 1-2)	Female				
	Male				
Highly skilled production (Levels 6-8)	Female				
	Male				
Highly skilled supervision (Levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female	2	2	R 213649.00	66.66%
	Male	1	1	R 125481.80	100%
MM and S57	Female				
	Male	1	1	R 170296.73	100%
Total		5	5	R 509428.00	

CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

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

SKILLS DEVELOPMENT AND TRAINING

Skills matrix														
Management level	Gender	Employees in post as at 30 June 2017	Number of skilled employees required and actual as at 30 June 2017											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual June 2016	Actual June 2017	Target	Actual 30 June 2016	Actual 30 June 2017	Target	Actual 30 June 2016	Actual 30 June 2017	Target	Actual 30 June 2016	Actual 30 June 2017	Target
MM and S57	Female	3	0	0	0	0	0	0	0	2	3	0	2	3
	Male	2	0	0	0	0	0	0	0	0	1	0	0	1
Councillors, senior officials and managers	Female	16	0	0	0	0	4	4	12	16	28	12	20	32
	Male	21	0	0	0	1	0	1	19	21	21	20	21	21
Technicians and Associate professionals	Female	1	0	0	0	0	0	0	0	1	1	0	1	1
	Male	5	0	0	0	0	0	0	3	6	9	3	6	9
Professionals	Female	4	0	0	0	0	0	0	0	1	1	0	1	1
	Male	1	0	0	0	0	0	0	0	1	1	0	1	1
Sub Totals	Female	24	0	0	0	0	4		12	20	0	0	24	0

Skills matrix														
Management level	Gender	Employees in post as at 30 June 2017	Number of skilled employees required and actual as at 30 June 2017											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual June 2016	Actual June 2017	Target	Actual 30 June 2016	Actual 30 June 2017	Target	Actual 30 June 2016	Actual 30 June 2017	Target	Actual 30 June 2016	Actual 30 June 2017	Target
	Male	29	0	0	0	1	0		22	28	0	0	28	0
Total		53	0	0	0	2	8	5	68	96	65	35	52	70

CHAPTER 5 – FINANCIAL PERFORMANCE

STATEMENTS OF FINANCIAL PERFORMANCE

UBUHLEBEZWE MUNICIPALITY				
STATEMENT OF FINANCIAL PERFORMANCE				
for the year ended 30 June 2017				
	Note	2017	2016	
			<i>Restated</i>	
		R	R	
REVENUE				
Revenue from exchange transactions				
Service Charges	17	1,726,005	1,681,650	
Rental of facilities and hall hire	18	1,173,223	985,191	
Licences and permits		3,304,893	3,597,454	
Other Income	19	1,744,644	1,798,929	
Interest received - Investments	20	9,215,250	6,872,906	
Total revenue from exchange transactions		17,164,015	14,936,130	
Revenue from non exchange transactions				
Taxable revenue				
Property rates	21	13,122,243	13,123,930	
Donation Income		4,230,683		
Transfer revenue				
Government Grants	22	124,757,917	118,839,056	
Fines, penalties and forfeits		1,579,580	1,489,350	
Total revenue from non exchange transactions		143,690,423	133,452,336	
Total revenue	16	160,854,438	148,388,466	
EXPENSES				
Employee related costs	23	52,842,444	49,029,454	
Remuneration of councillors	24	8,378,802	7,554,047	
Impairment of traffic fines	27	1,364,866	1,097,324	
Depreciation and amortisation	26	20,114,861	18,742,961	
Impairment loss for assets	27	57,809		
Finance costs		1,423	17,066	
Contributions to provisions	28	3,946,267	4,688,817	
Repairs and maintenance	25	2,882,897	2,930,058	
Contracted services	29	6,764,739	5,759,731	
Contributions to post retirement benefits		951,000	209,000	
General expenses	30	24,228,419	23,003,547	
Total expenses		121,533,527	113,032,005	
Operating Surplus		39,320,911	35,356,461	
Loss on disposal / transfer of PPE		1,776,891	3,149,018	
SURPLUS FOR THE YEAR		37,544,020	32,207,443	

GRANTS

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

Non-Conditional Grants

- Equitable Share

Conditional Grants

- Municipal Infrastructure Grant
- Finance Management Grant
- Municipal Systems Improvement Grant
- Small Towns Rehabilitation Grant
- Sports field Maintenance Grant
- Electrification – DoE
- Electrification – Cogta

With the exception of Small Towns Rehabilitation Grant and Sports Field Grant; all conditional grants, both operational and capital grants were spent to 100% as at 30 June 2017. This is a huge improvement within the municipality. The 100% expenditure on the MIG grant specifically speaks directly to improved service delivery.

Below is a list of unspent grants:

Name of Grants	Name of organ of the state entity	Opening Bal. 2015/16	Total receipt	Total expenditure	Grants Balance 2016/17
McKENZIE Farm	Cogta	-480,796.00	-	52374	-428,422
Financial Management Grant	National Treasury	-	-1,825,000	1,825,000	-
Electrification Ixopo – Cogta		-	-	-	-
Electrification ixopo			-30,000,000	29,999,998	-2
Small Town Rehab. - Roads	Cogta	-8,567,584.77	-	5,609,543	-2,958,042
EPWP	Cogta	-	-1,985,000	1,985,000	0
Ixopo Sportfields	Cogta	-143,182.00	-	-	-143,182
Sangcwaba Grant	Cogta	-565,387.40	-	-	-565,387
Ixopo Sportfields Maintenance	Cogta	-8,278.47	-	-	-8,278
Library- cyber	Art and culture		-179,000	179,000	-
Mig Grant	Cogta	-	-24,057,000	24,057,000	-
Library Grant	Art and culture		-559,000	558,999	- 1
Sponya Housing		-	-	-	-
		-9,765,228.64	-58,605,000	63,008,901	-5,361,328
Grants Balance as @ 30 June 2017					-5,361,328

ASSET MANAGEMENT

FINANCIAL RATIOS

Asset Management

Capital Expenditure to Total Expenditure

Formula

Total Capital Expenditure / Total Expenditure X 100

=R 59, 590,267.47 / 121,533,527.00

= 49.03%

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

Formula

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

= R57, 809.29/ R261,338,634.00

= 0.02%

Repairs and Maintenance as a percentage of PPE carrying values

Formula

Total repairs and maintenance / Total PPE

= R2, 882,897.00 / R 240,093,018.00

=1.20%

Debtors Management (Rates and Refuse)

Formula

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

= R32, 205,001 + R210, 376.81 - R29, 663,797/ R210 376.81

= %

Bad debts written off as a percentage of bad debts provision

Formula

Bad debts written off / provision for bad debts

= No debtors were written off

= 0%

Current Ratio

Formula

Current Assets / Current Liabilities

= R135 186 064 / R30 379 225

= 4.45:1

Net Operating Surplus

Formula

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

= R 160,854,438.00 – 121,533,527.00 / R 121, 533,527.00 X 100

= 32.35%

Remuneration of Employees and Councilors as a percentage of operating expenditure

Formula

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

= R 61,221,246.00 / 121,533,527.00

=50.37%

DEBTORS Provision for bad debt to be done after 31 July 2017

Debtors have increased from the prior year; 2016. The total debt balance after considering provision for bad debts increased to R13 978 664.00 from R11 207 397.00. The percentage increase on tariffs for the financial year under review was 5% across the board. Debt collection is still a problem within the municipality emanating from a general culture of non-payment within the South African Communities. A vast majority of the municipality's debtors are individual households, with businesses owing the municipality just over R11million. The municipal council also resolved to write off penalties during the financial year 2014/2015

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

	2017 R	2016 R
Rates	25 709 308	21 641 492
Electricity	7 545	7 545
Self help	197 035	204 284
Refuse	3 330 121	3 146 878
Fines	397 467	359 335
Vat Debtors	569 959	516 755
Housing Rental	1 022 389	744 722
Sundry	384 405	304 476
Less Provision for bad debts	(17 639 565)	(15 718 090)
Total	13 978 664	11 207 397

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

The municipality levies rates to all properties that are reflected in the municipal valuation roll. A supplementary valuation roll was submitted to council in May 2017 and is being implemented. Policy viewed and adopted by the

municipality in this regard. The municipality further ensured that a gazette is promulgated for the levying of property rates.

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

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

Below is a reconciliation of debtors as at 30 June 2017.

	2017 R	2016 R
Rates	25 709 308	21 641 492
Electricity	7 545	7 545
Self help	197 035	204 284
Refuse	3 330 121	3 146 878
Fines	397 467	359 335
Vat Debtors	569 959	516 755
Housing Rental	1 022 389	744 722
Sundry	384 405	304 476
Less Provision for bad debts	(17 639 565)	(15 718 090)
Total	13 978 664	11 207 397

SPENDING AGAINST CAPITAL BUDGET

CAPITAL EXPENDITURE

Buildings	R 589,030.57
Infrastructure	R 7,012,395.26
Community	R 15,619,504.65
Furniture & Equip	R 218,931.44
Computer Equip	R 870,068.28
Plant & Equip	R 261,672.05
Vehicles	R 3,358,639.54
Other Assets	R 226,737.00

SOURCE OF FINANCE

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

The following table reflects the funding nature and by source.

Name of Grants	Name of organ of the state entity	Opening Bal. 2015/2016	Quarterly Receipts					Quarterly Expenditure					Total Expenditure	Grants Balance 2016/2017
			July to Sept	Oct to Dec	Jan to Mar	April to June	Total Receipts	July to Sept	Oct to Dec	Jan to Mar	April to June	Total Expenditure		
			1	2	3	4		1	2	3	4			
Equitable Share	National Treasury	-	-37,705,000	-30,164,000	-22,622,000	-	-90,491,000	37,705,000	30,164,000	22,622,000	-	90,491,000	-	-
Capital Investment Program	Cogta	-	-	-	-	-	-	-	-	-	-	-	-	-
McKENZIE Farm	Cogta	-480,796	-	-	-	-	-	45,942	-	-	6,432	52,374	-428,422.00	-
Financial Management Grant	National Treasury	-	-1,825,000	-	-	-	-1,825,000	287,860	757,152	373,798	406,190	1,825,000	-	-
Electrification Ixopo - Cogta	Cogta	-	-	-	-	-	-	-	-	-	-	-	-	-
Electrification Ixopo	DOE	-	-17,252,000	-9,248,000	-3,500,000	-	-30,000,000	5,214,806	9,998,477	10,378,659	4,408,056	29,999,998	-2.00	-
Small Town Rehab. - Roads	Cogta	-8,567,585	-	-	-	-	-	956,467	2,467,375	135,627	2,050,074	5,609,543	-2,958,042.00	-
EPWP	Cogta	-	-496,000	-893,000	-596,000	-	-1,985,000	313,193	656,011	538,549	477,247	1,985,000	-	-
Ixopo Sportfields	Cogta	-143,182	-	-	-	-	-	-	-	-	-	-	-143,182.00	-
Sangcwaba Grant	Cogta	-565,387	-	-	-	-	-	-	-	-	-	-	-565,387.00	-
Ixopo Sportfields Maintenance	Cogta	-8,278	-	-	-	-	-	-	-	-	-	-	-8,278.00	-
Library- cyber	Art and culture	-	-	-179,000	-	-	-179,000	65,603	91,084	22,313	-	179,000	-	-
Mig Grant	Cogta	-	-6,500,000	-8,000,000	-9,557,000	-	-24,057,000	6,604,609	5,166,831	3,911,000	8,374,560	24,057,000	-	-
Library Grant	Art and culture	-	-	-559,000	-	-	-559,000	219,125	153,272	184,680	1,922	558,999	-1.00	-
Sponya Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-9,765,228	-63,778,000	-49,043,000	-36,275,000	-	-149,096,000	51,412,605	49,454,202	38,166,626	15,724,481	154,757,914	-4,103,314	-
Grants Balance as @ 30 June 2017														-4,103,314

CASH FLOW MANAGEMENT AND INVESTMENTS

CASH FLOW

The municipality's cash flows can be regarded as stable. The cash and cash equivalents available as at 30 June 2017 were R118 million. The municipality can continue operating for the next 12 months with the estimated fixed cost of R7.4 million.

The following is a detailed list of cash and cash equivalents as at 30 June 2017:

Cash and cash an equivalent consists of:

Cash on hand	5 249	5 249
Bank balances	6 390 977	11 356 655
Short-term deposits	111 904 376	91 867 859
TOTAL	118 300 602	103 229 763

BORROWING AND INVESTMENTS

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

PUBLIC PRIVATE PARTNERSHIPS

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

OTHER FINANCIAL MATTERS

SUPPLY CHAIN MANAGEMENT

No procurements were made outside the Supply Chain Management Policy.

GRAP COMPLIANCE

The municipality complies with all relevant GRAP standards. The municipality has implemented GRAP 12 for the first time during the current financial year. This is in relation to the development of middle income houses that the municipality is engaged in.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

AUDITOR-GENERAL FINDINGS FOR 2012/2013

2012/2013 AUDIT OPINION: CLEAN AUDIT

AUDITOR GENERAL AUDIT FINDINGS FOR 2012/2013 AND REMEDIAL ACTION TAKEN

Material underspending of the capital budget

Nature of the Query	Action Plan	Responsible Official	Target Date	Internal Audit Comments
<p>1. Material underspending of the capital budget</p> <p>As disclosed in the statement of comparison of budget and actual amounts, the municipality has materially underspent the budget on capital expenditure to the amount of R11, 10 million. As a consequence, the municipality has not achieved its planned targets as per the approved service delivery and budget implementation plan.</p>	<p>The Municipality has introduced a forward planning approach which will ensure that projects are implemented timely and improve spending on capital budget. The municipality has already advertised for consultants for the projects which will be implemented in 2014/15. Spending on capital budget is monitored on a monthly basis.</p>	DIR. IPD	30/01/14 - ongoing	<p>During our audit of Grants & Investments we noted instances where there was underspending on some of the grants received e.g. Ixopo sportfield grant, Small Town Rehabilitation.</p>

Predetermined objectives

Achievement of planned targets

<p>1. Achievement of planned targets</p> <p>Of the total number of 222 targets planned for the year, 18 targets were not achieved. This represents 37% total planned targets that were not achieved during the year under review. This was mainly due to the fact that targets were not suitably developed during the strategic planning process.</p>	<p>The number of planned targets which were included on the organisational scorecard were not the competency of the Municipality there were mainly for the Dept. of Human Settlements, the municipality only facilitates. The municipality has since revised the scorecard of a Manager concerned which will bring down the number of targets not achieved. Going forward we will develop an action plan to monitor progress on the planned targets. This plan will be monitored every fortnight and discussed during MANCO.</p>	MM/IDP PMS MANAGE R	14/02/14	<p>Based on the Q3 audit we noted that of the 117 targets set for quarter 3, and only 19 targets were not achieved.</p>
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AUDITOR-GENERAL FINDINGS FOR 2013/2014

2013/2014 AUDIT OPINION: CLEAN AUDIT

AUDITOR GENERAL AUDIT FINDINGS FOR 2013/2014 AND REMEDIAL ACTION TAKEN

1. Material underspending of capital budget

Nature of the Query	Action Plan	Responsible Official	Target Date	Internal Audit Comments
1. Material underspending of capital budget As disclosed in the statement of comparison of budget information with actual information, the municipality has materially underspent the budget on capital expenditure to the amount of R16.95 million.	The underspent amount of R16.95 million is a combination of various scenarios: there were savings in some projects e.g. Ixopo taxi rank, the contractor was appointed at lower price. There are also retentions for the projects which were completed during the prior year. Some capital assets were not acquired due to service providers quoting more than the budget. However the big part of this amount relates to Ixopo taxi rank which will be completed by 31 March 2015, spending on capital budget is monitored on a monthly basis through MANCO meetings.	IPD/CFO	Monthly 31/03/2015	

AUDITOR-GENERAL OPINION 2014/2015

2014/2015 AUDIT OPINION: CLEAN AUDIT

AUDITOR GENERAL AUDIT FINDINGS FOR 2014/2015 AND REMEDIAL ACTION TAKEN

It should be noted that there is no action plan to be prepared since there were no findings that had affected the audit opinion. Ubuhlebezwe Municipality obtained a CLEAN AUDIT for the 2014/2015 year of audit.

AUDITOR-GENERAL REPORT: 2015/2016

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

Report on the financial statements

Introduction

1. I audited the financial statements of the Ubuhlebezwe Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements .

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ubuhlebezwe Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matter

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

Material impairment

8. As disclosed in note 10 to the financial statements , material impairment to the amount of R15,72 million (2015: R12,78 million) were incurred as a result of an annual review of the recoverability of trade receivables from exchange and non-exchange transactions.

Additional matters

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

Amended audit report

10. The 2015-16 annual report tabled to council on 24 January 2017 included an incorrect audit report dated 30 November 2016. A material finding on the compliance with key legislation as per paragraph 21 of this report was identified after issuing my audit report dated 30 November 2016. For this reason the auditor's report had to be amended to include the material non-compliance with key legislation and was issued to the municipality before the tabling to council.

Unaudited disclosure notes

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

Report on other legal and regulatory requirements

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected object ives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for basic service delivery and infrastructure development presented in the annual performance report of the municipality for the year ended 30 June 2016 .
14. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
15. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable , specific , measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).
16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for basic service delivery and infrastructure development objective.

Additional matter

18. I identified no material findings on the usefulness and reliability of the reported performance information for the selected objective, however, I draw attention to the following matter:

Achievement of planned targets

19. The annual performance report on pages x to x includes information on the achievement of the planned targets for the year.

Compliance with legislation

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

Strategic planning and performance management

21. The key performance indicators set by the municipality did not include an indicator on the percentage of households with access to basic level of solid waste removal as required by section 43(2) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) and the Municipal Planning and Performance Management Regulation 10(a).

Internal control

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

compliance with legislation included in this report.

Financial management

23. A checklist to monitor compliance with legislation relating to strategic planning and performance management was not developed by management to include all of the key legislation requirements.

Auditor-General

Pietermaritzburg

27 January 2017



Auditing to build public confidence

AUDITOR GENERAL AUDIT FINDINGS FOR 2015/2016 AND REMEDIAL ACTION TAKEN

It should be noted that there were no findings that had affected the audit opinion, however, an action plan has been prepared for onward monitoring of the organizational performance. Ubuhlebezwe Municipality obtained a CLEAN AUDIT for the 2015/2016 year of audit.

AG AUDIT FINDINGS

NATURE OF THE QUERY				ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS												
1. Inaccurate disclosure of commitments The following discrepancies were noted to commitment disclosed in the financial statements. <table><tr><th>Project</th><th>Auditee commitment R</th><th>Auditor commitment R</th><th>Difference R</th></tr><tr><td>Rehabilitation and Revamping of Traffic Dept</td><td>539 826</td><td>815 988</td><td>(276 163)</td></tr><tr><td>Total</td><td></td><td></td><td>(276 163)</td></tr></table> As a result thereof, the approved and contracted for commitments disclosure is understated by R 276 163.				Project	Auditee commitment R	Auditor commitment R	Difference R	Rehabilitation and Revamping of Traffic Dept	539 826	815 988	(276 163)	Total			(276 163)	Management should in future, consider the commitments balance outstanding of individual contracts to avoid errors of this nature.	Chief Financial Officer	30/03/2017	
Project	Auditee commitment R	Auditor commitment R	Difference R																
Rehabilitation and Revamping of Traffic Dept	539 826	815 988	(276 163)																
Total			(276 163)																

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS																								
<p>2. Invoices were not paid within 30 days of receipt of the invoices</p> <p>The following suppliers were not paid within 30 days of receipt of the invoice:</p> <table><tr><th>Date</th><th>Invoice no.</th><th>Supplier name</th><th>No. of Days</th><th>Amount R</th></tr><tr><td>18/12/15</td><td>1026075</td><td>Bytes Universal System</td><td>35</td><td>66 556</td></tr><tr><td>25/01/16</td><td>9022954235</td><td>Afrika-Khanya Trading&Proj.</td><td>39</td><td>65 317</td></tr><tr><td>11/01/16</td><td>24704</td><td>Siyajabula</td><td>37</td><td>73 530</td></tr></table>	Date	Invoice no.	Supplier name	No. of Days	Amount R	18/12/15	1026075	Bytes Universal System	35	66 556	25/01/16	9022954235	Afrika-Khanya Trading&Proj.	39	65 317	11/01/16	24704	Siyajabula	37	73 530	Improvement of controls around the payment within 30 days.	Chief Financial Officer	30/06/2017					
Date	Invoice no.	Supplier name	No. of Days	Amount R																								
18/12/15	1026075	Bytes Universal System	35	66 556																								
25/01/16	9022954235	Afrika-Khanya Trading&Proj.	39	65 317																								
11/01/16	24704	Siyajabula	37	73 530																								
<p>3. Expired accreditation was used to evaluate the quotations.</p> <p>The following quotations were awarded to a supplier whose accreditation for the required specified unit standard as per the advert had expired:</p> <table><tr><th>Supplier</th><th>Quotation No.</th><th>Description</th><th>Expiry of Accreditation</th><th>Closing Date of Advert</th><th>Amount of Award R</th></tr><tr><td>Ngaphakathi Professionals</td><td>UBU-Q-03/07/15</td><td>Assessor & moderator training</td><td>30/01/15</td><td>17/07/15</td><td>52 000</td></tr><tr><td>IT Careers</td><td>UBU-Q-04/07/15</td><td>Project Management</td><td>01/01/15</td><td>17/07/15</td><td>76 551</td></tr><tr><td>Total</td><td></td><td></td><td></td><td></td><td></td></tr></table> <p>As a result thereof, payments made in terms of these awards should be disclosed as irregular expenditure.</p>	Supplier	Quotation No.	Description	Expiry of Accreditation	Closing Date of Advert	Amount of Award R	Ngaphakathi Professionals	UBU-Q-03/07/15	Assessor & moderator training	30/01/15	17/07/15	52 000	IT Careers	UBU-Q-04/07/15	Project Management	01/01/15	17/07/15	76 551	Total						Management will disclose the amount of R128 551 as irregular expenditure. BEC is urged to improve their review of bid documentation to confirm that it meets the required specification prior to award.	Chief Financial Officer	30/03/2017	Management has disclosed the amount of R128 551 as irregular expenditure.
Supplier	Quotation No.	Description	Expiry of Accreditation	Closing Date of Advert	Amount of Award R																							
Ngaphakathi Professionals	UBU-Q-03/07/15	Assessor & moderator training	30/01/15	17/07/15	52 000																							
IT Careers	UBU-Q-04/07/15	Project Management	01/01/15	17/07/15	76 551																							
Total																												

