

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
	IPD12		socio-economic development												of the municipality	
			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-19	Number	3 Community halls were maintained as per directive from Social development which were Nokweja hall, Nhlanguwini Hall and Thathani. On top of the work requested the maintenance team has been doing repairs in the welfare house in Morningside which was vandalised.	1 community Facility Maintained as directed by prescripts from Social Development Services by 30-Jun-19	none	1 Community Facility maintained as directed by prescripts from Social Development Services by 30-Jun-19	6 community facilities were maintained: Welfare House Fairview Hall, Peace Initiative Hall, Soweto hall, Highflats Hall and Testing grounds	OPEX	Achieved	n/a	5 more community facilities were maintained even though target was 1 utilising also the funds available in the vote of municipal facilities	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-19	Kilometers	The total number of blacktop Roads maintained for all the quarters is 1712.55m2	65KM of gravel roads maintained as per maintenance plan by 30-Jun-19	none	65KM of gravel roads maintained as per maintenance plan by 30-Jun-19	13.98KM of gravel roads maintained by 30-Jun-19	OPEX	Not Achieved	Due to the regular breakage of the Municipal Grader the target set out was not achieved	Resolution was taken by the Council and Manco that the repairs of the Municipal Grader be put on hold until further investigation on the deviation that was tabled for repairs, that has also contributed to the non-achievement of the target set	signed report & dated photos before and after and detailed calculations

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
	IPD14														provider that responded does not maintaince plant therefore the re-advertisment will in done in Quarter 1 of the following year	
			To ensure provision, upgrading and maintenace of infrastruct ure and services that enhances socio-economic developme nt	Monitoring of meetings with DoHS	Number of coordinated meetings on progress of housing projects by 30-Jun-19	Number	24 meetings on progress of Housing projects held on the 2-Aug-17, 11-Aug-17,7-Sept-17, 21-Sept-17, 06-Dec-17,11- Oct-17,03-Nov-17,07-Dec-17,21-Nov-17, 31-Oct-17,17-Nov-17, 28-Mar-18, 28-Mar-18, 25-Jan-18,18-Jan-18, 08-Feb-18, 30-Jan-18, 23-Feb-18, 17-Apr-18,15-May-18, 21-Jun-18,03-May-18, 06-Jun-18 and 22-Jun-18.	Monitor coordination of 4 meetings on progress of Housing project by 30-Jun-19	none	Monitor coordination of 4 meetings on progress of Housing projects by 30-Jun-19	27 meetings on progress of Housing projects were co-ordinated by 30-Jun-19	DOHS	Achieved	n/a	23 extra meetings were conducte d due to the demand identified with our housing projects. the purpose was to check progress made regarding housing projects and mitigate if there are challenge s on the projects.	Signed attendance register, minutes
IPD15			To ensure provision, upgrading and maintenace of infrastruct ure and services that enhances socio-economic developme nt		Number of meetings coordinated on progress on 150 Units - Phase 1 Community Residential Units by 30-Jun-19	Number	4 meetings on the progress of 150 Units- Phase 1 were coordinated and held on the following dates: 12-Sept-2017, 26-Jan-2018, 08-Jun--18 and 20-Jun-2018	Monitor coordination of 4 meetings on progress on 150 Units - Phase 1 Community Residential Units by 30-Jun-19	none	Monitor coordination of 4 meetings on progress on 150 Units - Phase 1 Community Residential Units by 30-Jun-19	8 meetings on progress on 150 Units - Phase 1 Community Residential Units were held by 30-Jun-19.	DOHS	Achieved	n/a	4 extra meetings were conducte d, where the purpose was to check progress made regarding the CRU housing projects and mitigate if there are	Signed attendance register, minutes

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
															challenges on the projects	
IPD16			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Monitoring the submission of the Housing sector plan	Date by which the Final Housing Sector plan is submitted to IDP unit	Date	The Final Housing Sector Plan was submitted IDP unit to form part of the Final IDP on 30-Apr-18.	monitor the submission of the final Housing sector plan to IDP unit by 10-May-19	none	monitor the submission of the final Housing sector plan to IDP unit by 10-May-19	The final Housing Sector plan was submitted on the 10th May 2019 to the IDP unit.	DOHS	Achieved	n/a	n/a	Proof of submission , Draft & Final Housing Sector 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	Three Building plans were received during the 1st quarter. One was received on the 3rd July 2017 and approved on 28 July 2017. Second was received on 4th July 2017 and approved on the 28th July 2017. Third was received on the 20th September 2017 and still in progress of being approved. A total of 6 building plans were noted and accepted during the second Quarter. Only 4 can be processed through and 2 had outstanding payment fees. This were as follows; lot 49 (accepted 13/10/17 & approved 26/10/17), Hlokozi house plan hasn't been processed due to the fact that the planning application is still being processed. Erf 183 accepted 20/10/17 and approved 14/11/17. Erf 1661 was recently accepted on the 7/12/17 and still being processed accordingly. Only three Building plans were received during the 3rd quarter. Two of them approved within the 30 day timeframe. The first one (Lot 259) was accepted on the 19/27/18 and approved on the 16/03/18. The second one (1692) was accepted on the 21/02/18 and is not yet approved . The last one (Rem 43) accepted was on the 07/02/18 and was approved on the 07/03/18. Only 5 Building plans were received during the 4th	Processing of building and alteration plans within 30 days after receipt of payment fees	none	Processing of building and alteration plans within 30 days after receipt of payment fees	Q1: The Building plan has not yet been approved because the building lines and demarcated parking bays were not reflected. They have since resubmitted on the 01/10/18 for further processing. The 30 day will be met accordingly. 2) Erf 1642 from the Morning-view area for a new building, the plans were accepted on the 09/07/18 - payment of building fees is not applicable because it is a Municipal Project. The building plan was processed accordingly got approved on the 16/07/18. 3) Erf 1669 from the Morning-view Area accepted on the 09/07/18 - payment of building fees is not applicable because it is a Municipal Project. Q2: 4 Building plans were received during the 2nd quarter; i.e 3 building plan all as part of the Morningview housing Project which were Erf 1673, Erf 1649 and Erf 1648 all were submitted on the 12/11/18 and approved on 10/12/18.	OPEX	Achieved	n/a	n/a	Register of received building plans with dates, acceptance letters

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							quarter; i.e 1) Portion 9 of Erf 14684 which was accepted on 11/05/18 and approved 18/06/18. 2) Erf 245 payment of building fees received on 11/05/18 – the building plan could not be processed further because town planning application which need to be done. ; 3) Sub 1 & 2 of 43 submitted on 05/06/18 - payment received on 05/06/18 and its still within the 30 day mark & currently being processed; 4) Portion 3 Upper Umkomaas submitted 21/05/18 – payment received on 11/06/18 and its still within the 30 day mark & currently being processed. 5) Lastly it is Portion 42 of Farm Esparanza submitted 11/05/18 and has not paid yet meaning the 30 day mark does not apply					The last one was a building plan for the Ithubalethu Housing project which was submitted on 03/12/18 and it still being processed. Payment of building fees is not applicable due to the fact that all of them are Municipal Projects. Q3: 1 building plan was received for Portion 6 of ERF 419 which was submitted on the 25th March 2019 which is still within the 30days period. Q4: Two plans were received and approved by the Municipality(Malanda payment received on the 6 June 2019 and approved on the 7 June 2019 and Gudlucingo Housing project as its municipal project no payment was received but the plan were received on the 7 June 2019 and approved on the 13th June 2019)				
IPD18			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development	Electrification projects	Percentage of electrification for Golf Course housing project completed by 30-Mar-19	Percentage	The project is at 33% completion by 30-Jun-18	100% completion of the electrification in Golf Course housing project by 30-Mar-19	none	100% completion of the electrification in Golf Course housing project by 30-Mar-19	The progress on site is at 86%	R 4 587 907.99	Not Achieved	Challenges were experienced on a joint visit to inspect the scope of works where it was identified that we need to amend the fibre glass kiosk as they experience vandalism of the infrastructure and the recommendation was to replace with steel kiosk..	The project could not be energised pending the replacement of steel kiosk as Eskom will proceed with the outage when replacement has been done, the contractor is currently having a lead time of 6 weeks for the supply of material. It is anticipated that the	Signed Consultants Progress reports, detailed calculations and Closure report

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	IPD19														project will be energised in October 2019.	
			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development		Percentage of electrified wards completed by 30-Jun-19	Percentage	96% completion on the electrification of wards 5 (Mkhunya) by 30-Jun-18	100% completion of the electrification of ward 1 (Webbstown) by 30-Jun-19	none	100% completion of the electrification of ward 1 (Webbstown) by 30-Jun-19	Progress on site is at 39%	R 1 113 625.05	Not Achieved	Delays were on Eskom approval of designs and grievance from the contractors Where the contractor was appointed on the 15 March 2019 to commence with the works	The contractors managed to fast track the project by ensuring that the material is delivered on site to cover the activities and ensuring the performance is increased. We managed to obtain the percentage as stated under actuals	Signed Consultants Progress report & Closure report
IPD19.1			To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development		Percentage of electrified wards completed by 30-Jun-19	Percentage	new indicator	40% completion of the electrification of ward 13 (Blackstore) by 30-Jun-19	none	40% completion of the electrification of ward 13 (Blackstore) by 30-Jun-19	Progress on site is at 40% complete	R 9 273 275.35	Achieved	n/a	n/a	Signed Consultants Progress report, detailed calculations & Closure report
SD07			To improve	Monitor maintenance	Number of Multi	Number	13 roadblocks were conducted, on the 27th of July 2017, 11th August	Monitor that 8 multi	none	Monitor that 8 multi	13 multi-disciplinary roadblocks were conducted on	OPEX	Achieved	n/a	5 more roadblocks conducted,	Dated photos

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
			safety and security within the municipal environment	ce of law and order	Disciplinary roadblocks conducted by 30-Jun-19		2017, 24th August 2017, 31st August 2017, 1st September 2017, 11th October 2017, 30th October 2017, 25th October 2017, 13th December 2017, 27th February 2018, 29th March 2018, 30th May 2018 and on the 7th of June 2018.	disciplinary roadblocks are conducted by 30-Jun-19		disciplinary roadblocks are conducted by 30-Jun-19	the following dates: 4th of September 2018, 27th of September 2018, 31st of October 2018, 16th of November 2018, 7th of December 2018, 14th of December 2018, 7th of January 2019, 21st of March 2019, 28th of April 2019, 1st of May 2019, 20th of May 2019, 26th of June 2019 and on the 27th June 2019.				which were more than the actual targets with an intention of saving lives within the jurisdiction area of Ubuhlebezwe. The impact was noticeable, there was minimum number of unroadworthy vehicles and drunk driving motorists coming to Ixopo town. This had a positive impact in the safety and security on the roads.	
IPD20			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	1. Circular date: 10 August 2017, Submission of items: 14 August 2017. 2. Circular date: 23 October 2017 Submission of items: 1st November 2017. 3. Circular date: 26th January 2018. Submission date: 1st February 2018. 4. Circular date: 29th March and 7th June 2018. Submission of items: 4th April 2018 and 7th June 13th June 2018 respectively.	Submission of Infrastructure Planning & Development Portfolio items to Corporate Services within 7 working days after receiving circular	none	Submission of Infrastructure Planning & Development Portfolio items to Corporate Services within 7 working days after receiving circular	1. Circular date: 13th August 2018, submission date: 16th August 2018. 2. Circular date: 29th October 2018, submission date: 2nd November 2018. 3. Circular date: 29th January 2019, submission date: 1st February 2019. 4. Circular date: 25th March 2019, submission date: 2nd April 2019 for .Circular date: 5th June 2019, submission date: 12th June 2019.	OPEX	Achieved	n/a	n/a	Proof of submission & circular
SD08	COMMUNITY WORK PROGRAMME IMPLEMENTED	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-19	Number	4 Progress reports on small farmers programme were submitted to portfolio committee which was held on: 22nd of August 2017, 8th of November 2017, 7th of February 2018 and 11th of April 2018	Submit 4 progress report on small farmers programme to the portfolio committee by 30-Jun-19	none	Submit 4 progress reports on small farmers programme to the portfolio committee by 30-Jun-19	4 progress reports on small farmers programme was submitted to the SD portfolio committee that was held on the 22nd August 2018, 7th November 2018, 6th February 2019 and 19th June 2019.	OPEX	Achieved	n/a	n/a	Signed portfolio minutes & signed attendance register
SD09			To improve sustainable economic	Renewal of informal traders licenses	Turnaround time for renewal of informal	Turnaround time	Renewal of informal traders licenses in Ixopo and Highflats within 30 days after the submission of renewal form was done as per the following:	Renewal of informal traders licenses in Ixopo and Highflats	none	Renewal of informal traders licenses in Ixopo and Highflats	Renewal of informal traders licenses in Ixopo and Highflats were processed within one day after the submission of renewal	OPEX	Achieved	n/a	n/a	Hawkers licenses and register with date

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
	SD10		growth and development		traders licenses in Ixopo and Highflats		5th of December 2017 for Ixopo and by the 18th of December 2017 for Highflats. The licences were processed on the 19th, 21st, and 22nd of December 2017.	within 30 days after the submission of renewal form		within 30 days after the submission of renewal form	form. The following were the dates 03,04,05,06,07,10,11, 12,13, 14,19,20,21 December 2018.					
			To improve sustainable economic growth and development	Monitor the sustainability of LED projects	Number of LED projects monitored by 30-Jun-19	Number	14 LED projects were implemented by 30 June 2018.	Monitor the sustainability of 20 LED projects by 30-Jun-19	none	Monitor the sustainability of 20 LED projects by 30-Jun-19	20 LED projects were monitored by 30 June 2019. (Siyethemba cooperative, Stoneville project, Movement cooperative, Mkhulisi supplier, Gijima cooperative, Mvoti cooperative, Hluthankungu Fashion design, Nhlavini cooperative, Qhawekazi Fashion design, Mwelase Block Making, Ward 4 community project, Scottville cooperative, Mhlandla investments, Mvethi project, Khuthala, skhuthaza khaba project, bambanani agriculture, Zamandla enterprise, siyasutha trading and Dynamo duck trading)	R1 109 275.20	Achieved	n/a	n/a	Signed report by manager LED and HOD and dated photos
SD11			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	1. 6 business licence applications were received this quarter. Ixopo was submitted to the office of the MM on the 13th of July 2017 and returned on the 14th of July 2017. Amble Inn BnB was submitted to the office of the MM on the 20th of July 2017 and returned on the 21st of July 2017. Benmore BnB was submitted to the office of the MM on the 20th of July 2017 and returned on the 21st of July 2017. Murray's Hillside Estate was submitted to the office of the MM on the 1st of September 2017 and returned on the 4th of September 2017. Ola Lifestyle was submitted to the office of the MM on the 7th of September 2017 and returned on the 8th of September 2017. Intengo Bottle Store was submitted to the office of the MM on the 11th of September 2017 and returned on the 13th of September 2017. 2. Informal Traders licences were received by the 5th of December 2017 for Ixopo and by the 18th of December 2017 for Highflats. The licences were processed on the 19th, 21st, and 22nd of December 2017.	Monitor the submission of business license applications within 3 days upon the receipt of applications to the office of the Municipal Manager for approval	none	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. Business licence applications submitted within 1 day upon the receipt of applications to the office of the municipal Manager for approval. Ixopo Tops received on the 09th of July 2018 and submitted on the 09th of July 2018, Tops Memori received on the 13th of July 2018 and submitted on the 13th of July 2018. 2. 3 business license applications were processed this quarter. Benmore Lodge was received and submitted on the 4th of October 2018. Amble Inn BnB was received and submitted on the 4th of October 2018. Imbali Tavern was received and submitted on the 29th of October 2018. 3. Business licence applications received on the 04 February 2019 and submitted on the 04 February 2019, received on the 08 February 2019 and submitted on the 08 February 2019, received on the 11 February 2019 and submitted on the 11 February 2019, received on the 19	OPEX	Achieved	n/a	n/a	Business license register with date

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
							3. Six business licences were received this quarter. Bhekiyeza Liquor store was received and submitted on the 16th of January 2018,Hluthangungu B&B was received and submitted on the 1st of February 2018, Shoprite Retail was received and submitted on the 7th of February 2018, Shoprite liquor store was received and submitted on the 7th of February 2018, Mabhadla tavern was received and submitted on the 15th of February 2018, Nema PTY (Ltd) was received and submitted on the 5th of March 2018. 4. 4 business licences were received this quarter, Thuthukani bottle store was received and submitted on the 16th of May 2018, Nema PTY Ltd was received and submitted on the 30th of May 2018, Imbali yesizwe was received and submitted on the 27th of June 2018, Imbali tavern was received and submitted on the 27th of June 2018.				February 2019 and submitted on the 19 February 2019,received on the 25 February 2019 and submitted 25 February 2019,received 28 February 2019 and submitted on the 28 February 2019, received on the 25 March 2019 and submitted on the 28 March 2019. 4. Two Business licence applications received . Ntango Bottle Store on the 09th of May 2019 and submitted on the 09th of May 2019 , Highflats and Ixopo Association received on the 18th of June 2019 and submitted on the 18th of June 2019 which was one day turnaround time.					
SD12			To improve sustainable economic growth and development	Monitor the functionality of LED forum	Number of LED Forum meetings held by 30-Jun-19	Number	2 LED Forum meetings were held on the 7th of December 2017 and 15th of June 2018.	2 LED Forum meetings held by 30-Jun-19	none	2 LED Forum meetings held by 30-Jun-19	2 LED Forum meetings were held on the 14th of December 2018 and 26th of June 2019	(LED FORUM)	Achieved	n/a	n/a	Signed Minutes and signed attendance registers
SD13			To improve sustainable economic growth and development	Monitor the creation of jobs through EPWP	Number of jobs created through EPWP by 30-Jun-19	Number	16 jobs were created through EPWP by 30-Jun-18	Monitor the creation of 15 jobs through EPWP by 30-Jun-19	none	Monitor the creation of 15 jobs through EPWP by 30-Jun-19	49 Jobs created though EPWP by 30 June 2019	OPEX	Achieved	n/a	The percentage of unemployment in South Africa has growth up to 29%. In this percentage mostly is youth. The employment of EPWP participants in community halls, waste and greening has assisted a number of	Signed Attendance register with names of the people and Signed report by Manager CS and HOD