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS												
<p>4. Possible false declarations</p> <p>The following payment was made to a supplier whose director has a spouse in service of the auditee. The supplier and the official of the municipality did not declare the relationship. The false declaration by the supplier and official is indicative of misrepresentation.</p> <table><tr><th>Supplier Name</th><th>Member</th><th>Spouse in service of the state</th><th>Institution</th><th>Position</th><th>Amount R</th></tr><tr><td>Zikhethelo trading</td><td>NT Nzimande</td><td>BP Nzimande</td><td>Ubuhlebezwe municipality</td><td>Councillor</td><td>25 500</td></tr></table>	Supplier Name	Member	Spouse in service of the state	Institution	Position	Amount R	Zikhethelo trading	NT Nzimande	BP Nzimande	Ubuhlebezwe municipality	Councillor	25 500		Chief Financial Officer	30/06/2017	
Supplier Name	Member	Spouse in service of the state	Institution	Position	Amount R											
Zikhethelo trading	NT Nzimande	BP Nzimande	Ubuhlebezwe municipality	Councillor	25 500											
<p>5. Anti-virus software updates not adequately monitored</p> <p>Previous audit finding Cognisance was taken of the fact that antivirus software updates were centrally managed and monitored, however it was noted that not all the computer have received the latest antivirus software updates.</p> <p>In the absence of adequate reviews of antivirus exception reports, management may not be aware of virus threats</p>	The finding has been noted. The municipality is currently in the process of purchasing Microsoft Business Edition and installing additional network points. A service provider has been already and the installation is in process. All computers will be connected to the antivirus server. Exceptions reports	Director: Corporate Services	28/02/2017													

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
which could result in computers and servers be becoming vulnerable. This could lead to data corruption and the loss of information through security breaches which may compromise the integrity, confidentiality and availability of business data.	will be the reviewed in the regular basis. All exceptions will be logged, followed and resolved via help desk which has been recently installed			
<p>6. Inadequate process for the configuration, monitoring and maintenance of the firewall</p> <p>Previous audit finding</p> <p>Although the Municipality had implemented a firewall, no monitoring was performed for the following:</p> <ul style="list-style-type: none"> • Changes to the firewall security rules • Administrator activities performed • Firewall exceptions <p>In the absence of regular reviews of the firewall change log, management might not be in a position to detect unauthorised changes made to the firewall security rules configured. If regular reviews of administrator activities and firewall logs are not performed this may result in irregular administrator activities and firewall exceptions not being timeously detected and not followed up on.</p>	The finding has been noted. The municipality has purchased a FortiGate firewall with the required reporting functionality. The service provider (Khanya Africa) will be configuring the firewall. All weaknesses will thereafter be addressed.	Director: Corporate Services	28/02/2017	

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
<p>7. Management Procedures does not contain sufficient detail and patch reports not adequately monitored</p> <p>Previous audit finding The following weakness were identified regarding patch management process:</p> <ul style="list-style-type: none"> It was noted that the Patch Management Procedure that formed part of the IT security Policy was updated; however it not provided guidance on the process for the resolution of failed patches. Although a new Window Server Updates Services (WSUS) had been purchased, Patch Management reports were not adequately monitored as failed security patches were not re-run. 	<p>The finding has been noted. Management will update and approve the Patch Management Procedure which is incorporated in the Security Policy. Patch Management reports will be reviewed and evidence will be maintained relating to the process followed to address failed security updates. All incidents will be logged via the new Helpdesk.</p>	<p>Director: Corporate Services</p>	<p>30/03/2017</p>	
<p>8. Inadequate review of user access rights (SAMRAS and VIP)</p> <p>Previous audit finding The following deficiencies were not noted with regards to access review:</p> <ul style="list-style-type: none"> Although user access reviews assigned on the VIP system in line of job responsibilities, it was only performed for 1 January 2016 to 30 June 2016. It was noted that user access reviews performed on the Samras were found inadequate as it did not detail the access within each module specify the type of access 	<p>The finding has been noted. Going forward the management will liaise with SAMRAS service provider to extract to relevant reports. SAMRAS system limitations would be evaluated during mSCOA project. VIP and SAMRAS reviews will be consistently performed quarterly.</p>	<p>Chief Financial Officer</p>	<p>31/03/2017</p>	

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
<p>If reviews of users' access rights are inadequately performed on a periodic basis, management may not be able to identify users who have been granted excessive access rights or access no longer required to perform the roles and responsibilities associated with their job functions. This could compromise the confidentiality. Integrity and availability of financial, human resources and payroll data stored on the system.</p> <p>The risks associated with the VIP finding materialised as the default "SYSTEM" account was not renamed and utilized by the IT Officer to perform user management activities.</p>				
<p>9. Default administrator user id not renamed (SAMRAS)</p> <p>Audit Findings It was noted that the default administrator account "SYSTEM" was not renamed and utilised by the IT Officer to perform user account management activities.</p> <p>Administrator accounts pose a significant security risk as they are normally the targets of hacking attacks. Management may not be in a position to hold any users accountable for transactions performed using the user id that is not allocated to a specific staff member. This may encourage staff members with appropriate knowledge to run fraudulent transactions with this account which may never be traced back to them. This could result in accounts</p>	<p>The finding has been noted. The management will implement the following controls to address the weakness identified:</p> <ul style="list-style-type: none"> The call was logged with a service provider to request the account to be renamed. The Municipality will follow up with Samras service provider to request an account to be renamed and a user id for the IT Officer will be created. 	Director: Corporate Services	31/01/2017	

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
being compromised and information being manipulated by the processing of unauthorised transactions.	<ul style="list-style-type: none"> The password of the "SYSTEM" account will be changed and locked in a fireproof safe and access will be restricted to only authorised individuals A new administrator account will be created for the IT Officer which will be monitored. 			
<p>10. Administrator activities not adequately reviewed (Windows Active Directory , Samras and VIP)</p> <p>Previous Audit finding</p> <ul style="list-style-type: none"> Although the municipality has attempted to review administrator activities, it was found to be inadequate as It was noted that the review was found to be inadequate as it did not include a detailed review of the activities performed by the system administrator using system generated reports on the following systems : <ul style="list-style-type: none"> Windows Active Directory Samras Furthermore these reviews on the Samras and VIP systems were not performed for the period 1 July2015-31 December 2015 . 	<p>The finding has been noted. The municipality will Investigate if there's any specific tool that could be implemented to assist in generating an appropriate report for adequate monitoring for Windows Active Directory. Management will liaise with Samras service providers to implement a functionality to allow the municipality to monitor administrator activities. All reviews will be quarterly monitored and evidence for these reviews will be retained.</p>	Director Corporate Services and Chief Financial Officer	31/03/17	

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
<p>If activities of administrators are not reviewed and monitored on a periodic basis this may result in unauthorised activities performed not being detected in a timely manner. In addition, user account maintenance activities could be performed by administrators without valid and approved requests. This could compromise the confidentiality, integrity and availability of financial, human resources, payroll and email data stored on the system.</p> <p>Risk materialisation could not be confirmed as the key systems did not have the Functionality to generated administrator logs.</p>				
<p>11. Access and logon violations not adequately monitored (Windows Active Directory, Samras and VIP)</p> <p>Previous audit finding The following weakness weaknesses were identified regarding logon violations: No reviews were performed on the Windows Active Directory to detect irregular/suspicious activities. The process to review logon violations on the Samras application was found to be inadequate as it did not contain sufficient information relating to failed user login attempts, user account changes or deletions and object access denied logs.</p>	<p>The finding has been noted. Management will communicate with Samras service provider to establish if functionality to generate audit log can be implemented Samras. Management will investigate if there are any Windows Active Directory tools that they can be utilised to generate the required report. Access and logon violation</p>	<p>Director Corporate Services and Chief Financial Officer</p>	<p>31/03/2017</p>	

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
<p>In addition, Samras and VIP logon violations were not reviewed for the 1 July 2015 -31 December 2015.</p> <p>Repeated failed logon attempts are a sign of a brute force attack. User accounts being logged onto in unusual times may be an indicator that suspicious and unauthorised activities are being performed utilising a specific user account. Not reviewing user logon attempts could result in unauthorised activities going undetected or not being detected timeously. This may compromise the confidentiality, integrity and availability of the email, financial, human resources and salary data stored on the system, thus negatively impacting the ability of the municipality to make appropriate decisions. Risk materialisation could not be performed on the Windows Active Directory and Samras limitations with regard to the generation of audit logs. Risk materialisation could not be performed on the VIP application as the municipality does not maintain a log security breaches.</p>	reports will be monitored regularly.			
<p>12. Inappropriate user access assigned on VIP.</p> <p>Previous audit finding It was noted that user ids (S'lie, Fundi & Kim) had inappropriate access assigned on VIP as they were able to purge audit trails and purge audit trail history.</p>	The finding has been noted. Management will amend these accesses with immediate effect to ensure that access to audit trail is restricted.	Director Corporate Services and	31/03/2017	

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
<p>This increases the risk of an individual's performing unauthorised transactions without being detected in a timely manner. In the event audit trails are purged the municipality may not have any legal recourse against the identified individual as an audit trail of all unauthorised transactions will no longer be available.</p> <p>Risk materialisation could not be performed as the identified users had access to purge audit trails and purge audit trails history.</p> <p>Internal control deficiency: Financial and performance management. Management did not implement an effective process to review user access rights to ensure that no user has access to purge audit trails</p>				
<p>13. Inadequate change management process (SAMRAS and VIP)</p> <p>Previous audit finding The following weakness was noted regarding the change management process:</p> <ul style="list-style-type: none"> •The municipality was unable to extract system generated logs to substantiate if any changes had been implemented on the Samras system. •Furthermore changes made to the VIP system were not monitored against system generated change control logs. 	<p>The finding has been noted. The municipality will contact the service provider to determine if the system can be upgraded to cater these limitations. All changes made to the production environment would be authorised by management and reviewed.</p>	<p>Director: Corporate Services</p>	<p>28/02/2017</p>	

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
<p>An inadequate change control process may lead to untested and unauthorised changes being promoted to the live environment. This may affect the stability of the applications and accuracy of calculations performed.</p> <p>Risk materialisation could not be performed to validate that only approved changes have been migrated to production as the Samras do not have functionality to generate a list of changes implemented. The risks associated with VIP system did not materialise as changes made to the system were accompanied by supporting documentation which was adequately completed.</p>				
<p>14. Business Continuity and Disaster Recovery Plan not tested</p> <p>Previous Audit Finding Although a municipality has established a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP), the testing of the BCP and DRP for the 2015/16 municipal financial year was not performed.</p>	<p>The BCP will be tested during the 2016/17 financial year in consultation with the relevant stakeholders. DRP testing will be based on the availability and allocated budget for an improved IT infrastructure. A test environment will be established and DRP testing will be performed annually. Evidence of test results will be maintained.</p>	<p>Municipal Manager and Director Corporate Services</p>	<p>30/03/2017</p>	

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS																											
<p>15. Backups not adequately monitored and tested by means of restore procedures.</p> <p>Previous audit finding The following weaknesses were identified regarding the current backup processes:</p> <ul style="list-style-type: none">•The municipality did not maintain evidence to confirm reviews were performed to verify the successful completion or failure of backups (Samras).•Backups were not tested by means of restore procedures.•Failed VIP backups were noted for the following days and these were not rerun: <p>•In addition, failed Samras backups were noted for the following days and these were not rerun: days:</p> <table><tr><th>No</th><th>Day</th><th>Date and month</th></tr><tr><td>1</td><td>Tuesday</td><td>08 September 2015</td></tr><tr><td>2</td><td>Friday</td><td>09 October 2015</td></tr><tr><td>3</td><td>Monday</td><td>12 October 2015</td></tr><tr><td>4</td><td>Tuesday</td><td>13 October 2015</td></tr><tr><td>5</td><td>Monday</td><td>28 December 2015</td></tr><tr><td>6</td><td>Tuesday</td><td>21 June2016</td></tr><tr><td>7</td><td>Monday</td><td>22 June 2016</td></tr><tr><td>8</td><td>Tuesday</td><td>30 June 2016</td></tr></table>	No	Day	Date and month	1	Tuesday	08 September 2015	2	Friday	09 October 2015	3	Monday	12 October 2015	4	Tuesday	13 October 2015	5	Monday	28 December 2015	6	Tuesday	21 June2016	7	Monday	22 June 2016	8	Tuesday	30 June 2016	<p>IT Management will ensure that backups are adequately monitored and tested for restoration as per documented backup strategies. IT Management will ensure that failed backups are investigated and rerun to ensure that the municipality can restore data from backups when required. Backup logs will be retained for a period of 12 months and make them available upon request.</p>	<p>Director: Corporate Services</p>	<p>31/03/2017</p>	
No	Day	Date and month																													
1	Tuesday	08 September 2015																													
2	Friday	09 October 2015																													
3	Monday	12 October 2015																													
4	Tuesday	13 October 2015																													
5	Monday	28 December 2015																													
6	Tuesday	21 June2016																													
7	Monday	22 June 2016																													
8	Tuesday	30 June 2016																													

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
<p>If backups are not adequately monitored and tested using restores procedures, the municipality may not be aware of the success and readability of backups performed.</p> <p>If failed backups are not successfully rerun this may result in the municipality not being able to rely on its backups to restore data</p> <p>The risks associated with this finding have not materialised as the municipality confirmed that no instances were backups failed or disruptions to business affected the daily operations in the period under review which would have required the restoration of backups to be recovered.</p>				
<p>16. Electronic funds transfer files not encrypted (VIP and SAMRAS)</p> <p>Previous audit finding</p> <p>It was noted that the monthly salaries payment file which is extracted from Samras and VIP applications and uploaded to the FNB online system for Electronic Funds Transfer (EFT) payment is not encrypted. The file is saved in a Microsoft excel or csv format and the contents of the file can be modified.</p> <p>This could result in the contents of the payroll being viewed and changed prior to the payment of salaries. Furthermore,</p>	<p>The finding has been noted. Management have liaised with FNB to determine if the .csv files can be encrypted. FNB is currently investigating if this is implemented.</p>	<p>Chief Financial Officer</p>	<p>31/03/2017</p>	

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
<p>this could result in salaries being paid to the wrong individuals or individuals receiving incorrect salaries.</p> <p>The risks related to inaccurate and invalid payments being made have however been mitigated to an extent as the payment file is reviewed and released by 2 personnel on the FNB online system. In addition, monthly reconciliations are performed to ensure the completeness, accuracy and validity of the payment of salaries. Furthermore activities per Backup logs should be retained for a period of 12 months and made available upon request formed by personnel that process payments are reviewed.</p> <p>This could result in the contents of the payroll and creditor files being viewed and changed prior to payments being made.</p> <p>Risk materialisation could not be performed as a .csv file cannot generate a log of changes made to it.</p> <p>Internal control deficiency: Financial and performance management</p> <p>Management did not implement an effective process to address prior year findings relating to the encryption of EFT files due to a system limitation with regard to encrypting of bank payment files.</p>				

AUDITOR-GENERAL OPINION 2016/2017

2016/17 AUDIT OPINION: UNQUALIFIED

AUDITOR-GENERAL REPORT: 2016/2017

Auditor-General of South Africa

Ubuhlebezwe Municipality - audit report 2016-17

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Ubuhlebezwe Municipality set out on pages 317 to 378, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ubuhlebezwe Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

Basis for opinion

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

Emphasis of matter

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

Material impairments

7. As disclosed in note 9 to the financial statements, material impairments of R17,64 million (2015-16: R15,72 million) were incurred as a result of an annual review of the recoverability of trade receivables from exchange transactions and non-exchange transactions.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

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

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

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

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings, but not to gather evidence to express assurance.

15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the objective - to ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development, presented on page 175 – 197 in the annual performance report of the municipality for the year ended 30 June 2017.
17. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. The material finding in respect of the usefulness and reliability of the selected objective is as follows:

Objective – to ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development

Performance indicators not well defined

Various indicators

19. I was unable to obtain sufficient appropriate evidence that clearly defined the predetermined source information and evidence to be used when measuring the actual achievement for the following indicators, as required by the Framework for Managing Programme Performance Information (FMPPi). This was due to a lack of technical indicator descriptions and formal standard operating procedures. I was unable to test whether these indicators were well defined by alternative means.
 - Percentage of gravel roads constructed by 31-Mar-17
 - Percentage of constructed community hall (Phase 1 of Morningside hall- Soweto) by 30-Sept-16
 - Percentage of constructed community hall (Madungeni Hall) by 30-June-17
 - Percentage of constructed community hall (Kintail Hall) by 30-June-2017
 - Percentage of constructed road completed by 30-Sept-16
 - Percentage of upgraded sport field completed by 31-Mar-17
 - Percentage completion of a bus rank construction by 30-Sept-16
 - Percentage of electrified wards completed by 30-Sept-16
 - Percentage of electrified wards completed by 30-Jun-17
 - Percentage of electrified wards completed by 31-Dec-16.

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. The annual performance report on page 169 to 234 includes information on the achievement of planned targets for the year and explanations provided for the underachievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 19 of this report.

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the objective - to ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

23. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings, but not to gather evidence to express assurance.

24. The material findings on compliance with specific matters in key legislations are as follows:

Procurement and contract management

25. Bid documentation for procuring commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by regulation 9(1) of the Preferential Procurement Regulations of South Africa, 2011 (PPR).

26. Some of the commodities designated for local content and production were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by regulation 9(5) of the PPR.

Annual financial statements

27. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, revenue and disclosure items

identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Annual report

28. The 2015-16 annual report was not published for the local community to submit representations in connection with the annual report, as required by section 127(5)(a) of the MFMA.

Other information

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

Internal control deficiencies

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

Leadership

35. Senior management did not adequately oversee the planning of performance information, which included credible and reliable performance reporting and compliance with key legislation.

Financial management

36. Non-compliance with legislation could have been prevented had the supply chain management checklist been updated to include the requirements of the PPR.

Pietermaritzburg

30 November 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for the selected objective and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ubuhlebezwe Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



UBUHLEBEZWE MUNICIPALITY
ACTION PLAN AG'S AUDIT FINDINGS
2016/17

AG AUDIT FINDINGS

NATURE OF THE QUERY				ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
1. Performance indicators were not well-defined Unable to obtain sufficient appropriate evidence that clearly defined the predetermined source information and evidence to be used when measuring the actual achievement for the following indicators, as required by the Framework for managing programme performance information (FMPPI)				The accounting officer should develop systems, processes and technical indicator descriptions which specify the minimum required evidence to be collected to support validity, accuracy and completeness of the achievements reported which should be utilised during the compilation of the indicators.	Manager: IDP/ PMS	31/03/2018	The PMS unit together with the IPD unit are currently benchmarking with other municipalities to find out which technical indicators are being used. As per AG 's advise, an annexure will be made which explains the percentage calculation on Infrastructure projects. IA Opinion: IN-PROGRESS The IA unit will follow-up to ensure that the PMS unit obtains and uses technical indicators that will allow for measurement of actual achievement as required by the Framework for managing programme performance information.
Objective	Indicator	Target	Auditors Comments				
To ensure provision, upgrading and maintenance of infrastructure and services that enhance socio-economic development.	Percentage of gravel roads constructed by 31- Mar-17	100% of new Gravel roads to be constructed (Msenge road 0.930km), (Mxolisi Ngubo0.30km), (Nomakhele 1.7km), (Thuleshe road 1.3km by 31- Mar -17	There are no technical indicator descriptions to define what will be used to assess the percentage i.e. what is the numerator and denominator that will be used to get the percentage .				
	Percentage of constructed community hall (Phase 1 of Morningside hall- Soweto) by 30-Sept-16	100% completion of a community hall constructed (Phase 1 of Morningside hall-Soweto) by_ 30-Sep-16					
	Percentage of constructed community hall (Madungeni Hall) by 30-June-17	100%completion of acommunity hall constructed (Madungeni Hall) by 30-Jun-17					

NATURE OF THE QUERY					ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
		Percentage of constructed community hall (Kintail Hall) by 30-June-2017	100% completion of a community hall constructed (Kintail Hall) by 30-Jun-17					
		Percentage of constructed road completed by 30- Sept-16	100% completion of East Street Phase 2(0.4km) constructed by 30-Sept-16					
		Percentage of upgraded sport field completed by 31-Mar-17	100% Completion of the upgrading of Phase 2 Jolivet sports field & Jeffrey Zungu sports field upgrade by 31-Mar-17	There are no technical indicator descriptions to define what will be used to assess the percentage i.e. what is the numerator and denominator that will be used to get the percentage .				
		Percentage completion of a bus rank construction by 30-Sept-16	100% completion of construction of Bus Rank by 30-Sept-16					
		Percentage of electrified wards completed by 30- Sept-16	100% completion on the electrification of wards 3 (Ofafa) by 30-Sept-16					
		Percentage of electrified wards completed by 30- Jun-17	80% Phase 1 completion on the electrification of wards 5 (Mkhunya) by 30- Jun-17					
		Percentage of electrified wards completed by 31- Dec-16	100% Phase 2 completion on the electrification of wards 5 (Mkhunya) by 31- Dec-16					

NATURE OF THE QUERY				ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
2. Bid specification not specifying minimum threshold for local production The following request for quotations did not specify the required minimum threshold for local production nor did it require the declaration on local production by suppliers.				Payments in respect of these awards should be disclosed as irregular expenditure. The SCM Manager should revise the SCM checklist to incorporate local content to confirm compliance with SCM prescript. The SCM Manager should review all procurement of local content in order to identify similar instances which should be disclosed as irregular expenditure.	Chief Financial Officer	31/03/2018	To remedy the raised finding, the matter will be tabled at the Finance Committee meeting on 13/02/2018. Thereafter it will be tabled to EXCO on 13/03/2018 and finally, Council on 22/03/2018. If Council condones the expenditure, it will then be disclosed as irregular expenditure. Going forward all adverts will include a specification for local content requirement. This will also be included in the tender documents. IA Opinion: IN-PROGRESS The IA unit will monitor that this finding is remedied.
Item no	Items procured	Supplier	Amount R				
1.	SUPPLY AND DELIVERY OF ROADS AND MAINTANANCE PROTECTIVE CLOTHING	SINGELA TRADING & ENTERPRISE	55 340				
2.	PROTECTIVE CLOTHING FOR DISASTER MANAGEMENT AND FIRE SERVICES	SPARKS & ELLIS	112 665				
3.	SUPPLY AND DELIVERY OF TRAFFIC UNIFORM	SPARKS & ELLIS	62 536				
4.	SUPPLY AND DELIVERY OF FURNITURE	NASHUA MARITZBURG	132 139				
5.	SUPPLY AND DELIVERY OF EPWP UNIFORM	DOLTA GLOBAL SYSTEMS	47 364				
6.	SUPPLY AND DELIVERY OF SAFETY BOOTS FOR EPWP	RAJAH AND SON TRADING (PTY) LTD	38 940				
Total			R448983				
As a result, thereof, payments in respect of these awards should be disclosed as irregular expenditure. This also results in non-compliance with the PPR.							

NATURE OF THE QUERY						ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS																								
<p>3. Suppliers did not meet the minimum threshold on local production and content.</p> <p>The following suppliers were awarded quotations even though they did not meet the prescribed minimum threshold:</p> <table><tr><th>Item No</th><th>Items procured</th><th>Supplier</th><th>Prescribed minimum threshold</th><th>Threshold per declaration</th><th>Amount R</th></tr><tr><td>1.</td><td>PROTECTIVE CLOTHING FOR DISASTER MANAGEMENT AND FIRE SERVICES</td><td>SPARKS & ELLIS</td><td>100%</td><td>96%</td><td>112 665</td></tr><tr><td>2.</td><td>SUPPLY AND DELIVERY OF TRAFFIC UNIFORM</td><td>SPARKS & ELLIS</td><td>100%</td><td>98%</td><td>62 536</td></tr><tr><td colspan="5">Total</td><td>R175201</td></tr></table> <p>As a result, thereof, payments in respect of these awards should be disclosed as irregular expenditure. This also results in non-compliance with the PPR.</p>						Item No	Items procured	Supplier	Prescribed minimum threshold	Threshold per declaration	Amount R	1.	PROTECTIVE CLOTHING FOR DISASTER MANAGEMENT AND FIRE SERVICES	SPARKS & ELLIS	100%	96%	112 665	2.	SUPPLY AND DELIVERY OF TRAFFIC UNIFORM	SPARKS & ELLIS	100%	98%	62 536	Total					R175201	<p>The SCM Manager should revise the SCM checklist to incorporate local content to confirm compliance with SCM prescript.</p> <p>The SCM Manager should review all procurement of local content in order to identify similar instances which should be disclosed as irregular expenditure.</p>	Chief Financial Officer	31/03/2018	<p>To remedy the raised finding, the matter will be tabled at the Finance Committee meeting on 13/02/2018. Thereafter it will be tabled to EXCO on 13/03/2018 and finally, Council on 22/03/2018. If Council condones the expenditure, it will then be disclosed as irregular expenditure.</p> <p>Going forward all adverts will include a specification for local content requirement. This will also be included in the tender documents.</p> <p>IA Opinion: IN-PROGRESS The IA unit will monitor that this finding is remedied.</p>
Item No	Items procured	Supplier	Prescribed minimum threshold	Threshold per declaration	Amount R																												
1.	PROTECTIVE CLOTHING FOR DISASTER MANAGEMENT AND FIRE SERVICES	SPARKS & ELLIS	100%	96%	112 665																												
2.	SUPPLY AND DELIVERY OF TRAFFIC UNIFORM	SPARKS & ELLIS	100%	98%	62 536																												
Total					R175201																												
<p>4. Annual report made public before being tabled in council</p> <p>The municipality advertised the notice to make the 2015/16 annual report public and to invite the community to submit representations on 16 January 2017 which was before the annual report tabling in Council which was on 24 January 2017.</p>						<p>The accountin g officer should improve his oversight over the</p>	Manager: IDP/ PMS	31/01/2018	<p>Going forth, the annual report will be published after the Council meeting. This financial year, Council will sit on 25/01/2018, the annual report will be published thereafter.</p>																								

NATURE OF THE QUERY					ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
This results to a material non-compliance with the MFMA.					implemen tation of the PMS checklist to confirm complianc e with the MFMA.			IA Opinion: ON-GOING The IA unit will monitor on an on-going basis that the PMS unit complies with the MFMA.
5. Reported information not accurate The reported achievement for the following indicator was misstated as the evidence provided indicated otherwise:					The PMS manager should improve her review of the actual achievements of the APR against	Manager: IDP/ PMS	31/03/2018	The PMS unit will be more diligent in checking POEs submitted against reported targets IA Opinion: ON-GOING The IA unit going forth, will ensure that due care and diligence is exercised when auditing the POE files submitted for audit by the PMS unit.
Objective	Indicator	Portfolio of evidence	Actual reported target	Total employed as per the monthly payment schedules for EPWP employees	source documentation to confirm the validity, accuracy and completeness of reported achievements prior to the submission for audit			
To ensure provision , upgradin g and maintena nce of infrastruc ture and services that enhance socio-economic development	IPD 23 - Numb er of jobs create d throug h EPWP mainte nance project s by 30 June 2017	Attendance registers and timesheets	A total number of EPWP employed was 90 where the payment summary and attendance register form part of the portfolio of evidence by 30 June 2017	87				

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
<p>6. Standard operating procedure manual not developed for planning and reporting of performance information</p> <p>Standard operating procedures (SOPs) were not developed and approved to guide management in designing and defining indicators and targets and the criteria required to collect valid evidence to support the achievement of the indicators in accordance with the FMPPI.</p>	<p>The accounting officer, together with the PMS manager, should develop and approve SOP's to guide management in developing good performance indicators and targets that meet the requirements of the FMPPI and monitor the development and approval of technical indicator descriptions and criteria required to collect valid and accurate supporting evidence to support the achievements of the indicator. The SOP's should include as minimum</p>	<p>Manager: IDP/ PMS</p>	<p>30/06/2018</p>	<p>The PMS unit has started to develop the SOPs. They are currently in draft.</p> <p>IA Opinion: IN-PROGRESS</p> <p>The IA unit will follow-up to ensure that the SOPs are developed and approved.</p> <p>Furthermore, that the developed SOPs are in accordance with the FMPPI.</p>

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
	<p>procedures for the following areas:</p> <p>Integration of performance information structures and systems within existing management processes and systems</p> <p>Definitions and technical standards of all the information collected by the institution</p> <p>Processes for identifying, collecting, collating, verifying and storing information</p> <p>Use of information in managing for results</p> <p>Publication of performance information.</p>			

NATURE OF THE QUERY				ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
7. Reported achievement is not consistent with planned and reported indicator and target				<p>The PMS manager should develop a PMS checklist to confirm the alignment and consistency of the reported achievements to the planned objectives, indicators and targets between the IDP, SDBIP and APR which should be utilized during the review of the respective documents.</p> <p>Internal audit should improve their pro-active reviews of the IDP, SDBIP and APR to confirm alignment and consistency of the objectives, indicators and targets between the IDP, SDBIP and APR.</p>	<p>Manager: IDP/ PMS</p> <p>Manager: Internal Audit</p>	31/03/2018	<p>The PMS unit will be more diligent in checking POEs submitted against reported targets</p> <p>Furthermore, a checklist will be developed.</p> <p>Going forward, the IA unit will be more pro-active when reviewing the IDP, SDBIP and APR.</p> <p>IA Opinion: ON-GOING The IA unit going forth, will ensure that due care and diligence is exercised when auditing the POE files submitted for audit by the PMS unit.</p> <p>Furthermore, the IA unit will ensure that the checklist is developed and used.</p>
Planned objective	Performance indicator	Planned target	Reported Actual Performance				
To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Date of which design report and business plan are approved for 2017/18 projects	Approve design reports and business plans of 2017/2018 projects by 31-Mar-17	Draft Service Level Agreement for Chapel Street has been developed by the 29 September 2016. All project were registered on MIG MIS on the 20th December 2016 and the designs were approved and the requisition was signed on the 9 March 2017				
	Turnaround time for processing of building and alteration plans after receipt of payment fees	Processing of building and alteration plans within 30 days after receipt of payment fees	In Q1 there were three (3) building plans were accepted during the first quarter and that is for the standard Bank Housing Program accepted on				

NATURE OF THE QUERY				ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
			<p>the 12/09/16 and approved by the 19/09/16; Lot 474 which was accepted on the 16/09/16 together with a building plan for Lot 1. Both have not been approved due to outstanding building plans fee not paid and in Q2 One building plan received on the 7th November 2016 was processed and approved on the 15th November 2016. In Q3 There were two (2) building</p>				

NATURE OF THE QUERY				ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
			plans accepted during the third quarter. One was for internal alterations of an old building to be occupied by Nedbank. The second one was on a new dwelling house on Erf. 70 High street. Both were accepted and processed within the applicable timeframe of 30 days. In Q4 There were two (2) building plans accepted during the fourth quarter. One				

NATURE OF THE QUERY				ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
			<p>was for the renovations and additions to Erf KZN dept. of Education) Nobengela Primary School which was received on 5th of June 2017 and approved on the 21st of June 2017. The second one was on the existing building in Erf 646 (extension) which was received on the 18th of May 2017 and approved on the 14th of June 2017. Both were accepted and processed within the applicable timeframe of 30 days.</p>				
	Turnaround time for serving conservative notices for illegal/improper building operations	serve conservative notices for illegal/ improper building operations within 21 days	<p>10 Notices were issued for illegal/improper building operations. Three notices were issued for</p>				

NATURE OF THE QUERY				ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
			<p>illegal/improper building operations in the current quarter(</p> <p>Portion1 of Erf 27</p> <p>Stuarts Drive</p> <p>out building without approved plans issued on the 12th Dec 16,</p> <p>Portion 3 of Erf 01</p> <p>Corner Of Margaret street and Grant Avenue</p> <p>erection of boundary wall without approved plans issued 12 Dec 2016, Erf 192</p> <p>Brigadier Royston</p> <p>building not according to the approved</p>				

NATURE OF THE QUERY				ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
			plans issued 12 Dec 2016 .There were 4 notices served within the 3rd quarter served over the 21 day period and Submitted three (3) Portion 1 of Erf 27 Stuarts Drive- (illegal outbuilding), Portion 3 of Erf 01 Grants- (illegal boundary wall), Erf 192 Brigadier Royston- (structure not in as per approved building plan)				
8. Awards to persons in service of the state The members of the following suppliers were in the service of the state, however the suppliers submitted a nil declaration in this regard which is indicative of fraud:				The accounting officer should investigate these suppliers for any possible fraud and implement the necessary remedial measures such as recovering the funds spent, instituting disciplinary proceedings	Chief Financial Officer	30/06/2018	Documentation will be revisited for identity numbers and full names of the identified individuals. It will be followed-up to enquire as to their employment status where reliance will be placed on HR departments of concerned institutions.

NATURE OF THE QUERY						ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
Name of supplier	Member In service of the state	Institution/ Department	Declaration received?	Connection declared?	Expenditure (Payments) current year (R)	against those liable for such actions and also possible criminal prosecution as may be appropriate in accordance with MFMA circular 62 and Municipal SCM Regulations 38.			<p>In the meantime, the municipal corrective measure will be to flag the two suppliers and not award them until such time as the investigative process has been finalised.</p> <p>IA Opinion: In-progress The IA unit will follow-up to ensure that the employment status of the two identified individuals is obtained.</p>
MLULEKI TRADING	SE NTOMBELA	SOUTH AFRICAN POLICE SERVICE	Limitation	Limitation	20 000				
WORK DYNAMICS	LC NENE	PetroSA	Yes	No	7 224				
<p>9. No evidence of impairment assessment on the indefinite useful life of intangible assets</p> <p>There is no evidence that the municipality has reviewed whether events and circumstances continue to support an indefinite useful life assessment for their intangible assets.</p>						The acting CFO should develop and implement formal procedures which detail the methodology, guidance and responsibilities relating to asset useful life assessments in support of	Chief Financial Officer	30/06/2018	<p>The guideline is currently in draft. As it is an internal document, it will be endorsed by Council.</p> <p>IA Opinion: In-progress The IA unit will follow-up to ensure that the guideline is developed and that it is in compliance with GRAP standards.</p> <p>The IA unit will further ensure that it is tabled to Council for approval so that it is enforceable in the municipality.</p>

NATURE OF THE QUERY				ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
				the municipality's asset management policy to confirm compliance with the GRAP standards. Evidence to support management's impairment assessment should be maintained for audit purposes.			
10. Copy of integrated development plan not timeously submitted to MEC for local government The amendment of the IDP was not timeously submitted to the MEC as required by the MSA.				The accounting officer should improve his oversight over the implementation of the integrated development plan (IDP) checklist to confirm compliance with the MSA.	Manager: IDP/ PMS	Immediately	Going forth, in calculating days, weekends will also be included and not just working days. IA Opinion: ON-GOING The IA unit will follow-up with PMS to ensure that submissions are made timeously taking into account all days and not just working days.
Date revised IDP approved by council	Date revised IDP received by MEC of the province	Deadline for submission	Number of days revised IDP submitted within				
26 May 2016	06 June 2016	04 June 2016	12				

NATURE OF THE QUERY						ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS																								
11. Payment not made within 30 days Audit finding The following suppliers were not paid within 30 days: <table><tr><th>Supplier</th><th>Receipt date</th><th>Payment date</th><th>No. of Days</th><th>Tax Invoice number</th><th>Amount as per audltee records R</th></tr><tr><td>Wolters Kluwer</td><td>2017/03/31</td><td>2017/05/04</td><td>34</td><td>2717380113</td><td>15 530.77</td></tr><tr><td>Bytes Universal Svstem</td><td>2016/09/07</td><td>2016/12/21</td><td>105</td><td>1045625</td><td>338 902.77</td></tr><tr><td>Bytes Universal System</td><td>2017/03/17</td><td>2017/04/18</td><td>32</td><td>1064500</td><td>50 512.25</td></tr></table> The interest incurred as a result of late payment of theses invoices should be disclosed as fruitless and wasteful expenditure in the AFS.						Supplier	Receipt date	Payment date	No. of Days	Tax Invoice number	Amount as per audltee records R	Wolters Kluwer	2017/03/31	2017/05/04	34	2717380113	15 530.77	Bytes Universal Svstem	2016/09/07	2016/12/21	105	1045625	338 902.77	Bytes Universal System	2017/03/17	2017/04/18	32	1064500	50 512.25	The SCM unit should improve their monitoring of the invoice register to proactively identify invoices that are due for payment to ensure payments are made timeously. All outstanding invoices longer than 30 days should be communicated / followed up with responsible department. The reasons for not paying the invoice within 30 days should be documented on the payment voucher prior to the approval thereof. Any interest incurred as a result of late payment of theses invoices should be disclosed as fruitless and	Chief Financial Officer	Not applicable	Due to the municipality's dissatisfaction with the performance of Bytes Universal System, payment was withheld as a control tool to urge them to act on requests to resolve issues and problems faced on-site. Seeing as the municipality wasn't getting value for money, timeous payment could have translated into fruitless and wasteful expenditure whereas the municipality is supposed to safeguard its assets as stipulated in the MFMA s62(1)(a). The municipality has always ensured and continues to ensure that payments are done within 30 days of receipt of invoice. IA Opinion: Cleared The IA unit will monitor that payments are indeed done within 30 days.
Supplier	Receipt date	Payment date	No. of Days	Tax Invoice number	Amount as per audltee records R																												
Wolters Kluwer	2017/03/31	2017/05/04	34	2717380113	15 530.77																												
Bytes Universal Svstem	2016/09/07	2016/12/21	105	1045625	338 902.77																												
Bytes Universal System	2017/03/17	2017/04/18	32	1064500	50 512.25																												

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
	<p>wasteful expenditure in the AFS.</p> <p>The accounting officer should investigate and institute consequence management procedures against officials responsible for the incurrence of interest and penalties as a result of late payment of invoices.</p>			

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

DATES OF COUNCIL MEETINGS	DATES OF SPECIAL COUNCIL MEETINGS HELD	ATTENDANCE	(%)
	13 th July 2016	23/24	96
28 th July 2016		22/24	92
	18 th August 2016 (Council Inauguration)	26/27	96
24 th August 2016		26/27	96
8 th September 2016		25/27	93
	20 th September 2016	26/27	96
3 rd November 2016		25/27	93
8 th December 2016		24/27	89
24 th January 2017		24/27	89
23 rd February 2017		24/27	89
30 th March 2017		21/27	78
25 th May 2017		22/27	81
	22 nd June 2017	24/27	89

DATES OF EXECUTIVE COMMITTEE MEETINGS	DATES OF SPECIAL EXCO MEETINGS HELD	ATTENDANCE	(%)
26 th July 2016		4/4	100
11 th October 2016		4/5	80
	21 st October 2016	4/5	80
22 nd November 2016		4/5	80
17 th January 2017		4/5	80
21 st February 2017		3/5	60
16 th March 2017		4/5	80
23 rd May 2017		5/5	100
6 th June 2017		4/5	80

DATES OF FINANCE COMMITTEE MEETINGS	DATES OF SPECIAL FINANCE COMMITTEE MEETINGS	ATTENDANCE	(%)
12 th July 2016		3/4	75
13 th September 2016		4/4	100
12 th October 2016		4/4	100
10 th November 2016		4/4	100
13 th December 2016		4/4	100
12 th January 2017		3/4	75
14 th February 2017		3/4	75
14 th March 2017		4/4	100
13 th April 2017		4/4	100
12 th May 2017		4/4	100
13 th June 2017		4/4	100

DATES OF INFRASTRUCTURE, PLANNING & DEVELOPMENT PORTFOLIO COMMITTEE MEETINGS	DATES OF SPECIAL MEETINGS HELD	ATTENDANCE	%
21 st July 2016		6/6	100
26 th September 2016		6/6	100
2 nd November 2016		6/6	100
6 th February 2017		4/6	67
24 th April 2017		5/6	83
22 nd June 2017		6/6	100

DATES OF ADMIN AND HUMAN RESOURCES PORTFOLIO MEETINGS	DATES OF SPECIAL MEETINGS HELD	ATTENDANCE	%
19 th July 2016		5/6	83
20 th September 2016		6/6	100
31 st October 2016		5/6	83
7 th February 2017		6/6	100
18 th April 2017		5/6	83
20 th June 2017		6/6	100

DATES OF SOCIAL DEVELOPMENT PORTFOLIO COMMITTEE MEETINGS	DATES OF SPECIAL MEETINGS HELD	ATTENDANCE	%
20 th July 2016		4/6	67
23 rd September 2016		6/6	100
3 rd November 2016		6/6	100
1 st February 2017		6/6	100
19 th April 2017		6/6	100
21 st June 2017		6/6	100

DATES OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MEETINGS	DATES OF SPECIAL MEETINGS HELD	ATTENDANCE	%
14 th July 2016		2/4	50
3 rd November 2016		5/6	83
9 th February 2017		5/6	83
25 th April 2017		4/6	67

DATES OF LOCAL LABOUR FORUM MEETINGS HELD	DATES OF SPECIAL MEETINGS HELD	ATTENDANCE	%
13 th July 2016		Did not sit (Not Quorate)	
14 th September 2016		2/2	100
10 th November 2016		1/2	50
6 th February 2017		Did not sit (Not Quorate)	
25 th April 2017		Did not sit (Not Quorate)	
8 th June 2017		2/2	100

PERFORMANCE OF COMMITTEES FOR 2016/2017 FINANCIAL YEAR			
Committee	Meetings Scheduled	Meetings Held	% Meetings Held
Council	9	13	144
Executive Committee	8	9	113
Finance Committee	12	11	92
Administration and Human Resources Portfolio	6	6	100
Social Development Portfolio	6	6	100
Infrastructure, Planning and Development	6	6	100
Municipal Public Accounts Portfolio	4	4	100
Local Labour Forum	6	3	50

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

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

Committees (other than Exco) and Purposes of Committees	
Municipal Committees	Purpose of the Committee
Administration, Human Resources and Finance	The Administration, Finance and Human Resources Portfolio Committee's function is to oversee the Administration, Communications and Information Technology; Finance and Budgeting; and all human resources related issues.
Community and Social Development	The Community and Social Development Committee oversees all general community services e.g. Protection Services i.e. Safety

	and Security as well as other municipal services e.g. Education, Health, Welfare and Social services, Sports and Recreation, Heritage etc
Planning and Infrastructure	The Planning and Infrastructure Committee oversees the following components Planning and Building Control, Housing and Infrastructure.
Municipal SCOPA	The role of the Oversight Committee is to review and analyze the Annual Report, gather input and prepare a draft Oversight Report for consideration by Council. Questions raised with the administration should, in writing, be forwarded to the Accounting Officer and subsequently provided to the committee. Questions should be responded to immediately during the committee meeting to avoid delays. The top management team may assist the Accounting Officer if needed.