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															people since current statistics says one employed person feed seven members of household. This contribute to the 6 million national target. EPWP employees are paid from the EPWP grant.	
SD14			To improve sustainable economic growth and development	Coordination of CWP Rep Forum meetings	Number of CWP Rep Forum meetings coordinated by 30-Jun-19	Number	7 CWP Rep Forum meetings were held by 30-Jun-18. 26 July 2017, 21 September 2017, 21 November 2017, 26 February 2018, 26 March 2018, 14 May 2018 and on the 28th of May 2018.	Coordinate 6 CWP Rep Forum meetings by 30-Jun-19	none	Coordinate 6 CWP Rep Forum meetings by 30-Jun-19	6 CWP Rep Forum meetings were coordinated on the 23rd July 2018, 27th August 2018, 6th December 2019, 24 January 2019, 26th March 2019 and 30th May 2019.	OPEX	Achieved	2 Meetings were co-ordinated, however did not sit due to the unavailability of an implementing agent (Icembe Foundation)	The matter was reported to Cogta and it was decided that Icembe Foundation will be suspended.	Proof of Invitations and signed attendance registers
SD15			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	One Youth Programme emanating from youth development strategy was implemented. 14 selected youth candidates were trained on Construction Roadworks at Inchanga TVET College, training started on the 16th of January 2018. This addresses capacity development as emanated on the youth development strategy	Monitor implementation of one Youth Programme emanating from the adopted Youth Development Strategy by 30-Jun-19	none	Monitor implementation of one Youth Programme emanating from the adopted Youth Development Strategy by 30-Jun-19	Two Youth Programme emanating from the adopted Youth Development Strategy National Certificate Building and Civil Construction NQF Level 3 started in March 2018 and ended in December 2018. National Certificate: Supervision of Construction Processes NQF Level 4 was implemented during the month of September 2018.	R 260 352.60 (YOUTH PROGRAMMES)	Achieved	n/a	n/a	Signed report by manager community services and HOD
SD16			To promote culture of learning and enhance social development	Awarding of external bursaries	Date by which the recommendations for External bursaries are sent to the	Date	Recommendations for External bursaries sent to the Office of the MM by 26th of February 2018.	Recommendations for External bursaries sent to the Office of the MM by 20- Feb-19	none	Recommendations for External bursaries sent to the Office of the MM by 20- Feb-19	Recommendations for External bursaries sent to the Office of the MM on the 21st of February 2019.	R266 310.00 (BURSARIES-YOUTH)	Achieved	n/a	n/a	Proof of submission to the Office of the MM and report signed by

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	SD17		nt (illiteracy, skills, talent, education)		Office of the MM											the panel and HOD
			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 held on the 23rd of January 2018	Monitor Back to school campaign to be conducted by 31-Jan-19	none	Monitor Back to school campaign to be conducted by 31-Jan-19	Back to school campaign conduct on the 16th of January 2019	OPEX	Achieved	n/a	n/a	Signed attendance register and report signed by manager community services and HOD
CORP 17			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	1. Agenda for the meeting of the 22/08/17 distributed on the 16/08/17 which translates to 7 days. 2. Date of Meeting: 08/11/2017 Date of Distribution: 02/11/2017 which translates to 6 days. 3. Date of the meeting: 07 February 2018 Date of distribution: 02 February 2018 which translates to 5 days. 4. Date of Meeting: 12 June 2018 Date of Distribution: 05 June 2018 which translates to 6 days.	Distribute the agenda of the SD Portfolio committee meeting 5 days prior to meeting	none	Distribute the agenda of the SD Portfolio committee meeting 5 days prior to meeting	1. Agenda for the meeting of the SD Portfolio meeting was distributed 10 days prior to the meeting. Date of the meeting : 10/08/18 Date of Distribution: 01/08/18. 2. Agenda for SD Portfolio Committee distributed on the 2nd November 2018 for a meeting scheduled for the 7th November 2018. 3. Agenda distributed on the 28th of January 2019 for the meeting scheduled for 6th February 2019. Which translates to 9 days prior to the meeting. 4. Agenda for the SD Portfolio was distributed on 11 of June 2019 for the meeting schedules 19 of June 2019. Translates to 8 days prior to the meeting	OPEX	Achieved	n/a	n/a	Dated proof of agenda distribution and date of the meeting
CORP 18			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Train unemployed youth	Number of trained unemployed youth in plumbing by 30-Jun-19	Number	22 unemployed youth were trained in bricklaying and plastering on 07 – 18 May 2018	Train 28 unemployed youth in plumbing by 30-Jun-19	none	Train 28 unemployed youth in plumbing by 30-Jun-19	28 unemployed youth were trained in plumbing from the 1st of April 2019 until the 31st of April 2019.	R 712 720.00 (TRAININGS)	Achieved	n/a	n/a	Signed Attendance registers & dated photos

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
IPD21			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-19	Number	A total number of 59 jobs were created through EPWP maintenance projects by 30-Jun-18.	60 Jobs created through EPWP maintenance projects by 30-Jun-19	none	60 Jobs created through EPWP maintenance projects by 30-Jun-19	60 Jobs were created through EPWP maintenance projects by 30-Jun-19	CAPEX	Achieved	n/a	n/a	Signed Attendance register & time sheets
SD18			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-19	Number	8 Library services awareness campaign were conducted as follows: 23rd of August 2017, 25-27th of October 2017, 23rd of January 2018.Thathani High School on the 29th of January 2018, Luswazi High School on the 7th of February 2018 Lusibalukhulu High School on the on the 8th of February 2018, 20th-23rd of March at Kings Harvest Academy in Hluthankungu, and 29th of May 2018 at Nhlanguwini (Ndwebu).	Monitor 4 Library services awareness campaign conducted by 30-Jun-19	none	Monitor 4 Library services awareness campaigns conducted by 30-Jun-19	7 library awareness campaigns were held on the 24th of August 2018, 31st of August 2018, 6th to 9th of November 2018, 12th of February 2019, 30th of April 2019, 2nd of May 2019 and 27th of May 2019.	OPEX	Achieved	n/a	To remain relevant, libraries need to market their services to meet the target needs. The key reasons for outreach is to increase awareness of library programs and services, collaborate with community leaders and organizations to determine service needs, and develop partnerships. Participating in community outreach is a way for the library to connect with residents across our jurisdiction. From school visits to educational events,	Signed report by community services manager and HOD and dated pictures

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
															library staff actively shares information about the many resources the library has to offer the community The funds from the library services vote were used for the campaigns	
SD18.1			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Coordination of career exhibition	Date by which career exhibition is coordinated	Date	new indicator	Coordination of career exhibition by 31-Dec-18	none	Coordination of career exhibition by 31-Dec-18	Career exhibition was coordinated and held on Friday, the 24th of August 2018 at Peace Initiative Hall.	OPEX	Achieved	n/a	n/a	Signed report by community services manager and HOD and dated pictures
OMM 09			To improve sustainable economic growth and development	Holding of social portfolio committee meetings	Number of social portfolio committee meetings set by 30-Jun-19	Number	4 social portfolio committee meetings held as per approved schedule by 30-Jun-18. 22 August 2017, 8 November 2017, 7 February 2018 and 11 April 2018.	Holding of 4 social portfolio committee meetings by 30-Jun-19	none	Holding of 4 social portfolio committee meetings by 30-Jun-19	4 Social portfolio committee meetings were held on the 22nd August 2018, 7th November 2018, 6th February 2019 and 10th April 2019.	OPEX	Achieved	n/a	n/a	Signed attendance register and a signed minutes
OMM 10			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Conducting of HIV and sexual assault campaigns	Date by which HIV and sexual assault campaign is conducted	Date	6 HIV support groups involved in food security projects were supported with the resources on the 14th June 2018	Conduct HIV and sexual assault campaign by 31-Mar-19	none	Conduct HIV and sexual assault campaign by 31-Mar-19	HIV and sexual assault campaign was conducted on the 7th March 2019	R146 219.23	Achieved	n/a	n/a	Report, Dated Photos and attendance registers
OMM 11			To promote culture of	Conduction of health and fitness	Date by which health and fitness	Date	new indicator	Conduct health and fitness campaign for	none	Conduct health and fitness campaign for	The health and fitness campaign for PLWHIV was held on the 31 October 2018.		Achieved	n/a	n/a	Report, Dated Photos and

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
			learning and enhance social development (illiteracy, skills, talent, education)	campaigns for PLWHIV	campaign for PLWHIV(People Living With HIV) is conducted			PLWHIV by 31-Dec-18		PLWHIV by 31-Dec-18						attendance registers
OMM 12			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Commemoration of world aids day and awarding of best performing support groups	Date by which the world aids day is commemorated and best performing support groups are awarded	Date	Commemoration of World Aids Day and award ceremony for best performing ward aids committees and support groups took place on the 5th December 2017	Commemoration of World Aids Day and award ceremony for best performing support group by 31-Dec-18	none	Commemoration of World Aids Day and award ceremony for best performing support group by 31-Dec-18	Commemoration of World Aids Day and awards for the best performing support group was held on the 4th December 2018.		Achieved	n/a	n/a	Report,Dated Photos and attendance registers
OMM 13			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	National Men's Day was commemorated on 31 July 2017	Commemoration of national Men's Day by 30-Sept-18	none	Commemoration of national Men's Day by 30-Sept-18	National Men's day was commemorated on the 24th July 2018 at Bhobhobho hall		Achieved	n/a	n/a	Report,Dated Photos and attendance registers
OMM 14			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	National Womens Day was Commemorated on 24 August 2017	Commemoration national Women's day by 30-Sept-18	none	Commemoration national Women's day by 30-Sept-18	National Women's day was commemorated on the 28th August 2018 at Highflats hall.	R 653 014.65	Achieved	n/a	n/a	Report,Dated Photos and attendance registers
OMM 15			To promote culture of learning	Coordination of teenage	Date by which teenage pregnancy	Date	new indicator	Coordination of teenage pregnancy	none	Coordination of teenage pregnancy	Teenage pregnancy campaign was coordinated and took place on the 28th May 2019 at Peace Hall		Achieved	n/a	n/a	Report,Dated Photos and

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
	OMM 16		and enhance social development (illiteracy, skills, talent, education)	pregnancy campaigns	campaigns are coordinated			campaign by 30-Jun-19		campaign by 30-Jun-19						attendance registers
			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Monitor coordination of inter-generational relationship between mother and daughter	Number of campaigns on inter-generational relationship between mother and daughter coordinated	Number	new indicator	Monitor Coordination of 1 campaigns on inter-generational relationship between mother and daughter by 30-Jun-19	none	Monitor Coordination of 1 campaigns on inter-generational relationship between mother and daughter by 30-Jun-19	Campaign on intergenerational relationship between mother and daughter was coordinated on the 11th June 2019		Achieved	n/a	n/a	Report,Dated Photos and attendance registers
			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Monitor coordination of moral regeneration campaigns	Date by which Moral Regeneration campaigns is coordinated	Date	new indicator	Monitor coordination of 1 moral regeneration campaigns by 31-Dec-18	none	Monitor coordination of 1 moral regeneration campaign by 31-Dec-18	1 Moral Regeneration Campaign was held on the 27th November 2018	OPEX	Achieved	n/a	n/a	Report,Dated Photos and attendance registers
			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Monitor coordination of women in business campaign	Date by which women in business campaign is coordinated	Date	new indicator	Monitor coordination of women in business campaign and showcasing by 30-Sept-18	none	Monitor coordination of women in business campaign and showcasing by 30-Sept-18	Women in business campaign and showcasing was held on the 26th September 2018.	OPEX	Achieved	n/a	n/a	Report,Dated Photos and attendance registers
SD19			To promote culture of learning and	Monitor coordination of child protection week	Date by which Child protection week	Date	1 child protection week awareness campaign was held on the 29th of May 2018 at Nhlanguwini hall.	Monitor coordination of child protection week by 30-Jun-19	none	Monitor coordination of child protection week by 30-Jun-19	Child protection week was coordinated and held on the 27th of May 2019 at Bayempini Hall.	R108 412 (MORAL REGENERATION)	Achieved	n/a	n/a	Signed Attendance register and dated photos

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
	SD20		enhance social development (illiteracy, skills, talent, education)		campaign is coordinated							R187 900				
SD20			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	Disability awareness campaign was held on the 22nd of November 2017 at Jolivet Hall ward 7.	Monitor commemoration of National Disability Day for disabled people by 31-Dec-18	none	Monitor commemoration of National Disability Day for disabled people by 31-Dec-18	National Disability Day was commemorated on the 28th of November 2018 at Morningside Stadium.		Achieved	n/a	n/a	Signed Attendance register and dated photos
SD21			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	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 26th of July 2017.	Monitor the coordination of Local Golden Games Selections for elderly people by 30-Sep-18	none	Monitor the coordination of Local Golden Games Selections for elderly people by 30-Sep-18	Local Golden Games Selections for elderly people were coordinated on the 25th of July 2018 at Morningside Stadium.		Achieved	n/a	n/a	Signed Attendance register and dated photos
SD22			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 & culture coordinated on the,29th and 30th September 2017	Monitor coordination of World Heritage Day Celebration and Art and Culture Programme by 30-Sep-18	none	Monitor coordination of World Heritage Day Celebration and Art and Culture Programme by 30-Sep-18	World heritage day celebration and art & culture programme was coordinated on the 01st of September 2018 through a Tourism launch at Hluthangungu , 15th of September 2018 through an Alan Paton Steam Train race, on the 28th and 29th of September 2018 through performing Art competition.		Achieved	n/a	n/a	Signed Attendance register and dated photos
SD23			To promote culture of learning and enhance	Monitor coordination of umkhosi womhlanga	Date by which participation of Ubuhlebezwe Maidens in Umkhosi	Date	Umkhosi Womhlanga was held on the 8th to the 10th of September 2017 and Ubuhlebezwe Maidens participated.	Monitor coordination of the participation of Ubuhlebezwe Maidens in Umkhosi	none	Monitor coordination of the participation of Ubuhlebezwe Maidens in Umkhosi	Coordination of the participation of Ubuhlebezwe Maidens in Umkhosi Womhlanga was done on the 7th to the 9th of September 2018 at Kwa-Nongoma		Achieved	n/a	n/a	Signed Attendance register and dated photos

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
	SD24		social development (illiteracy, skills, talent, education)		Womhlanga is coordinated			Womhlanga by 30-Sep-18		Womhlanga by 30-Sep-18						
			To promote culture of learning and enhance social development (illiteracy, skills, talent, education)	Monitor coordination of commemoration of the activist programme	Date by which 16 days of Activism (Fight against children and women abuse) is commemorated	Date	16 days of activism awareness campaign was held on the 25th of November 2017 at Morningside stadium ward 4.	Monitor coordination of commemoration of 16 days of Activism (Fight against children and women abuse) by 31-Dec-18	none	Monitor coordination of commemoration of 16 days of Activism (Fight against children and women abuse) by 31-Dec-18	Commemoration of 16 days of Activism (Fight against children and women abuse) was coordinated on the 30th of November 2018 at Highflats Hall.	R108 412 (MORAL REGENERATION)	Achieved	n/a	n/a	Signed Attendance register and dated photos
			To improve sustainable economic growth and development	Creation of jobs through LED projects	Number of jobs created through LED projects	Number	108 jobs were created through LED projects by 30 June 2018.	Creation of 40 jobs through LED projects by 30-Jun-19	none	Creation of 40 jobs through LED projects by 30-Jun-19	51 jobs were created through LED funded projects by 30 June 2019.	OPEX	Achieved	n/a	Creation of 51 jobs through LED projects contributes to the alleviation and eradication of poverty. With the budget allocated to LED, the municipality was able to fund more projects and more employment opportunities were created.	Signed report by Manager LED and HOD with the names of the people
OMM 19	DEEPEEN DEMOCRACY THROUGH A REFINED	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	All Section 57 employees' performance agreements were signed on the 8th June 2017 and published on the newspaper on the 12th June 2017, which was within 14 days after signing	Publish Section 57 employees performance agreements within 14 days after signing	none	Publish Section 57 employees performance agreements within 14 days after signing	Section 57 employees performance agreements were signed on the 7th June 2018 and published on the 15th June 2018 which was within 14 days after signing	OPEX	Achieved	n/a	n/a	Public notice & signed performance agreements
OMM 20			To improve	Conducting	Number of performance	Number	6 performance reviews were conducted on: 14,15 August for line	4 performance reviews	none	4 performance reviews	6 performance reviews were	OPEX	Achieved	n/a	n/a	Signed attendance