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director / Manager (title & name)
Municipal Managers office	Municipal Manager: Mr GM Sineke
	Manager: IDP / PMS: Mrs NF Ndlovu
	Manager: Internal Audit: Mr M Ntshangase
Budget & Treasury Office	Chief Financial Officer: Mrs UP Mahlasela
	Assistant CFO: Miss SY Sityata
	Budget & Reporting Manager: Mrs M Mbatha
	SCM Manager: Mr L Ndlovu
Corporate Services	Director: Mr ME Mkhize
	Manager Administration: Mrs SR Lundrell
	Manager Human Resources: Mr LS Hlophe
	Manager ICT: Mr Dukada
Social Development	Director: Ms NNF Buthelezi
	Manager: LED: Mr NH Mkhize
	Manager: Public Safety: Mr Z Mthanti
	Manager: Community Services: Mr C Ndlovu
Infrastructure Planning & Development	Director: Ms S Buthelezi

	Manager: PMU: Mr SB Mkhwanazi
	Manager: Housing & Planning: Miss Z Mazibuko

APPENDIX D – WARD REPORTING

Functionality of Ward Committees						
Ward number	Name of ward councillor & elected ward committee members	Committee established	Number of monthly committee meetings	Number of monthly reports submitted to Speakers office	Number of quarterly public ward meetings	% attendance
1	-Cllr ZV Shange (Ward Councillor) Dhludhlu Thulebone Shabalala Bawinile Radebe Lindiwe Kubone P. Nomvelo Madlala Mandla Maduna B. Nana Nxasana Khonziwe Mkhize Bandliwe Nhlansi Sibusiso Paulus Mjwara Bongani	Yes	1 st quarter =3 2 nd Quarter =3 3 rd quarter = 2 4 th quarter =1	3 reports	3 quarterly meetings	60%
2	Cllr HC Jili Dlamini Mxolisi Gamede N. Cynthia Sosibo Sbonisile Magubane P. Duduzile Ndlela N.Letta Mthembu Vusi Thabane Chiya Mxolisi Philip Zondi Sanelisiwe goodness Nkontwna zithulele elias	yes	1st quarter =3 2nd Quarter =2 3rd quarter = 1 4th quarter = 0	4 reports	4 quarterly meetings	29%
3	Cllr MC Ndlovu Mdladla Simphiwe Zulu Sifiso Ndlovu Thamsanqa Xaba Sandile Magoso Mlungisi Nene Muzi Ngcobo Thokozile Mtolo V. Bongeka	Yes	1st quarter =3 2nd Quarter =3 3rd quarter = 3 4th quarter =3	3 reports	3 quarterly meetings	53%

Functionality of Ward Committees						
Ward number	Name of ward councillor & elected ward committee members	Committee established	Number of monthly committee meetings	Number of monthly reports submitted to Speakers office	Number of quarterly public ward meetings	% attendance
	Chiliza Nokubonga Mtungwa G. Ntombifuthi					
4	-Cllr SC Shezi (ward councillor) Cele A Busisiwe Dlamini P. Skhumbuzo Mazibuko T. Phumlile Vacant Biyase Nhlanhla Innocent Mjoli E. Mokhethi Ncama Thandekile Mpisi A. Sindiswa Hlongwa Gloria Zulu Thembinkosi	Yes	4 – 2 in quarter 1st quarter =3 2nd Quarter 3 3rd quarter = 3 4th quarter =2	4 reports	4 quarterly reports	72%
5	-CLLR MC SITHOLE (WARD COUNCILLOR) Sandile Mtshali Madonda Robert Xolani Mboniseni Ndlovu Mkhize C. Mandlambambo Ndlovu P. Sikosipi Mbhele Johnson Dineane Bhengu Sandile Ngcongco Zamaliphi Sithole Falcia Lilly Ngwane Nimpilo Mildred	Yes	1st quarter =3 2nd Quarter =3 3rd quarter = 3 4th quarter =2	3 reports	3 quarterly reports	62%
6	-Cllr BP Nzimande (ward councillor) Mthembu Delani Dlamini W. Nelisiwe Gema C. Makhosazana Hlengwa E. Sihlezinaye Mchunu V. Ntombi Mkhize N.F. Nosipho Mthembu Zibonele Phoswa Z. Zamokwakhe	Yes	1st quarter =3 2nd Quarter=2 3rd quarter =3 4th quarter =3	4 reports	4 quarterly reports	72%

Functionality of Ward Committees						
Ward number	Name of ward councillor & elected ward committee members	Committee established	Number of monthly committee meetings	Number of monthly reports submitted to Speakers office	Number of quarterly public ward meetings	% attendance
	Phungula R. Bhekokwakhe Sithole S. Hazel					
7	-Cllr EB Ngubo (ward councillor) Mbatha E. Mfanufikile Mkhize E. Sibuyile Mkhize C. Sandile Mchunu Welcome Mhlonipheni Mkhize C. Thembani Zindela Locardia Jabilile Myende S. Vukani Ncwane B. Thebisile Hlengwa Themba Midred Nduli R Bongiwe	Yes	1st quarter =3 2nd Quarter=3 3rd quarter =2 4th quarter =3	3 reports	3 quarterly reports	82%
8	-Cllr GP Nzimande (ward councilor) -Khomu Francis Dumangeze Stuart Elizabeth Shinga Slindile Mkhize Martin Nene Ntombifikile B Mpungose Priscilla Babhekile Msimango Mchitheni Enock Khambule Getrude Bahlakaniphile Vacant Vezi Glenrose	Yes	1st quarter =2 2nd Quarter =3 3rd quarter =3 4th quarter =3	4 reports	4 quarterly reports	56%
9	-Cllr NM Mdunge (ward councillor) -Biyase Ntombi -Dkamini M Innocent -Jokweni C Nzuzo	Yes	1st quarter =2 2nd Quarter =3	4 reports	4 quarterly reports	73%

Functionality of Ward Committees						
Ward number	Name of ward councillor & elected ward committee members	Committee established	Number of monthly committee meetings	Number of monthly reports submitted to Speakers office	Number of quarterly public ward meetings	% attendance
	-Sosibo J Rose Mazibuko B Nontobeko -Mhlongo Nompumelelo -Ndlovu V Sizane -Ngubo Maboni -Nxumalo F Tholani -Sithole L Sipiwe		3rd quarter = 3 4th quarter =3			
10	-Cllr SH Dlamini Dlamini Thulani B Dlamini V. Themba Khanyase L. Bagabisile Kweyama M. Patric Phungula NP Maluleka V. Lindiwe Mbanjwa S. Mandlakayise Mbona E. Peter Mchunu M.N. Zibuyile Memela L. Khehla	Yes	1st quarter =3 2nd Quarter =3 3rd quarter = 3 4th quarter =3	4 reports	4 quarterly reports	90%
11	Cllr TP Dlamini Ngcobo nombulelo Mbanjwa A. Phikisile Gamede mkhapheni Mngonyama m. Nikiwe Msomi D. Nonhlanhla Mtolo jabulani Nyala W. Lungani Dweku nokuthula Ngcobo M. Thenjiwe Tenza T. Naxan	Yes	1st quarter =3 2nd Quarter =3 3rd quarter = 3 4th quarter =3	4 reports	4 quarterly reports	81%
12	Cllr TC dlamini Chiliza P. Zodwa Chiya P. Nonkululeko Dlamini C. Simangele Vacant Mhlongo mndeni Jali B. Angeline Mhlongo H. Siphikezeli	Yes	1st quarter =3 2nd Quarter=2 3rd quarter = 2 4th quarter =2	4 reports	4 quarterly reports	42%

Functionality of Ward Committees						
Ward number	Name of ward councillor & elected ward committee members	Committee established	Number of monthly committee meetings	Number of monthly reports submitted to Speakers office	Number of quarterly public ward meetings	% attendance
	Mbhele bongi Vacant Shezi e. Busisiwe					

APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2016/17

Audit and Performance Audit Committee Recommendations		
Date of meeting	Committee recommendations	Recommendations adopted
26 August 2016		
	The progress report on the Internal Audit on Asset Management was noted	YES
	The Internal Audit report on Supply Chain Management was noted	YES
	The Audit performance and Audit Committee noted the Ubhlebezwe Financial Statement for the year ended June 30, 2016.	YES
18 November 2016	Annual Internal Audit Plan 2016/2017 That the Annual Internal Audit Plan 2016/2017 be approved.	YES
	The Internal Audit report on Quarter 1 Organizational Performance was noted	
	The Internal Audit report on Enterprise Risk Management (ERM) was noted	
24 January 2017	Action Plan to address AG queries 2015/2016 That the Finance Reports be tabled to future Audit Performance and Audit Committee meetings.	YES
	The Internal audit report on Grants and Investment was noted	
	The progress report on the 2nd quarter Enterprise Risk Management Monitoring (ERM) for the 2016/17 financial year was noted	
	The Internal Audit report on Cemetery Management 2016/17 was noted.	

	The Internal Audit report on Traffic Management 2016/17 was noted	
	Quarter 3 Enterprise Risk Management (EMR) Monitoring for 2016/17 financial year was noted.	
22 June 2017	Internal Audit Charter That the Audit and Performance Audit Committee approve the Internal Audit Charter.	YES
	Audit and Performance Audit Committee Charter That the Audit and Performance Audit Committee Charter be referred to Council for approval.	YES

OTHER MATTERS

The Council meeting held on 22 June 2017 at 10h00 in the municipal boardroom in Ixopo.

The Council resolved that it reviewed and adopts the **Internal Audit Unit Policies and Procedures for 2017/2018** financial year as presented;

- Fraud Prevention Plan
- Fraud Prevention Strategy
- Whistle Blowers Policy
- Fraud Response Plan
- Code of Conduct
- Ethics Policy
- Gift Register
- Audit and Performance Audit Charter
- Enterprise Risk Management Strategy
- Enterprise Risk Management Policy

UBUHLEBEZWE MUNICIPALITY

REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

LEGISLATIVE MANDATE

In compliance with the Municipal Finance Management Act (MFMA) Circular 63 issued by the National Treasury this report (the report of the Audit and Performance Audit Committee (APAC)) has to be included in the Annual Report. MFMA Section 166, Performance Management Regulations, Performance and Planning Regulations and MFMA circular 65 on Internal Audit and Audit Committee, also prescript the duties and responsibilities of APAC with regard to this report.

BACKGROUND

APAC, as an independent advisory body, must advise the municipal council, political office bearers, the accounting officer and the management staff of the municipality on matters relating to internal financial control and internal audits, risk management, accounting policies, the adequacy, reliability and accuracy of financial reporting and information, performance management and evaluation, effective governance and compliance with the MFMA and DoRA. In addition APAC must review the AFS, respond to council on any issues raised by the Auditor General on the audit report and carry out any investigations into the financial affairs on request. APAC also has a responsibility to report to council on a quarterly basis on the following matters:

1. Summary of the work performed by the internal audit and the audit committee against an annual work plan
2. Effectiveness of internal controls and additional measures that must be implemented to address identified risks
3. Summary of key issues dealt with, such as significant internal and external audit findings, recommendations and updated results thereof;
4. Progress with any investigations and their outcomes;
5. Details of meetings and the number of meetings attended by each member; and
6. Other matters requested of the internal audit committee.

The Local Government Municipal Finance Management Act dictates that the Audit Committee meet at least four times a year. In this financial year the Audit and Performance Audit Committee (APAC) held four committee meetings as follows:

Attendance of members	26/08/2016	18/11/2016	03/02/2017	21/04/2017
Type of meeting	Ordinary	Ordinary	Ordinary	Ordinary
Prof. S P Zulu (Chairperson)	Attended	Attended	Attended	Attended
Mrs N R Shabalala - Member	Apology	Apology	Attended	Attended
Mr R W Bowyer – Member	Attended	Attended	Attended	Attended

As part of its responsibility the Audit Committee has, as far as possible, complied with its responsibility arising from its revised Charter, including the relevant legislative requirements. As part of its responsibilities quarterly PMS reports as tabled were reviewed by the Audit Committee on the following dates:

1. 21 August 2016 - Quarter 3 (2015/16) PMS report for Section 54/56 Managers
2. 18 November 2016 - Quarter 4 (2015/16) and Quarter 1 PMS report for Section 54/56 Managers
3. 03 February 2017 - Quarter 2 PMS report for Section 54/56 Managers
4. 21 April 2017 – Quarter 3 PMS Report for Section 54/56 Managers

APAC has considered the quarterly reports of the Internal Audit Activity in relation to performance management and can conclude that performance management system is in place and fully functional. In addition Ubuhlebezwe Municipality has produced reports on PMS for middle management. This means that performance management has been cascaded down to show the alignment between targets and performance indicators set for heads of departments and middle management.

Internal Controls and Risk Management

The Audit Committee reviewed various reports from the Internal Audit Activity in terms of the approved audit plan. Based on our evaluation of the work of the Internal Audit Activity as well as feedback from the Office of the Auditor-General, the Committee is of the opinion that the adequacy and effectiveness of internal control systems is generally sound, however risk management is an area where improvements are still being made.

The Audit Committee has reviewed the adequacy of the design, implementation and monitoring of the Municipality's risk management processes and the integration thereof into the municipality's day to day activities, including:

- Reviewing the significant risk facing the municipality and the appropriateness of identified risk responses.
- Considering the appropriateness of management's risk appetite and risk tolerance in accordance with the risk management strategy set by the Council.
- Ensuring that a formal risk assessment is undertaken at least annually.

The Committee acknowledges the risk management processes that management has put in place; however the Municipality needs to increase its efforts in ensuring that the practice of risk management is embedded in the operational processes of the Municipality and monitored continuously.

Revenue Management

To enable the municipality to carry out its legal responsibilities it must ensure that its revenue management is effective. It is universally accepted that revenue is the lifeline of a municipality and the reader can make a parallel comparison with one's own personal financial situation. From the previous year financial report it will be seen that the outstanding debt to the municipality is significantly high and some of these funds, if recovered, can make a significant difference in the service delivery to local communities. Ubuhlebezwe Municipality has developed a debt management and credit control policy which informs the revenue enhancement strategy, which assist with revenue collection and reduction of this debt. The Department of Co-operative Government and Traditional Affairs in KZN and KZN Provincial Treasury are invited to

our meetings and with the National Public Works department continuing to be shown as one of the main debtors, we will continue to impress upon them the need to resolve this long outstanding matter as to whose responsibility it is to discharge this debt. Management's commitment and interventions made in reducing this debt is acknowledged and this committee will, as part of its oversight role, continue to have this as one of its standing items in future meetings.

FUTURE CHALLENGES

By improving the drivers of key controls through effective internal audit and performance management and coupled with sound accounting, Ubuhlebezwe Municipality has achieved a correlation between the audit outcome and service delivery, all too often municipalities focus on achieving a clean audit and get side-tracked away from ensuring efficient and effective service delivery. This annual report has been tabled in Council and is now required to be adopted after receiving the recommendation of Ubuhlebezwe Municipality's Public Accounts Committee (MPAC). Although in the past the municipality through the newspaper media, their web-site and public notices, has notified the public of annual reports being made available in various locations for reading, there has been little or no interest shown in reporting to MPAC, any comments, observation or even criticism in its contents. Accordingly it is recommended that following the tabling of this year's annual report, councilors use their ward committees to ensure that people are informed of these reports thus ensuring public participation and community involvement in the business of Ubuhlebezwe Municipality.

CONCLUSION

The readers of this report should know that even though the status of "clean Audit" received from the Auditor General for the past financial year was rescinded, it does not mean that Ubuhlebezwe will not again receive clean audit like it did in the past two years (prior to the last financial year) . As due to the result of hard work, dedication and professionalism on the side of management, staff and councilors of Ubuhlebezwe and from what we have observed at our meetings throughout the last financial year, there are no reasons why there will not be a "clean audit" received for the year in question (2016/17). However, in our oversight role and as a sub-committee of Council, we have reminded all role-players that they must not become over-confident and become too complacent and continue to focus on providing effective and efficient services to the people of Ubuhlebezwe, ensuring good governance, sound control over their finances and thereby achieving a clean audit.

This report has been written for the purpose of informing the people living in the area being served by Ubuhlebezwe Municipality of the very important part that this organization plays in their daily lives. With its oversight role the Audit and Performance Audit Committee, being a sub-committee of Council, endeavors to ensure that this objective is achieved. Accordingly, this committee has no hesitation in saying that the Management, Staff and Councillors have played their part and there is every confidence that a fourth audit can be achieved.

APPRECIATION

The Committee wishes to express its sincere appreciation to the Mayor, Council, Municipal Manager, management and officials of the municipality for their support and cooperation during the year under review. The Committee also acknowledges the support and assistance of the Office of the Auditor-General, CoGTA and KZN Provincial Treasury.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

DR S. ZULU
Chairperson of the Audit Committee
10 August 2017

APPENDIX G– DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2016 to 30 June 2017		
Position	Name	Description of Financial Interests
Mayor	Cllr ZD Nxumalo	Funeral Parlour
Deputy Mayor, Exco Member	Cllr TC Dlamini	None
Exco Member	Cllr EB Ngubo	None
Exco Member	Cllr WMQ Dlamini	None
Municipal Manager	Mr GM Sineke	None
Social Development Director	Ms NNF Buthelezi	None
Chief Financial Officer	Mrs UP Mahlasela	Dormant
Corporate Services Director	Mr ME Mkhize	None
Infrastructure Planning & Development Director	Ms S Buthelezi	None

APPENDIX H: REVENUE COLLECTION BY VOTE AND BY SOURCE

S 71(1) (a) ACTUAL REVENUE, PER REVENUE SOURCE							
Source	Approved Budget 2016/2017	ADJUSTED BUDGET	Budget 2017 June	Actual June 2017	Budget YTD	Actual YTD	Variance YTD
Property Rates	15,753,821.25	10,897,922.00	908,160.17	325,784.30	15,753,821.25	5,451,137.08	10,302,684.17
Service Charges	1,990,709.68	1,690,709.00	140,892.42	138,643.99	1,990,709.68	1,231,095.88	759,613.80
Rent of facilities	500,000.00	524,000.00	43,666.67	41,364.05	500,000.00	490,732.28	9,267.72
Interest earned - Investments	4,000,000.00	7,500,000.00	625,000.00	893,927.53	4,000,000.00	9,211,149.28	-5,211,149.28
Fines - Traffic	250,000.00	249,500.00	20,791.67	23,400.00	250,000.00	183,132.00	66,868.00
Fines - Library	500.00	500.00	41.67	-	500.00	-	500.00
Licencing and Permits							
Hawkers Permits	10,000.00	10,000.00	833.33	6,403.55	10,000.00	14,649.23	-4,649.23
Taxi Permits	10,000.00	10,000.00	833.33	1,140.36	10,000.00	56,734.05	-46,734.05
Drivers Licences	3,560,000.00	3,560,000.00	296,666.67	238,236.06	3,560,000.00	2,846,330.91	713,669.09
Licence Commission	720,000.00	720,000.00	60,000.00	48,139.89	720,000.00	714,584.89	5,415.11
Transfer recognised/ operational	90,491,000.00	-	-	22,622,000.00	90,491,000.00	90,491,000.00	-
Other Revenue	190,500.00	319,500.00	26,625.00	38,238.88	190,500.00	1,065,876.11	-875,376.11
TOTAL	117,476,530.93	25,482,131.00	2,123,510.92	24,377,278.61	117,476,530.93	111,756,421.71	5,720,109.22

APPENDIX I (i) REVENUE COLLECTION PERFORMANCE BY VOTE

Service charges	1 726 005	1 681 650
Rental of facilities	1 173 223	985 191
Interest received	9 211 149	6 872 906
Licences and permits	2 917 714	3 597 454
Other income - Miscellaneous	2 007 879	1 798 929
Property rates	13 122 243	13 123 930
Government grants & subsidies	158 903 890	173 795 056
Fines	1 579 580	392 026
	190 641 683	202 247 142

APPENDIX I (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

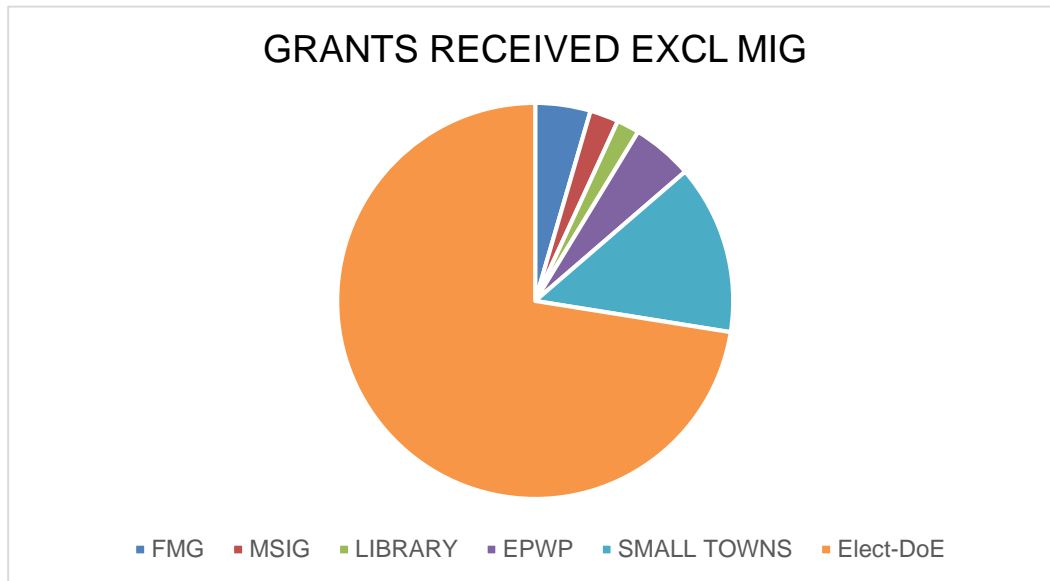
Service charges	1 726 005	1 681 650
Rental of facilities	1 173 223	985 191
Interest received	9 211 149	6 872 906
Licences and permits	2 917 714	3 597 454
Other income - Miscellaneous	2 007 879	1 798 929
Property rates	13 122 243	13 123 930
Government grants & subsidies	158 903 890	173 795 056
Fines	1 579 580	392 026
	190 641 683	202 247 142