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
	OMM 21		performance and functioning of the municipality	performance reviews	reviews conducted by 31-Mar-19		managers and 18 August 2017 for HODs.15th March 2018 for HODs and 19,20,21 March 2018 for Line Managers	conducted by 31-Mar-19		conducted by 31-Mar-19	conducted on the 27 & 28 August 2018 for Line Managers and on the 29th August 2018 for Section 54/56 Managers, 18th, 19th for Line Managers and 20th February 2019 for Section 54/56 Managers					register with signed minutes
OMM 21			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	Mid-year performance report was prepared and submitted to the Mayor & Cogta on the 25th January 2018	Prepare and submit the Mid-year Performance Report to the Mayor & COGTA by 25-Jan-19	none	Prepare and submit the Mid-year Performance Report to the Mayor & COGTA by 25-Jan-19	Mid- year Performance Report was prepared and submitted to the Mayor on the 24th January 2019 & to COGTA on the 25th January 2019.	OPEX	Achieved	n/a	n/a	Council signed minutes; proof of submissions
OMM 22			To promote accountability to the citizens of Ubhlebezwe	Commencement of the community consultation meetings	Number of community consultation meetings held for 2019/20 IDP by 30-Jun-19	Number	8 Community consultation meetings were held for 2018/19 IDP: Jolivet Hall 17 October 2017, Highflats Hall 18 October 2017, Peace Initiative Hall 19 October 2017 and Ratepayers on 19 October 2017. 17th April 2018 at Madungeni Hall, 18th April 2018 at Themba Mnguni Hall, 19th April 2018 at Hopewell Hall and Ratepayers 19th April 2018 at Soweto Hall	8 community consultation meetings held for 2019/20 IDP (6 Clustered & 2 Ratepayers) by 30-Jun-19	none	8 community consultation meetings held for 2019/20 IDP (6 Clustered & 2 Ratepayers) by 30-Jun-19	8 community consultation meetings were held for 2019/20 IDP: 16th October 2018 at Bhobhobho Hall, 17th October 2018 at KwaThathani Hall, 18th October 2018 at Chibini Hall and 1 Ratepayers at Soweto Hall on the 18th October 2018, 15th April 2019 at Jolivet Hall, 16th April 2019 at Ntapha Hall, 17th April 2019 at Webbstown Hall and 17th April 2019 Ratepayers meeting at Soweto Hall.	R228 400	Achieved	n/a	n/a	Signed attendance register
OMM 23			To improve performance and functioning of the municipality	Submission of the annual report with Annual Performance Report to AG	Date by which the 2017/18 Annual Report and Annual performance report will be submitted to AG	Date	2016/17 Annual report and annual performance report was submitted to AG on 31 August 2017	Submit 2017/18Annual Report and Annual performance report to AG by 31-Aug-18	none	Submit 2017/18 Annual Report and Annual performance report to AG by 31-Aug-18	2017/18 Annual Report and Annual Performance report were submitted to AG on the 31st August 2018	OPEX	Achieved	n/a	n/a	Proof of submission
OMM 24			To improve performance and functioning of the municipality	Submission of the draft annual report to Council	Date by which the 2017/18 Draft annual report will be submitted to council	Date	The Draft 2016/2017 annual report was submitted to council for approval on the 25th January 2018	Submission of the Draft 2017/18 annual report to council for approval by 31- Jan-19	none	Submission of the Draft 2017/18 annual report to council for approval by 31- Jan-19	The Draft 2017/18 annual report was submitted to council for approval on the 24th January 2019.	OPEX	Achieved	n/a	n/a	Council signed minutes and a signed attendance register
OMM 25			To improve performance and functioning of the municipality	Adoption of an oversight report	Date by which the 2017/18 oversight report is submitted to Council for adoption (MFMA	Date	2016/17 oversight report was submitted to Council for adoption (MFMA section 129(1) on the 22nd March 2018	Submit the 2017/18 oversight report to Council for adoption (MFMA section 129(1)) by 31-Mar-19	none	Submit the 2017/18 oversight report to Council for adoption (MFMA section 129(1)) by 31-Mar-19	2017/18 oversight report was submitted to Council for adoption (MFMA section 129(1) on the 28th March 2019.	OPEX	Achieved	n/a	n/a	Council signed minutes and attendance register

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
					section 129(1))											
OMM 26			To promote accountability to the citizens of Ubuhebezwe	Publishing of the oversight report	Turnaround time for publishing of an oversight report after adoption	Turnaround time	2016/17 Oversight Report was adopted on the 22nd march 2018 and published on the 30th March 2018 which was within 14 days after the adoption	Publishing of 2017/18 Oversight report within 14 days after adoption	none	Publishing of 2017/18 Oversight report within 14 days after adoption	The Oversight report was adopted by Council on the 28th March 2019 and Published on the 04th April 2019. Within 14 days	OPEX	Achieved	n/a	n/a	public notice & council resolution
OMM 27			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	2016/17 Oversight Report was submitted to COGTA on the 6th April 2016	Submission of 2017/18 Oversight Report to COGTA by 07-Apr-19	none	Submission of 2017/18 Oversight Report to COGTA by 07-Apr-19	The Oversight report was submitted to COGTA on the 05th April 2019	OPEX	Achieved	n/a	n/a	Proof of submission
OMM 28			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 2018/19 is developed and approved	Date	Risk based Internal audit plan for 2017/18 was developed and submitted to APAC on 18 August 2017	Develop and approve risk-based Internal Audit plan for 2018/19 by 30-Sep-18	none	Develop and approve risk-based Internal Audit plan for 2018/19 by 30-Sep-18	Risk-based internal audit plan for 2018/19 was developed and approved on the 17th August 2018	OPEX	Achieved	n/a	n/a	Risk based internal audit plan and signed APAC minutes
OMM 29			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-19	Number	4 internal audit reports submitted to APAC by 30-Jun-18. 18 August 2017, 27 October 2017, 19th January 2018 and 20th April 2018	4 Internal Audit reports submitted to the APAC by 30-Jun-19	none	4 Internal Audit reports submitted to the APAC by 30-Jun-19	4 Internal Audit reports were submitted to the APAC on: 17th August 2018, 2nd November 2018, 1st February 2019, 17th May 2019.	OPEX	Achieved	n/a	n/a	Internal audit report, signed APAC minutes
OMM 30			To improve the performance and functioning of the municipality	Holding of audit committee meetings	Number of APAC meetings held by 30-Jun-19	Number	4 APAC meetings were held by 30-Jun-18. 18 Aug 2017, 27 October 2017, 19 January 2018 and 20 April 2018.	Holding of 4 APAC meetings by 30-Jun-19	none	Holding of 4 APAC meetings by 30-Jun-19	6 APAC meetings were held on: 17th August 2018, 2nd November 2018, 1st February 2019, 15th February 2019, 17th May 2019 and 7th June 2019	OPEX	Achieved	n/a	n/a	APAC agenda; signed attendance register
OMM 31			To improve the performance and functioning of the	Holding of risk management committee meetings	Number of risk management committee meetings held by 30-Jun-19	Number	4 Risk management committee meetings were held on 21 September 2017, 28 November 2017, 22 March 2018 and 22 June 2018.	4 Risk Management committee meetings by 30-Jun-19	none	4 risk management committee meetings by 30-Jun-19	4 Risk Management committee meetings were held on the: 21st September 2018, 7th December 2018, 25th January 2019 and 3rd May 2019.	OPEX	Achieved	n/a	n/a	Signed minutes and signed attendance register

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
			municipality													
OMM 32			To improve the performance and functioning of the municipality	Tabling of the IDP process plan	Date by which the 2019/20 IDP framework and process plan is submitted to council for approval	Date	2018/19 IDP framework and process plan submitted to council for approval on the 27 July 2017	Submit a 2019/20 IDP framework and process plan to council for approval by 31-Aug-18	none	submit a 2019/20 IDP framework and process plan to council for approval by 31-Aug-18	2019/20 IDP framework and process plan was submitted to Council for approval on the 26th July 2018	OPEX	Achieved	n/a	n/a	Council signed minutes and attendance register
OMM 33			To promote accountability to the citizens of Ubhlebezwe	Publishing of 2019/20 draft annual budget and draft IDP	Turnaround time for publishing of 2019/20 draft annual budget and draft IDP for public comments before final adoption	Turnaround time	2018/19 draft annual budget and draft IDP was publicised for public comments 21 days before final adoption. Draft budget was Approved on 22 March 2018 and publicized on 29-30 March 2018. Draft IDP was approved on 22 March and publicized on 29-30 March 2018	Publish 2019/20 draft annual budget and draft IDP for public comments 21 days before final adoption	none	Publish 2019/20 draft annual budget and draft IDP for public comments 21 days before final adoption	2019/2020 draft annual budget and draft IDP was tabled to Council on the 28th March 2019. Draft IDP was published on the 4th April 2019 in Ilanga Newspaper, and the Draft Budget published on the 18th April 2019 on The Witness newspaper for public comments.	OPEX	Achieved	n/a	n/a	Council resolution and public notice
OMM 34			To promote accountability to the citizens of Ubhlebezwe	Publishing the 2019/20 annual budget and IDP	Turnaround time for publishing of the final annual budget and IDP for 2019/20 after its adoption	Turnaround time	Final annual budget for 2018/19 was adopted on the 24th May 2018 and published on 5th June 2018 and 2018/19 IDP was made public on 28-30 May 2018 which was within 14 days of its adoption	final annual budget and IDP for 2019/20 made public within 14 days of its adoption	none	final annual budget and IDP for 2019/20 made public within 14 days of its adoption	Final Annual Budget and IDP for 2019/2020 was adopted on the 23rd May 2019. Final IDP was made public on the 27th May 2019 in Ilanga Newspaper and Final Budget made public on the 10th June 2019 in Ilanga Newspaper which was within 14 days of adoption.	OPEX	Achieved	n/a	n/a	Council resolution and public notice
OMM 35			To improve the performance and functioning of the municipality	Holding of a general staff meeting	Number of general staff meetings held by 31-Mar-19	Number	2 general staff meetings were held on 8 November 2017 and 15 February 2018	Holding of 2 general staff meetings by 31-Mar-19	none	Holding of 2 general staff meetings by 31-Mar-19	2 general staff meetings were held on the 10th December 2018 and 21st February 2019	OPEX	Achieved	n/a	n/a	Signed attendance registers
OMM 36			To improve the performance and functioning of the municipality	Development of an action plan addressing AG queries	Date by which the Action Plan to address AG queries is developed	Date	Action Plan to address AG queries was developed on the 25th of January 2018	Develop Action Plan to address AG queries by 28-Feb-19	none	Develop Action Plan to address AG queries by 28-Feb-19	An Action Plan to address AG queries was developed on the 21st February 2019.	OPEX	Achieved	n/a	n/a	Action plan and signed council minutes
OMM 37			To improve the performance and	Review and approval of fraud	Date by which the fraud prevention plan is	Date	The Fraud prevention plan has been reviewed, however not yet approved.	Review and approve fraud prevention plan by 30-Jun-19	none	Review and approve fraud prevention plan by 30-Jun-19	Fraud Prevention plan was reviewed however not submitted to Council for approval.	OPEX	Not Achieved	This target was not achieved due to the oversight	It will be submitted in the next	Fraud prevention plan and Council resolution