APPENDIX J: CONDITIONAL GRANTS RECEIVED (EXCLUDING MIG)

Conditional Grants Received for the 2016/2017 financial year

1. Finance Management Grant	R1 800 000
2. Municipal Systems Improvement Grant	R 934 000
3. Library Grant	R 120 000
4. Library Grant	R 514 000
5. LED Grant	R 1 735 000
6. EPWP Grant	R 1 090 000
7. Small Town Rehabilitation	R9 700 000
8. Electrification - DoE	R8 000 000

The above can be reflected as follows:



APPENDIX K: CAPITAL EXPENDITURE – NEW & UPGRADE / RENEWAL PROGRAMMES

	Capital Expenditure by Asset Class/Sub-class	Funding Source by name	Amount Awarded	2016 - 2017 Final Capital Budget	Adjustment Budget 2016/2017	M.T.D ACTUAL	Year To Date 2016/2017	Percentage Spent
	Infrastructure							
	Infrastructure - Road transport							
Votes Numbers	Roads, Pavements & Bridges			14,231,919.12	17,160,930.23	898,121.29	13,516,087.52	95%
	Infrastructure - Road transport MIG			11,228,403.28	14,048,179.18	-	7,012,395.26	62%
490000511	Mxolisi Ngubo Road	MIG	811,827.06	1,002,938.49	912,544.47	-	766,802.05	84%
490000531	Thuleshe Road	MIG	1,177,274.01	1,348,149.13	1,339,329.95	-	1,170,777.73	87%
490000521	Nomakhele Road	MIG	1,454,561.63	1,928,979.13	1,715,332.63	-	1,453,169.94	85%
490000491	Msenge Road	MIG	1,095,751.47	1,229,431.30	1,009,246.25	-	953,531.69	94%
490000261	Reggie Hadebe	MIG		185,755.50	176,137.57	-	41,488.23	24%
490000271	Magawula Nzimande Road	MIG		961,972.03	713,254.63	-	561,036.03	79%
490000281	Inkosi Bhakamabhaca Zulu Rd	MIG		81,281.60	83,807.10	-	-	0%
490000291	Sgubudwini Road	MIG		59,175.10	58,301.17	-	1,222.21	2%
490000121	Portion of East Street (Internal Funded)	Internal		2,503,515.84	2,260,347.41	-	2,064,367.38	91%
490000471	Ixopo Bus Rank	COGTA		4,430,721.00	8,040,225.41	-	5,218,201.80	65%
490000461	Ixopo Taxi Rank	COGTA		-	-	-	-	-
490000481	Chapel Street	Internal		500,000.00	852,403.64	898,121.29	1,285,490.46	151%
	Community			18,390,600.92	18,049,046.23	2,136,005.63	15,619,504.65	85%
	Sports Fields & Stadiums			13,493,992.71	18,049,046.23	2,136,005.63	15,619,504.65	116%
471000001	Jeffrey Zungu Sportfield	MIG		4,500,000.00	3,500,000.00	1,934,728.47	5,380,385.45	154%
471000011	Upgrade of Jolivet Sportfield	MIG		6,345,591.00	5,968,537.39	-	5,113,532.26	86%
441000031	Webbstown Community Hall	MIG		113,849.00	9,911.76	-	9,911.76	100%
441000091	Morningside Hall (Soweto)	MIG		2,318,550.51	2,110,600.30	-	1,313,690.78	62%
441000011	Bayempini Mzizi Hall	MIG		108,906.10	55,874.81	-	9,308.10	17%
441000101	Themba Mguni Hall	MIG		107,096.10	76,253.07	-	9,465.27	12%
441000251	Emadugeni Hall	MIG	3,325,991.72	2,857,147.83	3,688,220.00	90,564.00	2,776,379.21	75%
441000261	Kintail Hall	MIG		2,039,460.38	2,639,648.90	110,713.16	1,006,831.82	38%
	INTERNAL FUNDING			4,914,185.60	5,268,197.61	647,055.21	3,358,639.54	68%
	Other assets			4,914,185.60	5,268,197.61	647,055.21	3,358,639.54	68%
	General vehicles			1,800,000.00	2,113,247.22	-	1,418,937.20	79%
	Corporate & Admin.							
410000021	Mayor's Vehicle	INTERNAL		800,000.00	1,013,247.22	-	1,013,247.22	100%
461000051	SD VEHICLES -Sedan Traffic, Fire Bakkie, Tractor and trailer			1,000,000.00	1,100,000.00	-	405,689.98	37%
	Plant & Equipment			218,000.00	179,196.80	-	261,672.05	120%
440000021	Brush cutters & Mowers			68,000.00	68,000.00	-	150,475.25	221%
490000541	TRAILORS			150,000.00	111,196.80	-	111,196.80	100%
	Office & IT Equipment			1,250,000.00	1,330,000.00	191,880.61	870,068.28	70%
421000031	Corporate & Admin.	INTERNAL		1,000,000.00	1,080,000.00	191,880.61	870,068.28	81%
	Chairs for halls			250,000.00	250,000.00			0%
	Office Furniture			350,000.00	350,000.00	56,949.00	218,931.44	63%
420100031	Budget & Treasury	INTERNAL		350,000.00	350,000.00	56,949.00	218,931.44	63%
	Other Buildings			1,196,185.60	1,195,753.59	398,225.60	589,030.57	49%
441000111	Rehabilitation and Revamping of Traffic	INTERNAL		156,185.60	481,307.59	398,225.60	398,225.60	83%
441000061	Revamping of Workshop	INTERNAL		50,000.00	50,000.00	-	-	0%
490000321	Municipal Houses - Double Storey	INTERNAL		600,000.00	461,580.00	-	-	0%
440000041	SD - Filing cabinets & Car Pot			40,000.00	40,000.00	-	27,938.97	70%
440000051	Mleyi Sportfield fencing and goal posts			350,000.00	162,866.00	-	162,866.00	100%
	Intangible			100,000.00	100,000.00	-	-	0%
430000021	Internal Audit Software	INTERNAL		50,000.00	50,000.00	-	-	0%
430000011	PMS Software System	INTERNAL		50,000.00	50,000.00	-	-	0%
	ELECTRIFICATION PROJECTS			30,000,000.00	30,000,000.00	880,645.54	26,954,298.76	90%
490000361	OFAFA - ELECTRIFICATION PROJECT			5,517,781.85	6,995,934.01	-	5,807,667.96	83%
490000371	MAHEHLE - 14KM HARE LINE			177,774.06	189,771.85	-	-	0%
490000381	MAHEHLE - ELECTRIFICATION			1,731,294.00	1,712,311.19	-	216,979.81	13%
490000441	UMKHUNYA / UFAFA 8M HARELINE			121,426.53	179,957.39	-	-	0%
490000391	UMKHUNYA - ELECTRIFICATION			22,451,723.56	20,922,025.56	880,645.54	20,929,650.99	100%
422500031	Eskom connection - Ward 2							
	Other Assets			-				
421000011	Corp Serv: Christmas Lights	INTERNAL		-	97,000.00	-	85,000.00	88%
422500021	Borehole	INTERNAL		20,000.00	170,000.00	-	141,737.00	83%
							226,737.00	
	Total Assets			67,556,705.64	70,648,174.07	4,561,827.67	59,590,267.47	84%
	MIG			25,188,283.20	24,057,000.00	2,136,005.63	20,567,532.53	85%
	Internal Funded			7,937,701.44	8,550,948.66	1,545,176.50	6,850,234.38	80%
	Small Town Rehabilitation - Roll Over			4,430,721.00	8,040,225.41	-	5,218,201.80	65%
	Electrification			30,000,000.00	30,000,000.00	880,645.54	26,954,298.76	90%
	Total CapEx			67,556,705.64	70,648,174.07	4,561,827.67	59,590,267.47	84%

APPENDIX L (i): CAPITAL EXPENDITURE – NEW ASSET PROGRAMME

	Capital Expenditure by Asset Class/Sub-class	Funding Source by name	Amount Awarded	2016 - 2017 Final Capital Budget	Adjustment Budget 2016/2017	M.T.D ACTUAL	Year To Date 2016/2017	Percentage Spent
	Infrastructure							
	Infrastructure - Road transport							
Votes Numbers	Roads, Pavements & Bridges			12,883,769.99	15,821,600.28	898,121.29	12,345,309.79	96%
	Infrastructure - Road transport MIG			9,880,254.15	12,708,849.23	-	5,841,617.53	59%
490000511	Mxolisi Ngubo Road	MIG	811,827.06	1,002,938.49	912,544.47	-	766,802.05	84%
490000521	Nomakhele Road	MIG	1,454,561.63	1,928,979.13	1,715,332.63	-	1,453,169.94	85%
490000491	Msenge Road	MIG	1,095,751.47	1,229,431.30	1,009,246.25	-	953,531.69	94%
490000261	Reggie Hadebe	MIG		185,755.50	176,137.57	-	41,488.23	24%
490000271	Magawula Nzimande Road	MIG		961,972.03	713,254.63	-	561,036.03	79%
490000281	Inkosi Bhekamabhaca Zulu Rd	MIG		81,281.60	83,807.10	-	-	0%
490000291	Sgubudwini Road	MIG		59,175.10	58,301.17	-	1,222.21	2%
490000121	Portion of East Street (Internal Funded)	Internal		2,503,515.84	2,260,347.41	-	2,064,367.38	91%
490000471	Ixopo Bus Rank	COGTA		4,430,721.00	8,040,225.41	-	5,218,201.80	65%
490000461	Ixopo Taxi Rank	COGTA		-	-	-	-	-
490000481	Chapel Street	Internal		500,000.00	852,403.64	898,121.29	1,285,490.46	151%
	Community			12,045,009.92	12,080,508.84	2,136,005.63	10,505,972.39	87%
	Sports Fields & Stadiums			7,148,401.71	5,752,639.94	1,934,728.47	6,722,761.36	#DIV/0!
471000001	Jeffrey Zungu Sportfield	MIG		4,500,000.00	3,500,000.00	1,934,728.47	5,380,385.45	154%
441000031	Webbstown Community Hall	MIG		113,849.00	9,911.76	-	9,911.76	100%
441000091	Morningside Hall (Soweto)	MIG		2,318,550.51	2,110,600.30	-	1,313,690.78	62%
441000011	Bayempini Mzizi Hall	MIG		108,906.10	55,874.81	-	9,308.10	17%
441000101	Themba Mguni Hall	MIG		107,096.10	76,253.07	-	9,465.27	12%
441000251	Emaungeni Hall	MIG	3,325,991.72	2,857,147.83	3,688,220.00	90,564.00	2,776,379.21	75%
441000261	Kintail Hall	MIG		2,039,460.38	2,639,648.90	110,713.16	1,006,831.82	38%
	INTERNAL FUNDING			4,708,000.00	4,736,890.02	248,829.61	2,960,413.94	63%
	Other assets			4,708,000.00	4,736,890.02	248,829.61	2,960,413.94	63%
	General vehicles			1,800,000.00	2,113,247.22	-	1,418,937.20	79%
	Corporate & Admin.							
410000021	Mayor's Vehicle	INTERNAL		800,000.00	1,013,247.22	-	1,013,247.22	100%
461000051	SD VEHICLES-Sedan Traffic, Fire Bakkie, Tractor and trailer			1,000,000.00	1,100,000.00	-	405,689.98	37%
	Plant & Equipment			218,000.00	179,196.80	-	261,672.05	120%
440000021	Brush cutters & Mowers			68,000.00	68,000.00	-	150,475.25	221%
490000541	TRAILORS			150,000.00	111,196.80	-	111,196.80	100%
	Office & IT Equipment			1,250,000.00	1,330,000.00	191,880.61	870,068.28	70%
421000031	Corporate & Admin.	INTERNAL		1,000,000.00	1,080,000.00	191,880.61	870,068.28	81%
	Chairs for halls			250,000.00	250,000.00			0%
	Office Furniture			350,000.00	350,000.00	56,949.00	218,931.44	63%
420100031	Budget & Treasury	INTERNAL		350,000.00	350,000.00	56,949.00	218,931.44	63%
	Other Buildings			990,000.00	664,446.00	-	190,804.97	19%
490000321	Municipal Houses - Double Storey	INTERNAL		600,000.00	461,580.00	-	-	0%
440000041	SD - Filing cabinets & Car Pot			40,000.00	40,000.00	-	27,938.97	70%
440000051	Mleyi Sportfield fencing and goal posts			350,000.00	162,866.00	-	162,866.00	100%
	Intangible			100,000.00	100,000.00	-	-	0%
430000021	Internal Audit Software	INTERNAL		50,000.00	50,000.00	-	-	0%
430000011	PMS Software System	INTERNAL		50,000.00	50,000.00	-	-	0%
	ELECTRIFICATION PROJECTS			30,000,000.00	30,000,000.00	880,645.54	26,954,298.76	90%
490000361	OFafa - ELECTRIFICATION PROJECT			5,517,781.85	6,995,934.01	-	5,807,667.96	83%
490000371	MAHEHLE - 14KM HARE LINE			177,774.06	189,771.85	-	-	0%
490000381	MAHEHLE - ELECTRIFICATION			1,731,294.00	1,712,311.19	-	216,979.81	13%
490000441	UMKHUNYA / UFAFA 8M HARELINE			121,426.53	179,957.39	-	-	0%
490000391	UMKHUNYA - ELECTRIFICATION			22,451,723.56	20,922,025.56	880,645.54	20,929,650.99	100%
422500031	Eskom connection - Ward 2							
	Other Assets			-	-			
421000011	Corp Serv: Christmas Lights	INTERNAL		-	97,000.00	-	85,000.00	88%
422500021	Borehole	INTERNAL		20,000.00	170,000.00	-	141,737.00	83%
	Total Assets			59,656,779.91	62,808,999.14	4,163,602.07	52,907,731.88	84%
	MIG			25,188,283.20	16,749,132.66	2,136,005.63	14,283,222.54	85%
	Internal Funded			7,731,515.84	8,019,641.07	1,146,950.90	6,452,008.78	80%
	Small Town Rehabilitation - Roll Over			4,430,721.00	8,040,225.41	-	5,218,201.80	65%
	Electrification			30,000,000.00	30,000,000.00	880,645.54	26,954,298.76	90%
	Total CapEx			67,350,520.04	62,808,999.14	4,163,602.07	52,907,731.88	84%

Except for the assets mentioned in Appendix M above, all other capital acquisitions were for new assets

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

	Capital Expenditure by Asset Class/Sub-class	Funding Source by name	Amount Awarded	2016 - 2017 Final Capital Budget	Adjustment Budget 2016/2017	M.T.D ACTUAL	Year To Date 2016/2017	Percentage Spent
	Infrastructure							
	Infrastructure - Road transport							
Votes Numbers	Roads, Pavements & Bridges			3,851,664.97	3,599,677.36	-	3,235,145.11	84%
	Infrastructure - Road transport MIG			3,851,664.97	3,599,677.36	-	3,235,145.11	84%
490000531	Thuleshe Road	MIG	1,177,274.01	1,348,149.13	1,339,329.95	-	1,170,777.73	87%
490000121	Portion of East Street (Internal Funded)	Internal		2,503,515.84	2,260,347.41	-	2,064,367.38	91%
	Community			6,345,591.00	5,968,537.39	-	5,113,532.26	81%
	Sports Fields & Stadiums			6,345,591.00	5,968,537.39	-	5,113,532.26	81%
471000011	Upgrade of Jolivet Sportfield	M I G		6,345,591.00	5,968,537.39	-	5,113,532.26	86%
	Total Assets			10,197,255.97	9,568,214.75	-	8,348,677.37	87%
	M I G			7,693,740.13	7,307,867.34	-	6,284,309.99	86%
	Internal Funded			2,503,515.84	2,260,347.41	-	2,064,367.38	91%
	Total CapEx			10,197,255.97	9,568,214.75	-	8,348,677.37	87%

APPENDIX M DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Ubuhlebezwe municipality does not have loans and has not issued any grant funding to other institutions or organisation.

APPENDIX N: OVERSIGHT REPORT

Refer to **Volume III** of this Annual Report.

CONCLUSION

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

Furthermore, in areas where performance was not achieved, we have provided reasons and remedial actions to ensure that performance is improved in the 2017/18 financial year.

Lastly but not least, the municipality is prioritizing performance management for all the financial years and the Monitoring and Evaluation unit within the office of the municipal manager is dedicated in ensuring that the Performance Management System is in place and all compliance processes are being followed. The unit is entrusted with the coordination of all performance management activities i.e. from planning to reporting.

Municipal Manager

Mr. GM Sineke

VOLUME II
AUDITED ANNUAL FINANCIAL STATEMENTS
2016/2017



uBuhlebezwe Local Municipality
Annual Financial Statements
for the year ended June 30, 2017
These annual financial statements were prepared by:
S Sityata
Acting CFO
Auditor General (S.A)
Registered Auditors

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended June 30, 2017

General Information

Mayoral committee

Executive Mayor

Z D Nxumalo

E B Ngubo

Councillors

C.Z Ngonyama (Council term effective from the 1 August 2016)

Z.M Shabalala (Council term effective from the 1 August 2016)

T.T Mkhize (Council term effective from the 1 August 2016)

B.M Caluza (Council term effective from the 1 August 2016)

P. Ndlovu (Council term effective from the 1 August 2016)

T C Dlamini

M C Ndlovu

V.C Mkhize (Council term effective from the 1 August 2016)

N.Z Jili (Council term effective from the 1 August 2016)

H C Jili

G J Ngongo

S.P Maluleka (Council term effective from the 1 August 2016)

N.G Radebe (Council term effective from the 1 August 2016)

Z C Khumalo

N M Mdunge (Council term effective from the 1 August 2016)

P.B Mpungose (Council term effective from the 1 August 2016)

S.M Msimango

C N Ntabeni

T.B Nxumalo (Council term effective from the 1 August 2016)

E T Shoba

B.M Khuboni (Council term effective from the 1 August 2016)

M.C Nkontwana(Council term effective from the 1 August 2016)

B.R Zulu (Council term effective from the 1 August 2016)

B.R Nduli (Council term effective from the 1 August 2016)

L M Davids (Council term effective from the 1 August 2016)

S.C Shezi (Council term ended on the 31 July 2016)

B.P Nzimande(Council term ended on the 31 July 2016)

M.E Mkhize (Council term ended on the 31 July 2016)

S.H Dlamini(Council term ended on the 31 July 2016)

Z.V Shange (Council term ended on the 31 July 2016)

G.P Nzimande (Council term ended on the 31 July 2016)

M.C Sithole (Council term ended on the 31 July 2016)

W.M.Q Dlamini (Council term ended on the 31 July 2016)

N.J Peterson (Council term ended on the 31 July 2016)

T.P Dlamini(Council term ended on the 31 July 2016)

Grading of local authority

Grade 3 (In terms of Remuneration of Public Office Bearers)

Accounting Officer

G M Sineke

Chief Finance Officer (CFO)

S Sityata

Registered office

Ubuhlebezwe Local Municipality

Margaret Street

Ixopo

3276

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended June 30, 2017

General Information

Business address	29 Margaret Street Ixopo 3276
Postal address	P.O.Box 132 Ixopo 3276
Bankers	First National Bank
Auditors	Auditor General (S.A) Registered Auditors

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended June 30, 2017

Index

The reports and statements set out below comprise the annual financial statements presented to the Provincial Legislature:

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended June 30, 2017

Accounting Officer's Responsibilities and Approval

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to June 30, 2017 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements have been prepared on the going concern basis, were approved by the accounting officer on June 30, 2017.


G.M. Sinyane
Accounting Officer

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended June 30, 2017

Statement of Financial Position as at June 30, 2017

Figures in Rand	Note(s)	2017	2016 Restated*
Assets			
Current Assets			
Inventories	7	2,532,983	3,159,122
VAT receivable from exchange transactions	8	-	34,884
Prepayment		373,815	-
Trade receivable from exchange transaction & non exchange transaction	9	13,978,664	11,207,397
Cash and cash equivalents	10	118,300,602	103,229,763
		135,186,064	117,631,166
Non-Current Assets			
Investment property	2	20,364,596	20,379,035
Property, plant and equipment	3	240,093,018	223,206,684
Intangible assets	4	881,020	881,020
Heritage assets	5	4,808,819	4,791,660
		266,147,453	249,258,399
Total Assets		401,333,517	366,889,565
Liabilities			
Current Liabilities			
Finance lease liability - Current Portion	13	-	62,932
Trade and other payables from exchange transactions	15	19,055,101	24,822,190
VAT payable		7,220,812	-
Unspent conditional grants and receipts	14	4,103,312	9,765,228
		30,379,225	34,650,350
Non-Current Liabilities			
Retirement benefits: Long Service Awards	6	1,962,000	1,832,000
Retirement benefits: Post Employment Medical Benefits	6	4,738,000	3,917,000
		6,700,000	5,749,000
Total Liabilities		37,079,225	40,399,350
Net Assets		364,254,292	326,490,215
Housing Development		373,787	373,787
Accumulated surplus		363,880,505	326,116,428
Total Net Assets		364,254,292	326,490,215

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended June 30, 2017

Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	17	1,726,005	1,681,650
Rental of facilities and hall hire	18	1,173,223	985,191
Licences and permits		3,304,893	3,597,454
Other income	19	1,744,644	1,798,929
Interest received - investment	20	9,215,250	6,872,906
Total revenue from exchange transactions		17,164,015	14,936,130
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	21	13,122,243	13,123,930
Donation Income		4,230,683	-
Transfer revenue			
Government grants	22	124,757,917	118,839,056
Fines, Penalties and Forfeits		1,579,580	1,489,350
Total revenue from non-exchange transactions		143,690,423	133,452,336
Total revenue	16	160,854,438	148,388,466
Expenditure			
Employee related costs	23	(52,842,444)	(49,029,454)
Remuneration of councillors	24	(8,378,802)	(7,554,047)
Impairment of traffic fines	27	(1,364,866)	(1,097,324)
Depreciation and amortisation	26	(20,114,861)	(18,742,961)
Impairment loss for assets	27	(57,809)	-
Finance costs		(1,423)	(17,066)
Contribution to provision	28	(3,946,267)	(4,688,817)
Repairs and maintenance	25	(2,882,897)	(2,930,058)
Contracted services	29	(6,764,739)	(5,759,731)
Contributions to post retirement benefits		(951,000)	(209,000)
General Expenses	30	(24,228,419)	(23,003,547)
Total expenditure		(121,533,527)	(113,032,005)
Operating surplus		39,320,911	35,356,461
Loss on disposal/ transfer of assets		(1,776,891)	(3,149,018)
Surplus for the year		37,544,020	32,207,443

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended June 30, 2017

Statement of Changes in Net Assets

Figures in Rand	Housing Development Fund	Accumulated surplus	Total net assets
Balance at July 01, 2015	373,787	294,816,382	295,190,169
Correction of error	-	(687,340)	(687,340)
Correction recognised directly from revenue	-	(687,340)	(687,340)
Surplus for the year	-	32,207,443	32,207,443
Total changes	-	31,520,103	31,520,103
Restated* Balance at July 01, 2016	373,787	326,336,485	326,710,272
Changes in net assets			
Surplus for the year	-	37,544,020	37,544,020
Total changes	-	37,544,020	37,544,020
Balance at June 30, 2017	373,787	363,880,505	364,254,292
Note(s)			

Ubhulebezwe Municipality
Cash Flow Statement
For the year ended 30 June 2017

	Note	2017 R	2016 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		143,690,423	133,452,336
Cash paid to suppliers and employees		(75,048,298)	(26,954,621)
Cash generated from operations	31	<u>68,642,125</u>	<u>106,497,715</u>
Interest received	20	<u>9,215,250</u>	<u>6,872,906</u>
Net operating cash flow from operating activities		<u><u>77,857,375</u></u>	<u><u>113,370,621</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	3	(61,818,377)	(91,543,932)
Purchase of Investment assets	2		(294,667)
Purchase of Heritage assets	5	(17,159)	
Net cash flows from investing activities		<u><u>(61,835,536)</u></u>	<u><u>(91,838,599)</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in retirement benefits		(951,000)	(209,000)
Finance costs Lease Liability	13		(62,932)
Net cash flows from financing activities		<u><u>(951,000)</u></u>	<u><u>(271,932)</u></u>
Net increase / (decrease) in net cash and cash equivalents		<u><u>15,070,839</u></u>	<u><u>21,260,090</u></u>
Cash and cash equivalents at beginning of period		103,229,763	81,969,673
Net cash and cash equivalents at end of period	10	118,300,602	103,229,763

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual outcome as a %
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges	1,991,000	(300,000)	1,691,000	1,726,005	196,350	102%
Rental of facilities and equipment	500,000	24,000	524,000	1,173,223	(506,191)	224%
Interest received (trading)	4,000,000	3,500,000	7,500,000	9,215,250	(1,904,468)	123 %
Agency services	720,000	-	720,000	-	-	100%
Licences and permits	3,560,000	-	3,560,000	3,304,893	(77,454)	92%
Other income	279,000	35,000	314,000	1,744,644	(1,427,379)	612%
Total revenue from exchange transactions	11,050,000	3,259,000	14,309,000	17,164,015	(3,719,142)	

Revenue from non-exchange transactions

Taxation revenue

Property rates	15,754,000	(4,850,000)	10,904,000	13,122,243	(143,930)	120%
Donation Income	-	-	-	4,230,683	4,230,683	100%

Transfer revenue

Government grants & subsidies	95,039,000	-	95,039,000	124,757,917	8,421,289	163%
Fines, Penalties and Forfeits	250,000	-	250,000	1,579,580	(192,026)	86%

Total revenue from non-exchange transactions	111,043,000	(4,850,000)	106,193,000	143,690,423	12,316,016	
Total revenue	122,093,000	(1,591,000)	120,502,000	160,854,438	8,596,874	

Expenditure

Personnel	(60,566,000)	4,070,000	(56,496,000)	(52,842,444)	5,249,243	94%
Remuneration of councillors	(9,855,000)	-	(9,855,000)	(8,378,802)	1,953	85%
Depreciation and amortisation	(19,000,000)	-	(19,000,000)	(20,114,861)	(524,807)	104%
Other expenditure	(45,275,000)	211,000	(45,064,000)	(40,197,420)	19,752,768	90%

Total expenditure	(134,696,000)	4,281,000	(130,415,000)	(121,533,527)	24,479,157	
Operating surplus	(2,577,000)	(2,364,000)	(4,941,000)	69,320,910	19,942,077	
Capital expenditure	58,280,000	4,603,000	62,883,000	57,183,227	(5,699,773)	91%

Surplus after capital transfer & contribution	119,776,000	32,064,000	151,840,000	126,504,137	7,448,245	
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Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	119,776,000	32,064,000	151,840,000	126,504,137	7,448,245	
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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual outcome as a %
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Figures in Rand

Details

Property rates

Service Charges

Interest Received

Government Grants and subsidies

Fines, penalties and forfeits

Personnel

Rental

Explanations

Budget was based on properties reflected on properties in the billing sytem and valuation roll as well as the comparisons from last year. New establishment, improvements and alterations were not accounted for as they were unknown.

Budget was increamental based on comparisons from last year. Investments monitored and sound financial management. High return received.

Budget was based on gazzeted figures/ allocations. Additional funding obtained during the year.

Budget based on past experiances

Budget based on last year figures and gazzeted increases.

Unforseen resignation could not be budgeted for..

Increased revenue based through leasing out of halls

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Annual Financial Statements for the year ended June 30, 2017

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. Accounting policies for material transaction, events or condition not covered by the GRAP report framework, have been developed in accordance with paragraph 8, 10 and 11 of GRAP 3 (Revised March 2012) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

The Municipality resolved to early adopt the following GRAP standards which been issued but are not effective yet.

GRAP 20 - Related parties

GRAP 38 - Disclosure of interest in other Entities

GRAP 108 - Statutory Receivables

GRAP 109 - Accounting by Principals and Agents

GRAP 32 - Service Concession Arrangements

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality. Financial values are rounded to the nearest one Rand. No foreign exchange transactions are included in the statements

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include :

Post-retirement medical obligations and Long service awards

The cost of post-retirement medical obligations, long service awards and ex-gratia gratuities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions are used and disclosed in note 6 of the financial statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

uBuhlebezwe Local Municipality

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Annual Financial Statements for the year ended June 30, 2017

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Property, Plant and Equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives of different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives and in what condition they will be at that time. Management referred to the following when making assumptions regarding useful lives and residual values of property, plant and equipment.

- The useful life of movable assets was determined using the age of similar asset available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.
- The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

Intangible Assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. Management referred to the following when making assumptions regarding useful lives of intangible assets:

- Reference was made to intangibles used within the Municipality and other municipalities to determine the useful life of the assets

Investment Property

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time. Management referred to the following when making assumptions regarding useful life and valuation of investment property:

- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.
- The Municipality also consulted with professional engineers and qualified valuers to support the useful life of buildings.

Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality. In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions).

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Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

Provision for Staff leave

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.

Componentisation of Infrastructure assets

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition and recalculated to cost at the acquisition date if known or to the date of initially adopting the standards of GRAP.

1.4 Materiality

Material omissions or misstatement of items are material if they could, individually or collectively, influence the decision or assessments of user made on the basis of the financial statement. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total expenditure.

1.5 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

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Accounting Policies

1.5 Investment property (continued)

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Property held for sale in the ordinary course of operations or in the process of construction or development for such sale, in which case property held exclusively with a view to subsequent disposal in the near future or for development for resale is classified as inventory.

Subsequent Measurement

Subsequent measurement to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an infinite useful life.

The annual depreciation rates are based on the following estimated useful lives

Item	Average useful life
Land	Infinite
Buildings	25 - 30

1.6 Property, plant and equipment

Initial Recognition

Property, Plant and Equipment are tangible, non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably

Where an item of property, plant and equipment is acquired in exchange for a nonmonetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measured at fair value (the cost).

If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

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

Subsequent Measurement – Cost Model.

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life. Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or service potential associated with the asset.

Depreciation.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the following estimated useful lives:

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Accounting Policies

1.6 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight line	Infinite
Buildings	Straight line	25 - 30
Finance Lease Assets	Straight line	3
Plant and Equipment	Straight line	10 -20
Furniture and office equipment	Straight line	5-15
Motor vehicles	Straight line	7
Computer equipment	Straight line	5-10
Infrastructure - Cemeteries	Straight line	15-30
Machinery and equipment	Straight line	5-15
Infrastructure - Electricity	Straight line	15 -30
Infrastructure - Road	Straight line	15 - 55
Infrastructure - Solid Waste Disposal	Straight line	10 - 55
Heritage Asset	Straight line	Infinite
Specialised vehicles	Straight line	10-20

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

De-recognition.

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying value and is the Statement of Financial Performance.

1.7 Intangible assets

Initial Recognition

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

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Accounting Policies

1.7 Intangible assets (continued)

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Subsequent Measurement – Cost Model.

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

Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over its estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, internally generated	5 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.8 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

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Accounting Policies

1.8 Heritage assets (continued)

The Municipality classifies assets as Heritage Assets where the significance as a heritage asset can be determined. In regards to land and buildings all graded sites are classified as a Heritage Assets, furthermore land with a natural significance is not componentised but seen as a single Heritage asset due to all parts contributing together to make up its significance

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably. Heritage assets are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of heritage assets is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

The cost of an item of heritage assets acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

Subsequent expenditure relating to heritage assets is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all heritage assets (excluding Heritage assets which are land and buildings) are measured at cost, less accumulated impairment losses. Heritage assets are not depreciated.

Subsequent to initial recognition, land and buildings which qualify as Heritage Assets are carried at cost.

De-recognition of heritage assets.

The carrying amount of an item of heritage assets is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the de-recognition of an item of heritage assets is included in surplus or deficit when the item is derecognised. Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated impairment losses) and the disposal proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of heritage assets.

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Accounting Policies

1.9 Receivables

Receivables are classified as financial assets at amortised cost, and are subsequently measured at amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, Probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for and individually assessed financial assets, whether significant or not, it includes the assets in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred)

The carrying amount of the assets is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decrease because of an event occurring after the impairment was recognised, the previously recognised impairment loss or increased or reduced by adjusting the allowance account. If a future write off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.10 Payable and Annuity Loans

Payables and Annuity Loans

Financial liabilities consist of payables and annuity loans. They are cauterised as financial liabilities held at amortised cost, and are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

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Accounting Policies

1.11 Cash and Cash Equivalents

Cash includes cash on hand (including, petty cash) and cash with banks). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to a significant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts.

The Municipality categorise cash and cash equivalents as financial assets carried at amortised cost. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are exposed as incurred. Amounts owing in respect of the bank overdrafts are categorised as financial liabilities carried at amortised cost.

De-recognition of Financial Instruments

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

a) The Municipality has transferred substantially all the risks and rewards of the asset, or

b) The Municipality has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the old asset is derecognised and a new asset is recognised to the extent of the Municipality's continuing involvement in the asset. Continuing involvement that takes the form of guarantee over the transferred asset is measured the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could require to repay. When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange and non-exchange transactions) and non-current investments.

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1.12 Financial Instruments (continued)

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument plus, in the case of a financial asset or financial liability not at fair value, transactions costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

1.13 Tax

Taxes - Value Added Tax

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position

1.14 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred. Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment, investment property or intangibles assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment, investment property or intangibles assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.15 Inventories

Initial Recognition

Inventories encompass goods purchased and held for resale including, for example, merchandise purchased by an entity and held for resale, or land and other property held for sale. Inventories also consist of raw materials, work in progress, consumables and finished goods, which are valued at the lower of cost, determined on the first in first out basis, and net realisable value, except for goods which are valued at the tariffs charged.

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1.15 Inventories (continued)

Investment property is recognized as an asset when and only when:

- a) It is probable that the future economic benefits or service potential that are associated with the item will flow to the Municipality, and
- b) The cost of the inventories can be measured reliably.

Measurement at Recognition

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition. Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

Measurement After Recognition

Where it is held for distribution or consumption at no charge or for a nominal amount, inventories are valued at the lower of cost and current replacement value. Cost of inventories comprises all costs of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Redundant and slow moving inventories are identified and written down to their estimated net realisable values. Consumables are written down according to their age, condition and utility. Differences arising on the measurement of such inventory at the lower of cost and net realisable value are recognised in the Statement of Financial Performance in the year in which they arise. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.16 Impairment of non-cash-generating assets

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1.16 Impairment of non-cash-generating assets (continued)

Cash-generating asset

Cash-generating assets are assets held with the primary objective of generating a commercial return. The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable amount. In assessing whether there is any indication that an asset may be impaired, the municipality considers the following indications

a) External sources of information.

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.
- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, Economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated.
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

b) Internal sources of information

- Evidence is available of obsolescence or physical damage of an asset.
- Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the assets are considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognized in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or CGU's recoverable amount. A Previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Financial Performance.

Non-cash-generating assets

Non-cash-generating assets are assets other than cash –generating asset. The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired.

If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable amount. In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

a) External sources of information

- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the

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1.16 Impairment of non-cash-generating assets (continued)

near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated. Cessation, or near cessation, of the demand or need for services provided by the asset.

- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

b) Internal sources of information

- Evidence is available of physical damage of an asset.

- Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date.

- A decision to halt the construction of the asset before it is complete or in a usable condition

- Evidence is available from internal report that indicates that the service performance of an asset is or will be, significantly worse than expected. An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss is recognised in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches, depending on the nature of the asset in question:

Depreciation replacement cost approach - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

Restoration cost approach - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Service unit approach - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state.

As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased.

If any such indication exists, the Municipality estimates the recoverable service amount of that asset. An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

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1.17 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The municipality and its employees contribute to the Natal Joint Municipal Pension Fund which is a defined contribution fund. The payment of retirement benefits are charged against income in the year they become payable. Natal Joint Superannuation & Retirement Funds are defined benefit funds. The Natal Joint Provident Fund is a contribution fund.

The schemes are funded through payments to fund administrator or trustee-administered funds, determined by periodic actuarial calculations. The Municipality has both defined benefit and defined contribution plans.

Defined benefit plans have been accounted for as defined contribution plans in accordance with the requirements on multi-employer plans where sufficient information is not available to account for such plans as defined benefit plans. As the fund administrators do not have sufficient information available to allocate the shortfall on liabilities to individual employers, no liability is recognised for any shortfall of fund asset as compared to fund liabilities. Any surcharges that may be levied by the fund from time to time in order to compensate for shortfalls, are recognised as expenses in the period in which they become payable to the fund. As surcharges are advised long in advance, based on actuarial valuations of the fund as a whole, the necessary provision for the payment thereof is made in the course of the municipality's normal budgeting processes.

1.18 Provisions and contingencies

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

The Municipality does not recognise a contingent liability unless the probability of an outflow of resources embodying economic benefits or service potential is remote.

A contingent asset is disclosed where an inflow of economic benefits or service potential is probable. Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

1.19 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

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1.19 Commitments (continued)

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

Commitments are disclosed for:

Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP.

Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date.

Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure Notes to the Annual Financial Statement. Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources. Other commitments for contracts that are non-cancellable or only cancellable at significant cost, should relate to something other than.

1.20 Revenue from exchange transactions

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

Revenue from the sale of goods is recognised when all the following conditions are have been satisfied:

- The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.
- At the time of initial recognition the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Interest revenue is recognised using the effective interest rate method. Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement. Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff.

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

Revenue is measured at the fair value of the consideration received or receivable. The amount of revenue arising on a transaction is usually determined by agreement between the Municipality and the purchaser or user of the asset or service.

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1.20 Revenue from exchange transactions (continued)

It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Municipality. In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalent is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest.

The imputed rate of interest is the most clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating;
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods and services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair values of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred, Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

1.21 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

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1.21 Revenue from non-exchange transactions (continued)

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donations is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without conditions attached are recognised as revenue when the asset is recognised.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received, but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expense of repairs or renewals of the impaired assets.

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

All unclaimed deposits are initially recognised as a liability until 36 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. This policy is in line with prescribed debt principle as enforced by law.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipality Finance Management (Act No.56 of 2006) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Measurement

Revenue from property rates is measured on accrual basis.

Revenue is measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. Fines constitute both fines and summonses. Fines are economic benefits or service potential received or receivable by the municipality as a consequence of the individual or entity breaching the requirements of laws or regulations.

The full amount of traffic fines issued during the year is recognised at the initial transaction date as revenue in accordance with GRAP 1.

Assessing and recognising impairment is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears based on historic trends.

1.22 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

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1.22 Comparative figures (continued)

When the presentation or classification items in the financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. When material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.23 Unauthorised expenditure

Unauthorised expenditure means:

- Expenditure that has not been budgeted for or
- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.24 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26 Change in Accounting Policies, Estimates and correction of error

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in the policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period which retrospective restatement is practicable.

Change in accounting estimates are applied prospectively in accordance with GRAP 3 requirements

Correction of errors is applied retrospectively in the period in which the error occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.27 Budget information

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury. The comparison of budget and actual amount are disclosed as a separate additional financial statement, namely Statement of comparison of budget and actuals amounts. Budget information is presented on the accrual basis and is based on the same period as the actual amount, i.e. 1 July 2015 to 30 June 2016. The budget information is therefore on a comparable basis to the actual amount.

The comparable information includes the following:

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1.27 Budget Information (continued)

- The approved and final budget amounts.
- Actual amounts and final budget amounts.

Explanations for differences between the approved and final budget are included in the Statement of Comparison of Budget and Actual Amounts.

Explanation for material differences between the final budget amount and actual amounts are included the Statement of Comparison of Budget and Actual Amounts.

1.28 Related parties

The municipality resolved to adopt the disclosure requirements as per GRAP 20- "Related Party Disclosures".