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
			functioning of the municipality	prevention plan	reviewed and approved									from the Internal Audit Unit.	Council meeting	
OMM 38			To improve the performance and functioning of the municipality	Finalising of Service Delivery Charter	Date by which Service Delivery Charter is finalised and submitted to Council for approval	Date	new indicator	Finalise Service Delivery Charter and submit to Council for approval by 31-Dec-18	none	Finalise Service Delivery Charter and submit to Council for approval by 31-Dec-18	The Service Delivery Charter was finalised and submitted to council for approval on the 13th December 2018.	R7 391	Achieved	n/a	n/a	Draft and Final Service Delivery Charter and Council Resolution
OMM 39			To improve the performance and functioning of the municipality	Conducting of Batho Pele campaign	Date by which Batho Pele campaign to staff is conducted	Date	new indicator	Conducting of Batho Pele campaign to staff by 31-Dec-18	none	Conducting Batho Pele campaign to staff by 31-Dec-18	Batho Pele workshop was conducted to staff on the 10th December 2018.		Achieved	n/a	n/a	Dated photos and attendance register
SD26			To promote accountability to the citizens of Ubhlebezwe	Coordination of centralised ward committee	Number of centralised ward committee meetings coordinated by 30-Jun-19	Number	2 centralised ward committees meetings were held on the 6th of December 2017 and 6th of June 2018	Coordinate a sitting of 4 centralised ward committees meetings by 30-Jun-19	none	Coordinate a sitting of 4 centralised ward committees meetings by 30-Jun-19	4 centralised ward committee meetings were coordinated and held on the 5th September 2018, 5th December 2018, 6th March 2019 and 5th June 2019	OPEX	Achieved	n/a	n/a	Signed Attendance register and minutes
SD27			To promote accountability to the citizens of Ubhlebezwe	Submission of OSS progress report to Social Development Portfolio	Number of OSS progress reports submitted to Social Development Portfolio committee by 30-Jun-19	Number	4 OSS progress reports submitted to SD portfolio committee on 22 August 2017, 8th of November 2017, 7th of February 2018 and 6th of June 2018	Submission of 4 progress reports of OSS to Social Development portfolio by 30-Jun-19	none	Submission of 4 progress reports on OSS to Social Development portfolio committee by 30-Jun-19	4 progress reports on OSS were submitted to SD portfolio committee that was held on the 22nd of August 2018, 7th of November 2018, 6th of February 2019 and 19th of June 2019	OPEX	Achieved	n/a	n/a	Signed minutes and Progress report
SD28			To promote accountability to the citizens of Ubhlebezwe	Co-ordination ward committee visits	Number of visits to ward committees meetings by Public Participation Officer co-ordinated by 30-Jun-19	Number	17 visits to ward committee meetings by Public Participation Officer by 30-Jun-18. 5th of July 2017 at Peace Initiative Hall (Ward 2), ward 1 on the 1st of November 2017, ward 2 on 6 November 2017, ward 3 on 7 November 2017, ward 4 on 8 November 2017, ward 5 on 9 November 2017, ward 6 on 10 November 2017, ward 7 on 14 November 2017, ward 8 on 14 November 2017, ward 9 on 14 November 2017, ward 10 on 13 November 2017, ward 11 on 15 November 2017, ward 12 on 15	Co-ordinate 4 Public Participation Officer visits to ward committee meetings by 30-Jun-19	none	Co-ordinate 4 Public Participation Officer visits to ward committee meetings by 30-Jun-19	4 Public Participation Officer visits to ward committee meetings were coordinated and held on the 6th of August 2018 at ward 2, 12th of October 2018 at ward 13, 10th of February 2019 at ward 4 and 22nd of May 2019 at Ward 5	OPEX	Achieved	n/a	n/a	Signed Attendance register

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IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
							November 2017 ward 13 on 13 November 2017, ward 14 on 13 November 2017, 2nd of February 2018 at Ward 14 and ward 12 ward on the 21st of May 2018.									
SD29			To promote accountability to the citizens of Ubuhebezwe	Coordination of IDP roadshows	Number of IDP public participation meetings coordinated by 30-Apr-19	Number	8 IDP public participation meetings coordinated: 17th of October 2017 at Jolivet Hall, on the 18th of October 2017 at Highflats hall, on the 19th of October 2017 at Peace Initiative hall and ratepayers meeting at Soweto hall on the 19th of October 2017. 17th April 2018 at Madungeni hall, 18th April 2018 at Themba Mnguni Hall, 19 April 2018 at Hopewell Hall and Soweto Hall (Ratepayers meeting) on the 19th April 2018.	8 IDP public participation meetings coordinated (6 clustered and 2 ratepayers) by 30-Apr-19	none	8 IDP public participation meetings coordinated (6 clustered and 2 ratepayers) by 30-Apr-19	8 IDP public participation meetings coordinated (6 clustered on the 16th of October 2018 at Bhobhobho hall, on the 17th of October 2018 at Kwathathani hall and on the 18th of October 2018 at Chibini hall, 15th of April 2019 at Jolivet Hall, on the 16th of April 2019 at Ntapha Hall, on the 17th of April 2019 at Webbstown Hall and (2 ratepayers on the 18th of October 2018 at Soweto hall and 17th of April 2019 at Soweto Hall).	OPEX	Achieved	n/a	n/a	Signed attendance registers
SD 29.1			To promote accountability to the citizens of Ubuhebezwe	Conduct community satisfaction survey	Date by which community satisfaction survey is conducted	Date	new indicator	Conduct community satisfaction survey by 30-Jun-19	none	Conduct community satisfaction survey by 30-Jun-19	Community satisfaction survey is in progress.	OPEX	Not Achieved	It was not completed by the targeted date due to lack of capita and the timeframe given was too short.	The anticipated date of final completion is 2019/2020 first quarter.	Signed report by HOD
IPD22 BTO07 CORP19 SD30			To improve the performance and functioning of the municipality	Holding of departmental meetings	Number of departmental meetings held by 30-Jun-19	Number	Departmental meetings held by the 30-Jun-17: CORP= 13 meetings: 18 August 2017, 11 September 2017, 14 September 2017 and 26 September 2017, 13 November 2017, 20 November 2017, 22 February 2018 and 09 April 2018, 21 April 2018, 23 April 2018, 14 May 2018, 28 May 2018 and 25 June 2018 SD= 10 meetings: 27 November 2017, 4 December 2017, 15 January 2018, 05 March 2018, 15 March 2018, 16 March 2018, 29 March 2018, 23 April 2018, 25 June 2018 and 26 June 2018. BTO= 3 meetings: 21 December 2017, 22 February 2018 and 26 June 2018. IPD= 9 meetings: 4 August 2017, 31 August 2017, 12 September 2017, 16 November 2017 and 7 December 2017, 5 February 2018, 7	Holding of 4 departmental meetings by 30-Jun-19	none	Holding of 4 departmental meetings by 30-Jun-19	SD= 6 departmental meetings were held on the 6/08/18, 15/08/18, 31/10/18, 12/03/19, 14/03/19, 14/06/19. IPD= 8 departmental meetings were held as follows: 31/07/18, 10/09/18, 24/08/18, 18/12/18, 21/01/19, 23/01/19, 27/05/19, 30/05/19. CORP= 7 departmental meetings were held as follows: 30/09/18, 23/07/18, 06/08/18, 06/09/18, 18/12/18, 20/03/19, 20/06/19. BTO= 4 departmental meetings were held as follows: 19/09/2018, 05/10/2018, 28/02/2019, 07/05/2019.	OPEX	Achieved	n/a	n/a	Signed attendance register & signed minutes