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.29 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.30 Unspent Conditional Grants and receipts

Revenue received from conditional grants and funding is recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Notes to the Annual Financial Statements

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2. Investment property

	2017		2016			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Cost / Valuation	Accumulated depreciation and accumulated impairment		
Investment property	21,329,532	(964,936)	20,364,596	21,133,651	(754,616)	20,379,035

Reconciliation of investment property - 2017

	Opening balance	Additions	Depreciation	Total
Investment property	20,379,035	195,882	(210,321)	20,364,596

Reconciliation of investment property - 2016

	Opening balance	Additions	Depreciation	Total
Investment property	20,300,483	294,667	(216,115)	20,379,035

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

URUKHLEBEZWE MUNICIPALITY
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3. Reconciliation of property, plant and equipment - 2017

	Buildings	Infrastructure Assets	Community Assets	Specialised Vehicles	Furniture & Equipment	Computers & Equipment	Plant & Equipment	Vehicles	Leases	Other Assets	TOTAL OTHER ASSETS	Total
Carrying Amount at 30 June 2016	17,234,310.82	84,335,506.72	84,336,868.83	4,385,546.39	4,081,048.99	1,001,642.54	2,439,531.80	3,833,232.45	58,044.45	177,618.83	481,272,228.12	294,394,576.44
Cost	28,302,238.82	228,955,708.48	123,893,180.69	6,209,517.72	7,183,915.42	2,759,108.72	4,184,621.57	6,839,500.70	1,490,412.00	527,909.00	564,380,019.14	565,878,431.14
Accumulated depreciation and impairment losses	-11,068,917.00	-142,720,281.74	-39,356,322.86	-1,843,971.43	-3,112,866.43	-1,757,466.18	-2,745,089.59	-3,006,273.75	-1,432,267.54	-350,292.17	-13,111,794.02	-200,579,856.49
Restated Carrying Value as at 1 July 2016	17,234,310.82	84,335,506.72	84,336,868.83	4,385,546.39	4,081,048.99	1,001,642.54	2,439,531.80	3,833,232.45	58,044.45	177,618.83	481,272,228.12	294,394,576.44
Restated Cost	28,302,238.82	228,955,708.48	123,893,180.69	6,209,517.72	7,183,915.42	2,759,108.72	4,184,621.57	6,839,500.70	1,490,412.00	527,909.00	564,380,019.14	565,878,431.14
Restated Accumulated depreciation and impairment losses	-11,068,917.00	-142,720,281.74	-39,356,322.86	-1,843,971.43	-3,112,866.43	-1,757,466.18	-2,745,089.59	-3,006,273.75	-1,432,267.54	-350,292.17	-13,111,794.02	-200,579,856.49
Current Year Movements												
Acquisitions	8,291,305.03	7,518,177.33	331,850.74	1,060,297.40	258,018.20	850,999.28	1,328,633.82			63,000.00	3,887,490.54	19,878,972.99
Work in Progress												
Disposals												
Transfers	5,679,175.60	4,970,312.29										
Depreciation	(934,768.37)	(10,726,443.29)	(4,478,100.72)	(813,267.46)	(1,156,366.41)	(136,278.12)	(422,308.68)	(1,055,818.57)	(58,083.89)	(110,330.63)	(3,649,602.87)	(19,887,699.24)
Work in Progress	4,312,845	13,718,202	9,453,696.48									27,182,743.18
Carrying value of disposals												
Cost/valuation												
Accumulated depreciation and impairment losses												
Carrying value of write off												
Cost/valuation												
Accumulated depreciation and impairment losses												
Carrying Amount at 30 June 2017	26,616,434.34	183,155,745.78	101,540,700.40	4,083,199.57	3,932,417.77	902,878.40	2,416,758.07	3,106,232.46	28.43	158,236.28	11,492,773.87	240,993,175.85
Cost	33,815,221.71	236,942,400.81	144,309,070.78	8,240,538.40	7,851,114.43	2,891,784.47	4,316,729.81	7,323,177.84	28.43	812,909.00	30,443,273.81	444,013,765.53
Accumulated depreciation and impairment losses	-12,000,684.37	-153,416,715.13	-42,828,628.99	-3,437,338.89	-4,023,696.66	-1,988,906.07	-2,503,370.54	-4,415,535.18	-	-453,672.80	-15,950,499.74	-223,918,548.63

No assets of the municipality have been ended.
Municipal Assets with a Staking Cost of R1 844 182.48 were carried at zero book value as at 30 June 2017

UBUHLEBEZWE MUNICIPALITY
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3. Reconciliation of Work-In-Progress - 2017

	Included within Infrastructure	Included within Community	Included within PPE	Total
Opening Balance	11,586,136.42	4,979,840.29	3,914,759.29	20,480,736.00
Additional /Capital expenditure	9,557,662.46	9,163,596.48	398,225.60	19,119,484.54
Transferred to completed items	(5,679,176.00)	(4,979,840.29)		(10,659,016.29)
Transferred/ donated	(1,748,421.06)			(1,748,421.06)
	33,716,201.82	9,163,596.48	4,312,984.89	27,192,783.19

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Transfers	Other changes, movements	Depreciation	Total
Buildings	18,064,751	108,900	-	-	(937,329)	17,236,322
Plant and machinery	1,928,655	424,455	-	-	(322,578)	2,030,532
Furniture and fixtures	2,252,924	2,665,871	-	-	(867,819)	4,050,976
Motor vehicles	3,377,633	693,655	-	-	(1,038,054)	3,033,234
IT equipment	1,339,369	32,890	-	-	(370,614)	1,001,645
Infrastructure	85,585,051	8,082,551	(172,229)	2,645,889	(9,906,854)	86,235,508
Community	74,880,475	6,740,250	-	7,134,552	(4,218,408)	84,536,888
Other property, plant and equipment	292,895	-	-	-	(115,278)	177,617
Lease	214,292	-	-	-	(156,221)	58,071
Specialised vehicles	4,827,425	131,440	-	-	(593,318)	4,365,547
Work in Progress	16,819,780	16,591,503	(3,149,018)	(9,781,540)	-	20,480,735
	209,583,260	35,471,515	(3,321,247)	1	(18,626,474)	223,207,055

Other information

"No assets of the municipality have been ceded. Municipal Assets with a closing Cost of R1 944 162.49 were carried at zero book value as at 30 June 2017 .

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4. Intangible assets

	2017		2016	
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Cost / Valuation	Accumulated amortisation and accumulated impairment
Computer software, other	881,020	-	881,020	-
			881,020	881,020

Reconciliation of intangible assets - 2017

	Opening balance	Total
Computer software, other	881,020	881,020

Reconciliation of intangible assets - 2016

	Opening balance	Total
Computer software, other	881,020	881,020

5. Heritage assets

	2017		2016	
	Cost / Valuation	Accumulated Impairment losses	Cost / Valuation	Accumulated Impairment losses
Historical monuments	4,808,819	-	4,808,819	-
			4,791,660	4,791,660

Reconciliation of heritage assets 2017

Notes to the Annual Financial Statements

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5. Heritage assets (continued)

Historical monuments

Opening balance	Additions	Total
4,791,660	17,159	4,808,819

Reconciliation of heritage assets 2016

Historical monuments

Opening balance	Total
4,791,660	4,791,660

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6. Employee benefit obligations

Long service awards

Independent valuers, Zagen Actuaries (Pty) Ltd, carried out a statutory valuation as at 30 June 2017.

The actuarial valuation determined that the retirement plan was in a sound financial position.

Post retirement benefit plan

The Municipality's personnel are members of one of the Natal Joint Municipal Pension retirement funds, namely the Superannuation, Retirement and Provident Funds. As the aforementioned funds are multi-employer funds, the allocation of any surplus/deficit to individual municipalities cannot be determined. Furthermore disclosure of further details such as actuarial assumptions, cannot be attributed to any specific municipality and is of no relevance to users of the municipality's financial statements. As the required disclosure information cannot be obtained the funds are all treated as defined contribution plans.

Post retirement medical aid plan

The municipality operates on 3 accredited medical aid schemes, namely Bonitas, Keyhealth, and Samwumed. Pensioners continue on the option they belonged to on the day of their retirement. Independent valuers, Zagen Actuaries (Pty) Ltd, carried out a statutory valuation as at 30 June 2017. The post-retirement medical obligations at 30 June 2017 quantified the present value of unfunded obligations at R4,738,000. The Current-service costs for the year ending 30 June 2016 is estimated at R283 000. The principal actuarial assumptions used included a discount rate of Yield Curve, and a health care cost inflation rate of CPI + 1.

Long service : The amounts recognised in the statement of financial position are as follows:

Carrying value		
Fair value of plan assets	1,962,000	1,832,000
Asset not recognised	(130,000)	(128,000)
	<u>-</u>	<u>-</u>

Long Service : Movements in the defined benefit obligation is as follows:

Balance at the beginning of the year	1,832,000	1,704,000
Current service cost	276,000	230,000
Interest cost	154,000	112,000
Benefits paid	(31,000)	(123,000)
Actuarial gains/losses	(269,000)	(91,000)
Balance at end of the year	<u>1,962,000</u>	<u>1,832,000</u>

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6. Employee benefit obligations (continued)		
Long Service Awards		
The principal actuarial assumptions were used as follows :		
Examples of mortality rates used are as follows :		
Average retirement age	63.00 %	63.00 %
Members withdrawal from services are as follows :	Male:	Females
Age Band		
20 - 24	16.00 %	24.00 %
25 - 29	12.00 %	18.00 %
30 - 34	10.00 %	15.00 %
35 - 39	8.00 %	10.00 %
40 - 44	6.00 %	6.00 %
45 - 49	4.00 %	4.00 %
50 - 59	2.00 %	2.00 %
55 - 59	1.00 %	1.00 %
	-	-
Changes in the present value of the defined benefit obligation are as follows:		
Opening balance	5,749,000	-
Net expense recognised in the statement of financial performance	6,700,000	5,749,000
	12,449,000	5,749,000
Statement of Financial Position obligation for :		
Post employment medical benefit	4,738,000	3,917,000
Long service awards	1,962,000	1,832,000
	6,700,000	5,749,000
Statement of Financial performance obligation for		
Post employment medical benefit loss	326,858	123,000
Long service award (gain)/ loss	(269,000)	86,000
	57,858	209,000
Long service : The amounts recognised in the Statement of Financial Performance were as follows:		
Current Cost	276,000	230,000
Actuarial gains (losses)	(269,000)	(91,000)
Interest Cost	154,000	112,000
Benefits paid	(31,000)	(123,000)
	130,000	128,000

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6. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	Yield curve	Yield curve
Expected increase in healthcare costs	CPI + 1	CPI + 1
Net discount effective discount rate	Yield curve based	Yield curve based
Average retirement age	63	63
Proportion continuing membership at retirement	100.00 %	100.00 %
Proportion of retiring members who are married	90.00 %	90.00 %
Mortality during employment	85	85
Mortality post retirement	90	90

No explicit assumption was made about additional mortality or health care costs due to the HIV/AIDS

Long service awards

The principal actuarial assumptions used were as follows :	Males	Females
Discount rate per annum	-	-
General Salary Inflation (Long service)	8	8
Net effect discount rate	6	6
Examples of mortality rates used were as follows :	1	1
Average retirement age	-	-
	63	63

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Figures in Rand	2017	2016
7. Inventories		
Opening Inventory	3,159,123	3,671,140
Sales	(626,140)	(512,018)
	2,532,983	3,159,122
8. VAT receivable		
VAT	-	34,884
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtor		
9. Trade receivable from exchange transaction & non exchange transaction		
Gross balances		
Rates	25,709,308	21,641,492
Electricity	7,545	7,545
Loans & Self help	197,035	204,284
Refuse	3,330,121	3,146,878
Fines	397,467	359,335
Vat Debtors	569,959	516,755
Housing rental	1,022,389	744,722
Sundry	384,405	304,476
	31,618,229	26,925,487
Less: Allowance for impairment		
Less : provision for bad debt	(17,639,565)	(15,718,090)
Business service levies	397,467	359,335
Net balance		
Rates	25,709,308	21,641,492 ✓
Electricity	7,545	7,545 ✓
Loans & self help	197,035	204,284 ✓
Refuse	3,330,121	3,146,878 ✓
Fines	397,467	359,335 ✓
Vat Debtors	569,959	516,755 ✓
Housing rental	1,022,389	744,722 ✓
Sundry	384,405	304,476 ✓
Less: Provision for bad debt	(17,639,565)	(15,718,090)
	13,978,664	11,207,397
Included in above is receivables from exchange transactions		
Electricity	7,545	7,545
Loans & Self help	197,035	204,284
Sundry	758,220	304,476
Refuse	3,330,121	3,146,878
VAT Debtors	569,959	516,755
Housing rental	1,022,389	744,722
	5,885,269	4,924,660

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Figures in Rand	2017	2016
9. Trade receivable from exchange transaction & non exchange transaction (continued)		
Included in above is receivables from non-exchange transactions (taxes and transfers)		
Rates	27,667,896	21,641,492
Other (specify)	397,467	359,335
	28,065,363	22,000,827
Net balance	33,950,632	26,925,487
Rates		
Current (0 -30 days)	9,192	(2,188)
31 - 60 days	439,466	498,044
61 - 90 days	561,032	460,115
91 - 120 days	449,938	422,347
Greater than 120 days	24,249,680	20,263,174
	25,709,308	21,641,492
Electricity		
Greater than 120 days	7,545	7,545
Loans & self help		
Greater than 120 days	197,035	204,284
Refuse		
Current (0 -30 days)	147,200	159,445
31 - 60 days	124,514	188,329
61 - 90 days	103,965	80,568
91 - 120 days	92,309	72,273
Greater than 120 days	2,862,133	2,646,263
	3,330,121	3,146,878
Sundry		
Current (0 -30 days)	38,251	30,753
31 - 60 days	200,251	21,312
61 - 90 days	19,729	16,158
91 - 120 days	84,075	80,007
121 - 365 days	294,381	21,031
> 365 days	121,533	135,215
	758,220	304,476
VAT Debtors		
Current (0 -30 days)	49,358	24,546
31 - 60 days	33,034	16,060
61 - 90 days	27,783	14,122
91 - 120 days	33,417	22,793
Greater than 120 days	426,367	439,234
	569,959	516,755

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9. Trade receivable from exchange transaction & non exchange transaction (continued)		
Housing rental		
Current (0 -30 days)	54,893	54,893
31 - 60 days	60,738	60,738
61 - 90 days	25,424	25,424
91 - 120 days	22,002	22,002
Greater than 120 days	859,332	581,665
	1,022,389	744,722
Reconciliation of doubtful debt		
Balance at beginning of the year	(15,718,090)	(12,781,032)
Contributions to allowance	(1,921,475)	(2,937,058)
	(17,639,565)	(15,718,090)
10. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	5,249	5,249
Bank balances	6,390,977	11,356,655
Short-term deposits	111,904,376	91,867,859
	118,300,602	103,229,763

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10. Consumer debtors disclosure (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2017	June 30, 2016	June 30, 2015
FNB - Current Account - 52552416194	6,396,226	11,361,934	3,211,908	6,396,226	11,361,934	3,211,908
FNB - Equitable Share - 62143895988	650,336	5,401,006	207,163	650,336	5,401,006	207,163
FNB - Equitable Share - 74617848129	10,729,139	-	-	10,729,139	-	-
FNB - Equitable Share - 62248166218	(9,147,188)	613,504	592,381	(9,147,188)	613,504	592,381
FNB - 7 Day Call Short Term Investment Account -	282,546	5,013,041	-	282,546	5,013,041	-
FNB - Lums - 62074735831	15,253,356	15,253,356	-	15,253,356	15,253,356	-
FNB Investment account	38,346	-	-	38,346	-	-
FNB Investment	555,254	-	-	555,254	-	-
FNB Investment account	10,778,890	-	-	10,778,890	-	-
FNB - Equitable	10,288,805	-	-	10,288,805	-	-
ABSA - Small Town Rehab/3 months fixed deposit - 2074566678	-	5,624,830	5,207,759	-	5,624,830	5,207,759
ABSA - Small Town Rehab/3 months fixed deposit - 2074567242	12,034,457	11,303,000	10,471,117	12,034,457	11,303,000	10,471,117
ABSA - 2075702582	-	5,180,654	-	-	5,180,654	-
ABSA - Small Town Rehab/3 months fixed deposit - 2075113660	11,632,881	10,852,132	10,000,000	11,632,881	10,852,132	10,000,000
Nedbank - Fixed Deposit 1 month - 7881076763/001	197,266	-	-	197,266	-	-
Nedbank - Fixed Deposit 3 month - 7881076763/101	5,477,350	-	-	5,477,350	-	-
Nedbank - Fixed Deposit 1 month - 7881076763/0069	-	-	10,307,804	-	-	10,307,804
Nedbank - Fixed Deposit 1 month - 7881076763/018	5,000,000	-	-	5,000,000	-	-
Standard Bank - 90 Days Equitable Share - 0687302760-004	(10,231,644)	-	29	(10,231,644)	-	29
Standard Bank - 90 Days Equitable Share - 0687302760-007	10,011,381	11,219	5,568,451	10,011,381	11,219	5,568,451
Standard Bank - 068730276 005	12,508,568	11,561,919	-	12,508,568	11,561,919	-
Standard Bank - 30 Days Equitable Share - 0687302760-005	-	-	10,765,896	-	-	10,765,896
Standard Bank - R6M	10,245,482	10,245,482	-	10,245,482	10,245,482	-
Ithala Bank - Equitable Share - 46142189	131,433	5,745,480	5,384,085	131,433	5,745,480	5,384,085
Ithala Bank - Equitable Share	5,062,206	5,062,206	10,100,202	5,062,206	5,062,206	10,100,202
Ithala Bank - Equitable Share - 46149515	-	-	10,152,877	-	-	10,152,877
INVESTEC-50011092081	10,405,513	-	-	10,405,513	-	-
Total	118,300,603	103,229,763	81,969,672	118,300,603	103,229,763	81,969,672

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11. Long-term Receivables		
Housing selling scheme loans	122,298	122,298
Less: Provision for bad debts	(122,298)	(122,298)
	-	-
12. Housing operating account		
Housing Operating Account	373,787	373,787
The housing operating account is represented by the following assets and liabilities		
Housing selling scheme loans	122,298	122,298
Cash and cash equivalents	251,489	251,489
Assets	373,787	373,787
Total Housing Development Fund Assets and Liabilities	373,787	373,787
13. Finance lease liability		
Minimum lease payments due		
- within one year	-	62,932
Present value of minimum lease payments due		
- within one year	-	62,932
Finance lease payments represent payments payable by the municipality for photocopiers and printers.		
No finance lease period is more than five years. All finance leases have signed contracts with the service providers.		
14. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Mckenzie Farm	428,422	480,796
Electrification : DOE	1	-
Small Town Rehabilitation	2,958,042	8,567,585
Ixopo Sportfields	8,278	8,278
Sangcwaba Grant	565,387	565,387
Ixopo Sportfield Mantainance	143,182	143,182
	4,103,312	9,765,228

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Figures in Rand	2017	2016
15. Trade and other payables from exchange transactions		
Trade payables	5,258,643	10,879,299
Payments received in advance	1,185,415	1,688,465
Deposits other	444,589	427,889
Other payables	1,101	(1,299)
Retention	8,514,273	8,738,636
Staff Leave Accrual	3,651,080	3,089,200
	19,055,101	24,822,190
16. Revenue		
Service charges	1,726,005	1,681,650
Rental of facilities	1,173,223	985,191
Licences and permits	3,304,893	3,597,454
Other income - Miscellaneous	1,744,644	1,798,929
Interest received - investment	9,215,250	6,872,906
Property rates	13,122,243	13,123,930
Other taxation revenue 1	4,230,683	-
Government grants	124,757,917	118,839,056
Fines	1,579,580	1,489,350
	160,854,438	148,388,466
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	1,726,005	1,681,650
Rental of facilities and equipment	1,173,223	985,191
Licences and permits	3,304,893	3,597,454
Other income - Miscellaneous	1,744,644	1,798,929
Interest received - investment	9,215,250	6,872,906
	17,164,015	14,936,130
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	13,122,243	13,123,930
Other taxation revenue 1	4,230,683	-
Transfer revenue		
Government grants	124,757,917	118,839,056
Fines	1,579,580	1,489,350
	143,690,423	133,452,336
17. Service charges		
Refuse removal	1,726,005	1,681,650
18. Rental of facilities and equipment		
Premises		
Venue hire	140,394	101,924
Rental of Buildings	1,032,829	883,267
	1,173,223	985,191
	1,173,223	985,191

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Figures in Rand	2017	2016
19. Other income		
Rates Clearance	1,968	9,107
Sale of assets	1,068	-
Sundry income	695,872	802,960
Admin Fees	59,899	41,035
Disposal of land	18,009	11,675
Skills development	132,680	95,905
Building fees	23,742	20,760
Sundry Income	3,200	3,933
Basic Charge : Fire service	36,061	36,338
Licence Commission	714,848	752,061
Burial Fees	48,312	25,155
Discount received	263	-
Library photostats	8,722	-
	1,744,644	1,798,929
20. Investment revenue		
Interest revenue		
Short term investments	9,215,250	6,872,906
Bank current account	-	-
	9,215,250	6,872,906

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Figures in Rand	2017	2016
21. Property rates		
Rates received		
Property rates	21,447,108	20,910,542
Less: Income forgone	(8,324,865)	(7,786,612)
Property rates - penalties imposed	-	-
	13,122,243	13,123,930
Valuations		
Residential	223,094,000	223,094,000
Commercial	258,459,000	258,459,000
Industrial	22,050,000	22,050,000
Municipal	56,871,000	56,871,000
Agricultural	1,801,095,000	1,801,095,000
Vacant Land	25,900,000	25,900,000
Farm : Residential	4,691,000	4,691,000
Smallholdings : Agricultural	2,525,000	2,525,000
Smallholdings : Commercial	6,526,000	6,526,000
Ingonyama Trust	267,314,000	267,314,000
Commercial Settlement	12,245,000	12,245,000
	2,680,770,000	2,680,770,000

Valuations on land and buildings are performed every 5 years. In terms of the new MPRA legislation an extension of 1 year has been granted. The last general valuation came into effect on 1 July 2013. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alteration and subdivisions. Rates are levied in ten monthly equal instalments with the first being due at the end of August and the last instalments in May. The May instalment is due at the end of June.

	<u>2017</u>	<u>2016</u>
Residential	0.0141c/R	0.0141c/R
State owned	0.0145c/R	0.0145c/R
Agriculture	0.0035c/R	0.035c/R
Infrastructure	0.0035c/R	0.0035c/R
Communal land	0.0035c/R	0.0035c/R
Commercial	0.0145c/R	0.0145c/R
Industrial	0.0152c/R	0.0152c/R
Place of worship	Exempt	Exempt

The municipality does not levy rates on the first R15 000 of the market value of properties assigned to the categories below:

Residential
Agricultural
Small holding (Agricultural)
Commercial
Industrial and
Communal

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22. Government grants and subsidies		
Operating grants		
Equitable share	90,491,000	85,227,000
FMG	1,825,000	1,800,000
Project Consolidate (MSIG)	-	930,000
Library Assistant - Cyber	179,000	170,000
Library Grant	559,000	578,225
Sportsfield Maintenance	-	121,071
EPWP	1,985,000	1,420,000
	95,039,000	90,246,296
Capital grants		
MIG	24,057,000	24,335,000
McKenzie Farm	52,374	-
Small town rehabilitation	5,609,543	4,257,760
	29,718,917	28,592,760
	124,757,917	118,839,056
Equitable Share		
Current-year receipts	90,491,000	85,227,000
Conditions met - transferred to revenue	(90,491,000)	(85,227,000)
	-	-
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
Mc Kenzie Farm		
Balance unspent at beginning of year	480,796	480,796
Conditions met - transferred to revenue	(52,374)	-
	428,422	480,796
Conditions still to be met - remain liabilities (see note 14).		
FMG Grant		
Current-year receipts	1,825,000	1,800,000
Conditions met - transferred to revenue	(1,825,000)	(1,800,000)
	-	-
Electrification Grant - Cogta		
Current-year receipts	-	24,956,000
Conditions met - transferred to revenue	-	(24,956,000)
	-	-
Electrification Grant - DOE		
Current-year receipts	30,000,000	30,000,000
Conditions met - transferred to revenue	(29,999,999)	(30,000,000)
	1	-

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22. Government grants and subsidies (continued)		
Municipal Infrastructure Grant		
Current-year receipts	24,057,000	24,335,000
Conditions met - transferred to revenue	(24,057,000)	(24,335,000)
	-	-
Library Grant		
Balance unspent at beginning of year	-	25,225
Current-year receipts	559,000	553,000
Conditions met - transferred to revenue	(559,000)	(578,225)
	-	-
Small Town Rehab _ Roads		
Balance unspent at beginning of year	8,567,585	12,825,345
Conditions met - transferred to revenue	(5,609,543)	(4,257,760)
	2,958,042	8,567,585
Conditions still to be met - remain liabilities (see note 14).		
MSIG Grant		
Current-year receipts	-	930,000
Conditions met - transferred to revenue	-	(930,000)
	-	-
Ixopo sports maintenance Grant		
Balance unspent at beginning of year	8,278	129,350
Conditions met - transferred to revenue	-	(121,072)
	8,278	8,278
Conditions still to be met - remain liabilities (see note 14).		
Sangcwaba Grant		
Balance unspent at beginning of year	565,387	565,387
EPWP Grant		
Current-year receipts	1,985,000	1,420,000
Conditions met - transferred to revenue	(1,985,000)	(1,420,000)
	-	-
Ixopo Sportsfield Grant		
Balance unspent at beginning of year	143,182	143,182
Conditions still to be met - remain liabilities (see note 14).		

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Figures in Rand	2017	2016
22. Government grants and subsidies (continued)		
Library Assistant		
Current-year receipts	179,000	170,000
Conditions met - transferred to revenue	(179,000)	(170,000)
	-	-

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23. Employee related costs

	2017	2016
Employee cost : Salaries & wages	36,825,557	34,474,762
Workmans compensation	544,338	249,697
Medical aid - company contributions	2,250,577	1,996,776
UIF	368,937	297,342
Pension	5,916,559	5,437,234
Travel, motor car, accommodation, subsistence and other allowances	1,971,443	2,077,153
Overtime payments	1,366,973	1,177,992
Long-service awards	8,709	-
13th Cheques	903,634	880,993
Housing benefits and allowances	34,132	23,864
Other employee related costs	2,651,585	2,413,641
	52,842,444	49,029,454

Remuneration of municipal manager

Annual Remuneration	1,004,731	941,526
Performance Bonuses	170,297	160,657
Contributions to UIF, Medical and Pension Funds	132,674	124,506
Travel, motor car, accommodation, subsistence and other allowances	141,969	146,113
	1,449,671	1,372,802

Remuneration of chief finance officer

Annual Remuneration	680,540	720,225
Performance Bonuses	124,020	126,000
Contributions to UIF, Medical and Pension Funds	78,454	72,507
Travel, motor car, accommodation, subsistence and other allowances	142,848	194,222
	1,025,862	1,112,954

The Chief Financial officer resigned on the 30th April 2017.

Corporate and human resources (corporate services)

Annual Remuneration	803,461	752,623
Performance Bonuses	125,482	118,379
Contributions to UIF, Medical and Pension Funds	12,126	11,542
Travel, motor car, accommodation, subsistence and other allowances	120,865	120,390
	1,061,934	1,002,934

Social Development

Annual Remuneration	252,971	675,476
Performance Bonuses	-	76,101
Contributions to UIF, Medical and Pension Funds	3,529	10,883
Travel, motor car, accommodation, subsistence and other allowances	47,030	193,797
	303,530	956,257

Social Development Director resigned on the 10th of October 2016.

Procurements and Infrastructure (Technical Services)

Annual Remuneration	800,299	720,225
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Figures in Rand	2017	2016
23. Employee related costs (continued)		
Performance Bonuses	89,630	126,000
Contributions to UIF, Medical and Pension Funds	11,544	72,507
Travel, motor car, accommodation, subsistence and other allowances	98,634	194,222
	1,000,107	1,112,954
24. Remuneration of councillors		
Executive Mayor	763,394	789,547
Deputy Executive Mayor	619,461	636,171
Exco Members	3,462,095	2,944,655
Speaker	354,604	363,657
Councillors Skills Levy	72,610	63,398
Councillors Allowances	2,446,713	2,177,543
Cellular Allowance	563,925	493,876
Councillors Data Cards	96,000	85,200
	8,378,802	7,554,047
25. Repairs and maintainance		
Office equipment	81,148	48,369
Fire extinguishers	19,375	12,383
Plant and equipment	429,204	608,486
Roads	813,937	631,494
Street lights	135,778	102,156
Buildings	876,449	1,055,266
Vehicles	527,006	471,904
	2,882,897	2,930,058
Repairs and maintainance relates to general maintainance of cars, minor repairs to Infrastructure assets, community assets and buildings		
26. Depreciation and amortisation		
Property, plant and equipment	19,889,581	18,526,846
Investment property	225,280	216,115
	20,114,861	18,742,961
27. Impairment		
Impairment of assets		
Property, plant and equipment	57,809	-
Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount or [recoverable service amount] of the asset was based on its fair value less costs to sell or [its value in use.]		
Impairment loss recognised on Traffic fines		
The amount of the impairment loss on traffic fines is recognised, as follows:		
Traffic Fines	1,364,866	1,097,324

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28. Contribution to provision		
Provision to leave	2,024,791	1,751,759
Provision for Bad debts	1,921,476	2,937,058
	<u>3,946,267</u>	<u>4,688,817</u>
29. Contracted services		
Consultancy Fees	1,166,979	903,423
Security	2,720,463	2,189,481
Insurance	468,081	404,049
Rental Hardware	1,521,697	641,691
Other Contractors	887,519	1,621,087
	<u>6,764,739</u>	<u>5,759,731</u>

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Figures in Rand	2017	2016
30. General expenses		
Msoa Implementation	196,222	17,835
Advertising	709,620	658,516
Arts and culture	217,959	189,220
Arts promotion expenses	292,964	341,080
Auditors remuneration	1,218,130	1,302,043
Bank charges	127,405	133,356
Bursary - Staff	31,776	107,020
Bursary - Youth	599,990	467,207
Cleaning	160,774	151,415
Commission on Traffic fines	387,179	-
Computer & IT expenses	861,486	1,061,637
Consumables	154,531	199,135
Disaster Management: Back to school	370,991	318,473
Electricity	493,684	365,373
Employment creation and assistant programme	2,069,192	1,268,302
Entertainment	102,262	45,886
Free Basic Services	1,295,791	1,343,561
Fuel and oil	1,649,539	1,176,446
Gender Development & community upliftment	222,489	360,292
Grant in aid	7,074	3,959
HIV/AIDS Awareness	215,431	101,968
Plant hire	1,500	-
Horticulture	26,810	188,543
IDP Budget review	106,487	50,273
Job Evaluation	5,578	-
LED Projects	894,801	1,011,974
Legal fees	786,280	1,278,290
Traffic Levies	9,206	9,293
Library outreach programme	11,699	20,015
Licence and permits	207,360	216,996
Magazines, books and periodicals	111,070	-
Moral regeneration	34,860	101,178
Other expenses	70,765	424,006
Pest control	6,359	8,104
Postage and courier	91,518	82,356
Printing and stationery	727,651	694,090
Public Participation	167,779	701,257
Refuse Expenses	462,100	555,818
Software expenses	49,341	81,185
Special Programmes	979,979	998,695
Sports and recreation	460,307	388,262
Strategic Planning	1,242,442	809,286
Subscriptions and membership fees	732,503	529,966
Team Building	96,030	78,248
Tourism development	26,076	20,440
Town Planning Initiative	663,993	524,478
Training	1,506,508	1,826,757
Travel - local (S&T , Reimbursive travel)	1,546,165	1,760,175
Uniforms/ Protective Clothing	471,008	551,681
Valuation Roll	409,415	8,103
Ward Committees	700,683	185,178
Water	42,505	87,854
Youth Upliftment	195,152	198,322
	24,228,419	23,003,547

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Figures in Rand	2017	2016
31. Cash generated from operations		
Surplus	37,544,020	32,207,443
Adjustments for:		
Depreciation and amortisation	20,114,861	18,742,961
Transfer of assets	1,776,891	3,149,018
Interest Received	(9,215,250)	(6,872,906)
Impairment deficit	57,809	-
Provisions	3,946,267	4,688,817
Movements in retirement benefit assets and liabilities	(951,000)	209,000
Other non-cash items	34,132,736	44,918,198
Changes in working capital:		
Inventories	(626,550)	512,018
Trade receivables from exchange transactions	(960,609)	(2,669,232)
Other receivables from non-exchange transactions	(1,810,658)	908,889
Prepayment	(62,932)	(212,191)
Trade and other payables from exchange transactions	(6,609,573)	10,533,205
VAT	(3,031,971)	4,786,621
Unspent conditional grants and receipts	(5,661,916)	(4,404,057)
	68,642,125	106,497,784

32. Financial instruments disclosure

Categories of financial instruments

2017

Financial Assets

	Loans and receivables	Total
Trade and other receivables from exchange transactions	5,885,269	5,885,269
Other receivables from non-exchange transactions	8,093,395	8,093,395
Cash and cash equivalents	118,300,602	118,300,602
Inventories	2,532,983	2,532,983
	134,812,249	134,812,249

Financial liabilities

	Financial liabilities	Total
Post retirement benefits	6,700,000	6,700,000
Trade and other payables from exchange transactions	19,055,102	19,055,102
Unspent conditional grants	4,103,312	4,103,312
	29,858,414	29,858,414

2016

Financial assets

	Loans and receivables	Total
Trade and other receivables from exchange transactions	4,924,660	4,924,660
Other receivables from non-exchange transactions	6,282,737	6,282,737
Cash and cash equivalents	103,229,763	103,229,763
Inventories	3,159,123	3,159,123

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Figures in Rand	2017	2016
Financial instruments disclosure (continued)		
VAT Receivable	34,884	34,884
	117,631,167	117,631,167
Financial liabilities		
	Financial liabilities	Total
Post retirement benefits	5,749,000	5,749,000
Trade and other payables from exchange transactions	25,664,675	25,664,675
Unspent Conditional Grant	9,765,228	9,765,228
Short-term portion of finance lease	62,932	62,932
	41,241,835	41,241,835
33. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Infrastructure	17,851,057	19,750,039
• Community	14,068,363	2,161,182
• Other commitment	-	539,826
	31,919,420	22,451,047
Total capital commitments		
Already contracted for but not provided for	31,919,420	22,451,047
Capital expenditure		
This expenditure will be financed from :		
• External loan	-	-
• Government Grants	28,765,394	21,911,221
• Own sources	3,154,026	539,826
	31,919,420	22,451,047
Total operational commitments		
Already contracted for but not provided for	31,919,420	22,451,047

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Figures in Rand	2017	2016
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34. Contingencies

Contingent liabilities

- One of the municipal traffic officer impounded a vehicle for not being roadworthy and kept it at the testing grounds, when the owner of the vehicle returned to collect his vehicle it could not be found at the testing grounds. When asked what had happened, the traffic officer stated that the owner had come on another day and collected his vehicle, the vehicle owner denied ever collecting the vehicle and opened a case for damages and loss of income against the Municipality. Expected contingent liability of R 39 000
- Litigation is in the process against the municipality relating to an ill-informed resolution taken by council to condone the sale of a council owned property way below market value. A short period after a new Council was elected and they then resolved to rescind the resolution to sell the mentioned property. A process of then declaring the sale agreement null and void was then commenced. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as likely, and the case should be resolved within the next year. Expected contingent liability of R 42 000 is expected for valuation fee.

Contingent assets

There are no contingent assets.

35. Related parties

There were no related party transactions in the current financial Year.

36. Key source of estimation, uncertainty and judgments

Key Sources of Estimate, uncertainty and judgement

The following areas involve a significant degree of estimation and uncertainty

- Useful life and residual values of property, plant and equipment
- Recoverable amount of property plant and equipment
- Present value of defined benefit obligations
- Provision for doubtful debts
- Determining to collectable amount traffic fines issued

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37. Prior period errors

1. Workmans compensation not accounted for in 2015/16 .

2. Workmans compensation not accounted for in 2011,2012,2013,2014 and 2015

The correction of the errors results in adjustments as follows:

1. Statement of financial position		249,766
Trade payable		
1. Statement of financial performance	249,766	
Employee cost - workmans compensation		
2. Statemet of financial position		687'340
Trade payable		
2. Statement of financial performance		
Employee Cost	687,340	

38. Risk management

Financial risk management

Due to the largely non-trading nature of the activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities.

The municipality's finance function monitors and manages the financial risks relating to the operations of the municipality. These risks include credit risk, liquidity risk, market risk relating to interest rate risk.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to recover future commitments. The municipality managers liquidity risk through an ongoing review of future commitments and credit facilities. Unspect Grants are cash backed. Cash flow forecasts are prepared and adequately utilised borrowing facilities are monitored. The table below analyses the municipalitiesfinancial liabilities into amounts due within the 12 months after the financial year end. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2017	2016
Trade and other payable	19,055,102	24,822,190
Other lease obligations		62,932
	<u>19,055,102</u>	<u>24,885,125</u>

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Except as detailed below, the carrying amount of financial assets recorded in the Annual Financial Statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The maximum credit risk exposure in respect of the relevant financial instruments is as follows:

Financial instrument	2017	2016
VAT Receivables	-	34,884
Cash & cash equivalents	118,300,602	103,229,763
Trade receivables	5,885,269	4,924,660
Other receivables from non-exchange	8,093,395	6,282,737
Maximum Credit Exposure	132,279,266	114,472,044

Market risk

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Figures in Rand	2017	2016
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38. Risk management (continued)

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

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

Bank Balances and Cash	<u>118,300,602</u>	<u>103,229,763</u>
Maximum Interest Exposure	<u>118,300,602</u>	<u>103,229,763</u>

Price risk

Due to legislative restrictions, the municipality does not trade these investments.

39. Events after the reporting date

Events after the reporting date are those events, both favourable and unfavourable, that Occur between the reporting date and the date when the financial statements are authorised for issue. In the current financial year there were no events identified after the reporting date

Two types of events can be identified :

Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date) and those that are indicative of conditions that arose after the reporting date (non adjusting events after the reporting date). If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

40. Unauthorised expenditure

There is no unauthorised expenditure as at 30 June 2017.

41. Fruitless and wasteful expenditure

Interest	9,636	-
Penalties	98,295	-
	<u>107,931</u>	<u>-</u>

The above fruitless and wasteful expenditure was incurred as a result of penalties and interest that we charged by SARS in relation to an adjustment that was made by the municipality on the VAT return in the month of February 2017. This adjustment relates to the previous financial years.

42. Irregular expenditure & Deviations

Opening balance	132,338	4,156,107
Add: Irregular Expenditure - current year	448,983	128,551
Less: Amounts written off	(132,338)	(4,152,320)
	<u>448,983</u>	<u>132,338</u>

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended June 30, 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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42. Irregular expenditure & Deviations (continued)

Analysis of expenditure awaiting condonation per age classification

Current year	-	-
An amount of R 448 983.00 is included as irregular expenditure due to a request for quotation that did not specify the required minimum threshold for local production for awards made .	448,983	-
	448,983	-

Deviations – current year

	Reasons for deviation	
Supply of delivery of branded ties and scurfs	Emergency - Outgoing Councillors were awarded with certificates, branded ties and scurfs as token of appreciation, there was not sufficient time to obtain quotations.	4,050
Installation of borehole	Due to numerous failed attempts to follow normal procurement processes including both advertising and section 32 to urgently obtain a service provider to install a borehole, section 36 was utilised.	161,580
Advertising posts	Quotations from service providers were sourced and quoted above R30 000. Due to the urgency of advertising the director posts a decision was taken to deviate from Normal SCM process	90,248
Provision of protection services	Due to the urgency and sensitive nature of the services required, it was not possible to follow normal scm processes.	286,254
Performance for prayer day	UBuhlebezwe Municipality was hosting an annual prayer day and an artist was invited to perform on prayer day and a price was negotiated at R18 000.	18,000
Performance for prayer day	UBuhlebezwe Municipality was hosting an annual prayer day and an artist was invited to perform on prayer day and a price was negotiated at R28 000.	28,000
Repairs to vehicle	Impractical - Striping of the vehicle was required in order to determine the fault and therefore be able to quote.	34,628
Advertising posts	Quotations from service providers were sourced and quoted above R30 000. Due to the urgency of advertising the director post (CFO) a decision was taken to deviate from Normal SCM process	40,822
Advertising final budget and tariffs for 2017/18 financial year	Quotations from service providers were sourced and quoted above R30 000. Due to the urgency of advertising for the final budget a decision was taken to deviate from Normal SCM process.	34,241
		697,823

43. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	578,920	500,000
Amount paid - current year	(578,920)	(500,000)
	-	-

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended June 30, 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
43. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Audit fees		
Current year subscription / fee	1,218,130	1,302,043
Amount paid - current year	(1,218,130)	(1,302,043)
	-	-
PAYE, UIF & Skills		
Current year subscription / fee	7,876,065	8,872,919
Amount paid - current year	(7,876,065)	(8,872,919)
	-	-
Pension and Medical Aid Deductions		
Current year subscription / fee	8,560,672	7,926,717
Amount paid - current year	(8,560,672)	(7,926,717)
	-	-
VAT		
VAT receivable	-	34,884
VAT payable	7,220,812	-
	7,220,812	34,884

Councillors' arrear consumer accounts

No Councillors had arrear accounts outstanding for more than 90 days at June 30, 2017:

UNAUDITED SUPPLEMENTARY SCHEDULE

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

	Cost/Revaluation			Accumulated Depreciation				Change in estimate		Carrying value	
	Opening Balance	Additions	Disposals	Closing Balance	Current	Disposal	Impairment	Current	Impairment	Current	Impairment
As at 30 June 2017	R	R	R	R	R	R	R	R	R	R	R
Budget & Treasury	17,280,751	218,031	83,205	17,415,578	1,855,105	718,175	84,487	718,175	10,345	2,297,179	15,124,203
Community Services	135,860,612	6,346,542	279,497	141,945,659	4,952,918	277,652	31,817	4,952,918	31,817	45,152,975	96,762,981
Corporate Services	34,189,095	1,096,843	3,648,419	31,645,519	1,729,630	1,673,010	6,147	1,729,630	6,147	14,426,111	19,170,640
Executive & Council	2,168,508	1,013,247	684,503	2,495,252	1,027,735	498,350	1,855	1,027,735	1,855	949,857	1,545,395
Housing	121,770			121,770	63,791			11,046		84,834	26,936
Planning & Development	350,193			350,193	166,734			45,382		212,110	138,079
Public Safety	1,911,752		16,993	1,894,759	1,305,048	211,603	18,978	1,305,048	0	1,500,573	394,186
Roads & Technical services	300,162,340	19,119,485	57,194,771	271,027,054	148,532,132	11,221,247	38,869	11,221,247	7,819	157,722,326	113,304,728
Solid Waste	4,460,687		17,103	4,451,584	1,707,089		16,785	1,707,089		2,095,670	2,356,714
Sports & Creation	5,522,466	2,652,605		8,175,071	4,386			279,405		273,773	7,941,320
Social Development	53,127	9,466,283	359	9,549,051	40,760		359	146,316		185,717	9,363,334
Total	611,043,321	39,866,776	59,864,241	491,033,854	20,097,949	2,608,786	57,403	20,097,949	57,403	224,843,034	256,187,824
											0
	Cost/Revaluation			Accumulated Depreciation				Change in estimate		Carrying value	
	Opening Balance	Additions	Work in Progress brought into use	Closing Balance	Opening Balance	Current	Disposal	Current	Disposal	Current	Disposal
As at 30 June 2018	R	R	R	R	R	R	R	R	R	R	R
Budget & Treasury	1,909,560	685,230		2,594,790	584,520	430,719		430,719		1,015,239	1,779,587,06
Community Services	120,170,544	9,525,475		129,696,019	35,214,078	4,535,359		4,535,359		39,748,430	69,954,580,98
Corporate Services	32,334,790	1,864,305		34,199,095	12,600,823	1,438,455		1,438,455		14,262,278	19,936,818,95
Executive & Council	1,906,307	260,122		2,166,429	760,975	301,552		301,552		1,502,527	1,403,961,20
Housing	121,770			121,770	67,323	12,601		12,601		60,124	41,648,34
Planning & Development	350,193			350,193	130,659	50,341		50,341		181,000	169,192,70
Public Safety	4,291,990			4,291,990	1,372,497	308,606		308,606		1,761,183	2,530,869,66
Roads & Technical services	241,952,439	19,119,485		271,750,940	135,518,762	10,652,578		10,652,578		146,371,341	125,359,599,40
Solid Waste	4,460,687			4,460,687	1,237,696	422,951		422,951		1,660,650	2,603,037,14
Sports & Creation		5,520,590		5,520,590		4,286		4,286		4,286	5,516,300,81
Social Development	53,127			53,127	39,977	4,932		4,932		44,909	8,217,68
Total	407,667,516	37,168,214	0	465,391,745	187,670,318	18,462,650	0	18,462,650	0	206,132,978	249,338,770,40

UNMOUNTED SUPPLEMENTARY SCHEDULE

1105 2ND ST @ 1ST ST, BOSTON, MA 02127

VOLUME III
OVERSIGHT REPORT
2016/2017