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
							March 2018, 4 June 2018 and 14 June 2018.									
IPD23 BTO0 8 CORP 20 SD31			To promote accountability to the citizens of Ubhlebezwe	Attending IDP public participation meetings	Number of IDP public participation meetings attended 30-Apr-19	Number	<p>SD: IDP public participation meetings were attended on the 17/04/18 at Emadungeni hall, 18/04/18 at Themba Mnguni hall and ratepayers meeting on the 19/04/18 at Soweto hall. IPD: 18/10/17 at Highflats hall, on the 19/10/17 I delegated as I was attending the EPWP summit in Pietermaritzburg. 18/04/18 at Themba Mnguni Hall, 19/04/18 at Soweto Hall. BTO: 19/10/2017, 17/10/2017 18/10/2017. CORP: Jolivet Hall on 17/10/2017 and at Highflats Hall on 18/10/2017 1 ratepayers meeting at Soweto Hall on 19/10/2017 .1 Ratepayers meeting at Soweto Hall on 19/04/2018 1 Clustered meeting at Themba Mnguni Hall on the 18th of April 2018</p>	4 IDP public participation meetings attended (2 Clustered and 2 Ratepayers) by 30-Apr-19	none	4 IDP public participation meetings attended (2 Clustered and 2 Ratepayers) by 30-Apr-19	<p>IPD= 5 Public participation meetings attended. (3 Clustered: 17th April 2019 at Webstown Hall, 16th October 2018 at Ibhobhobho Hall , 17 October 2018 at KwaThathane Hall). (2 Ratepayers on the 17th April 2019 and 18 October 2018 at Soweto Hall). BTO= 5 IDP public participation meeting were attended. (3 Clustered: 16 October 2018 and 18 October 2018 (2 Ratepayers: 15 April 2019 and 17 April 2019). CORP= 6 Public meetings attended. (4 clustered: 17th October 2018, 15th of April 2019 at Jolivet Hall, 16th April 2019 at Ntapha Hall, 17th April 2019 at Webbstown Hall. (2 ratepayers: 18th October 2018 , 17th of April 2019 at Soweto Hall. SD= 7 Public meetings attended. (5 clustered: 16th of October 2018 at Bhobhobho hall, 17th of October 2018 at Kwa Thathani hall, 15th of April 2019 at Jolivet Hall, on the 16th of April 2019 at Ntapha Hall, on the 17th of April 2019 at Webbstown Hall). (2 ratepayers on the 18th of October 2018 and 17th of April 2019 at Soweto hall.</p>	OPEX	Achieved	n/a	n/a	Signed attendance register

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
IPD24 BTO0 9 CORP 21 SD32			To improve the performance and functioning of the municipality	Attending council committee meetings	Number of council committee meetings attended by 30-Jun-19	Number	<p>1. IPD: Council 27/07/2017 07/09/2017, 16/11/2017, 14/12/2017, 25/01/18, 22/02/18, 24/05/2018, 07/06/2018 and 26/04/2018. Exco: 22/08/2017, 10/10/2017, 5/12/2017, 15/05/2018 Portfolio 25/08/2017, 9/11/17, 8/02/18, 12/04/18 and 21/06/18 . MANCO: 12/07/2018, 13/09/17,20/11/17, 13/02/18,14/03/18,28/03/18,25/04/18 and 20/06/18 BTO: Council 27/07/2017, 07/09/2017, 16/11/2017, 25/01/2018, 22/02/2018, 24/05/2018, 07/06/2018, 26/04/2018. Exco: 22/08/2017, 16/01//2018,13/03/2018, 15/05/2018. Portfolio: 10/08/2017,13/07/2017,12/09/2017, 11/01//201,09/02/2018, 14/03/2018,11/06/2018, 12/04//2018, 10/05/2018 .MANCO 12/07/2018, 13/09/17,20/11/17, 13/02/18,14/03/18,28/03/18,25/04/18 and 20/06/18. CORP: Council 27/07/2017,07/09/2017, 16/11/2017, 25/01/2018, 22/02/2018, 22/03/2018, 26/04/2018, 24/05/2018,7/06/2018. Exco: 22/08/201, 10/10/2017. Portfolio 23/08/17, 07/11/2017, 06/02/18, 10/04/2018 Extended Manco 28/03/18, 20/06/18 SD: Council 16/11/2017, 14/12/2017. Exco: 16/01//2018,13/03/2018. MANCO: 12/07/2018, 13/09/17,20/11/17, 13/02/18,14/03/18,28/03/18,25/04/18 and 20/06/18. Portfolio: 22/08/17, 8/11/17/17, 7/02/18,11/04/18 and 20/06/18</p>	Attend 16 council committee meetings (4 MANCO, 4 Portfolio, 4 EXCO, 4 Council meetings by 30-Jun-19	none	Attend 16 council committee meetings (4 MANCO, 4 Portfolio, 4 EXCO, 4 Council meetings by 30-Jun-19	<p>SD=(4 MANCO:15/08/18, 19/09/18,17/10/18,8/11/18. 5 Portfolio: 22/08/18,7/11/18, 6/02/19 ,10/04/19 and 19/06/19. 6 EXCO:17/07/18, 4/09/18, 27/11/18, 15/01/19, 12/03/19 and 14/05/19. 10 Council: 18/07/18, 26/07/18, 20/09/18, 07/11/18 & 13/12/18, 24/01/19, 21/02/19 , 28/03/19, 24/04/19 and 23/05/19.IPD= 6 Portfolio Committee 27/08/18, 06/11/18, 07/02/19,11/04/19, 14/05/19 and 13/07/2019. 5 EXCO: 17/07/18, 17/07/18 ,04/09/18, 15/01/19 and 12/03/19. 9 Council: 18/08/18,26/08/18,05/09/18, 20/09/18, 07/11/18,13/12/18,24/04/19,23/05/19 and 06/06/19. BTO= 10 MANCO: 18/07/2018, 19/09/2018, 15/08/2018,17/10/2018, 08/11/2018, 12/02/19 ,14/05/2019, 11/04/2019, 18/06/2019, 13/03/19, 9 Portfolio: 14/08/2018, 11/07/2018, 13/09/2018,12/12/2018, 11/10/2018, 7/02/19,11/04/2019, 14/05/2019, 13/07/2019. 7 EXCO 04/09/2018, 17/07/2018,27/11/2018,14/05/2019, 05/06/2019, 15/01/19,12/03/19. 9 Council: 05/09/2018, 26/07/2018, 18/07/2018,07/11/2018,24/01/19,08/02/19, 21/02/19, 23/05/2019 and 24/04/2019. CORP= 6 Exco : 27/11/18,17/07/18, 15/01/2019,14/05/19, 15/01/ 19 & 12/03/19, 9 Council 18/07/18,26/07/18,07/11/18, 13/12/18, 20/09/18, 05/09/18, 24/01/19, 21/02/19 & 28/03/19 3 Portfolios : 23/08/18,07/11/18,05/02/19,</p>	OPEX	Achieved	n/a	There were additional meetings scheduled in the year and these were attended by Senior management where they made positive contributions.	Signed attendance register and signed minutes

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
											5 MANCO : 15/08/18, 19/09/18,17/10/18, 12/02/19,11/04/19.					
SD33			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 on the 11th of August 2017 after receiving the circular on the 8th of August 2017..Social Development Portfolio Committee items were submitted within 7 days after receiving the circular. The circular was received on the 23rd Of October 2017 and items were submitted on the 1st of November 2017.Social Development Portfolio Committee items were submitted within 7 working days after receiving the circular on the 25th of January 2018 and submitted on the 31st of January 2018.	Submission of Social Development Portfolio items to Corporate Services within 7 working days after receiving circular	none	Submission of Social Development Portfolio items to Corporate Services within 7 working days after receiving circular	1. Social Development Portfolio items were submitted to Corporate Services within 7 working days after receiving circular on the 31st of July 2018 and submitted on the 8th of August 2018. 2. Social Development Portfolio items were submitted to Corporate Services within 7 working days after receiving circular on the 29th of October 2018 and submitted on the 1st of November 2018. 3. Submission of Social Development Portfolio items to Corporate Services within 7 working days after receiving circular on the 21st of January 2019 and items were submitted on the 28th of January 2019. 4. Circular was received on the 5th of June 2019 and items were submitted on the 10th of June 2019.	OPEX	Achieved	n/a	n/a	Proof of submission and Circular
IPD25 BTO10 CORP 22 SD34			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-19	Number	4 risk management committee meetings attended by 30-Jun-18. CORP=21 September 2017.IPD=Delegate attended the Risk Management Committee on the 21 of September 2017 ; SD=1 risk management committee meeting was attended on 21 of September 2017 ; BTO=Risk committee meeting was held on the	Attend 4 risk management committee meetings by 30-Jun-19	none	Attend 4 risk management committee meetings by 30-Jun-19	4 risk management committee meetings were attended on the 21st of September 2018, 7th of December 2018, 25th of January 2019 and 3rd May 2019.(IPD, SD, CORP, BTO)	OPEX	Achieved	n/a	n/a	Signed minutes and signed attendance register

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
							21 of September 2017 ; CORP; IPD; SD & BTO on the 28th November 2017 and 22/03/2018									
OMM 40 BTO1 1	IMPROVED MUNICIPAL FINANCIAL AND ADMINISTRATIVE CAPABILITY	FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	To practice sound financial management principles	Tabling of the 2019/2020 draft annual budget to Council for approval	Date by which the 2019/2020 Draft annual budget is tabled to council for approval	Date	2018/19 Draft annual budget was tabled to council on the 22 March 2018	Tabling of 2019/2020 Draft annual budget to council for approval by 31-Mar-19	none	Tabling of 2019/2020 Draft annual budget to council for approval by 31-Mar-19	2019/2020 Draft annual budget was tabled to Council for approval on the 28th March 2019	OPEX	Achieved	n/a	n/a	Signed council minutes and resolution
OMM 41 BTO1 2			To practice sound financial management principles	Submission of the 2019/2020 draft annual budget to PT & NT	Date by which the 2019/2020 Draft Annual Budget is submitted to PT & NT after approval by Council	Date	Draft Annual Budget and draft IDP for 2018/19 was submitted to PT on the 2018/03/23 and NT 2018/03/26	Submission of 2019/2020 Draft Annual Budget to PT & NT after approval by Council (03-Apr-19)	none	Submission of 2019/2020 Draft Annual Budget to PT & NT after approval by Council (03-Apr-19)	The 2019/2020 Draft Annual Budget was approved on the 28th March 2019 and submitted to PT & NT on the 01 April 2019.	OPEX	Achieved	n/a	n/a	Proof of submission
BTO1 3			To practice sound financial management principles	Tabling of section 71 reports to finance portfolio committee	Number of section 71 reports tabled to finance portfolio committee by 30-Jun-19	Number	12 Section 71 reports were submitted to finance portfolio committee on the following dates: 06/09/2017,04/10/2017, 04/08/2017, 12/10/2017, 14/11/2017,12/12/2017, 14/03/2018, 11/01/2018, 09/02/2018, 07/05/2018, 07/04/2018 and 06/07/2018	Tabling of 12 section 71 reports' to finance portfolio committee by 30-Jun-19	none	Tabling of 12 section 71 reports' to finance portfolio committee by 30-Jun-19	12 Section 71 reports were submitted to finance portfolio committee on the following dates: 11th July 2018,14th August 2018, 13th September 2018, 11th October 2018,13th November 2018, 12th December 2018, 10th January 2019, 14th February 2019, 14th March 2019, 11 April 2019, 14 May2019 and 07 June 2019	OPEX	Achieved	n/a	n/a	Signed portfolio minutes and section 71 reports
BTO1 4			To practice sound financial management principles	Submission of Debt management report to finance committee	Number of debt management reports submitted to finance portfolio committee by 30-Jun-19	Number	new indicator	Submission of 12 debt management reports to finance committee by 30-Jun-19	none	Submission of 12 debt management reports' to finance portfolio committee by 30-Jun-19	Debt management report was tabled to finance committee on the 11/07/2019, 14/08/2018, 13/09/2018, 12/12/2018, 13/11/2018, 11/10/2018, 10/01/2019, 14/02/2019 14/03/2019, 13/07/2019, 11/04/2019,14/05/2019	OPEX	Achieved	n/a	n/a	Signed portfolio minutes

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
BTO1 5			To practice sound financial management principles	Paying service providers within 30 days	Turnaround time for paying service providers	Turnaround time	First payment invoice date 28/08/2017 and payment made on the 12/09/2017 second payment invoice received on the 12/07/2017 and payment made on the 17/07/2017 third payment invoice date 03/08/2017 and payment made on the 23/08/2017, first invoice received on the 16/11/2017 and paid on the 16/11/2017 second invoice received on the 03/10/2017 and paid on the 31/10/2017 third invoice received on the 11/12/2017 and paid on the 27/12/2017, first invoice received on the 07/03/2018 and paid on the 26/03/2018 second invoice received on the 02/02/2018 and paid on the 08/02/2018 third invoice received on the 17/01/2018 and paid on the 26/01/2018	Payment of service providers within 30 days of invoices	none	Payment of service providers within 30 days of receiving invoices	First invoice received on the 03/09/2018 payment date 14/09/2018 Second invoice date 25/07/2018 payment date 31/07/2018 third invoice 17/08/2018 payment date 30/08/2018. Fourth invoice received on the 02/11/2018 payment date 28/11/2018 Fifth invoice date 05/09/2018 payment date 23/10/2018 Sixth invoice 30/11/2018 payment date 13/12/2018. Seventh Invoice received on the 26/01/2019 payment date 28/02/2019. Eighth invoice date 14/01/2019 payment date 28/01/2019. Ninth invoice 27/02/2019 payment date 08/03/2019. Tenth Invoice was received on the 28th March 2019 and payment was made on the 18th April 2019. Eleventh Invoice was received on the 10 May 2019 and payment was made on the 29 May 2019. Twelveth Invoice was received on the 17 May 2019 and payment was made on the 05 June 2019	OPEX	Achieved	n/a	n/a	Invoices, proof of payments and creditors reconciliation statement
BTO1 6			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-19	Number	Capital grant recon was approved on the 04/10/2017, 06/09/2017, 04/08/2017. And asset register 06/10/2017, 3 Capital grant recon was approved on the 06/11/2017, 05/12/2017, 04/12/2017. asset were insured on the 02/10/2017 18/10/2017, 3 Capital grant recons was approved on the 05/03/2018 05/02/2018. asset were insured on the 18/01/2018 20/03/2018	Review 12 asset management reconciliations, updated asset register and a list of all insured assets by 30-Jun-19	none	Review 12 asset management reconciliations, updated asset register and a list of all insured assets by 30-Jun-19	1. Asset recons were signed on the 06/08/2018 11/09/2018 02/10/2018 asset were insured on the 08/08/2018 asset register was signed on the 03/10/2018. 2. 3 Asset recons reviewed and were signed on the 07/01/2019 21/11/2018 06/12/2018 asset were insured on the 15/11/2018, 30/11/2018, 02/10/2018 asset register was signed on the 07/01/2019. 3. 3 Asset recons reviewed and were signed on the 06/03/2019 05/02/2019 05/04/2019. 4. 3 Asset recons reviewed and were reviewed on the 05/07/2019 15/052019 07/05/2019	OPEX	Achieved	n/a	n/a	Updated assets register and a list of all insured assets and signed reconciliations

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
BTO17			To practice sound financial management principles	Reviewal of newly barcoded assets	Date by which newly barcoded assets are reviewed	Date	A list of newly barcoded assets was reviewed on the 15/06/2018	Review a list of newly barcoded assets by 30-Jun-19	none	Review a list of newly barcoded assets by 30-Jun-19	The list of newly barcoded assets was reviewed on the 6th June 2019	OPEX	Achieved	n/a	n/a	Reviewed list of newly barcoded assets
BTO18			To practice sound financial management principles	Adoption of Budget and Treasury policies	Date by which the Budget and Treasury policies are adopted	Date	Budget and Treasury policies were adopted on the 24/05/2018	Adoption of Budget and Treasury policies by 30-Jun-19	none	Adoption of Budget and Treasury policies by 30-Jun-19	Budget and Treasury policies were adopted on the 23/05/2019	OPEX	Achieved	n/a	n/a	Council resolution
BTO19			To practice sound financial management principles	Reviewal and signing of Asset Verification plan	Date by which Asset Verification plan is reviewed and signed	Date	Asset Verification plan was reviewed and signed on the 31/05/2018	Reviewal and signing of Asset Verification plan by 30-Apr-19	none	Reviewal and signing of Asset Verification plan by 30-Apr-19	Asset Verification plan was reviewed and signed on the 10th January 2019	OPEX	Achieved	n/a	n/a	Signed asset verification plan
BTO20			To practice sound financial management principles	Reviewal and signing of Asset Verification report	Date by which Asset Verification report is reviewed and signed	Date	Asset Verification Report was reviewed and signed on the 29/06/2018	Reviewal and signing of Asset Verification Report by 31-May-19	none	Reviewal and signing of Asset Verification Report by 31-May-19	Asset Verification Report was reviewed and signed on the 19th May 2019	OPEX	Achieved	n/a	n/a	Signed asset verification report
BTO21			To practice sound financial management principles	Reviewal and approval of annual disposal report	Date by which annual disposal report is reviewed and approved	Date	Annual disposal report was submitted to Council on the 22-Jun-17	Review and approve annual disposal report by 30-Jun-19	none	Review and approve annual disposal report by 30-Jun-19	Annual disposal report was approved on the 15th May 2019	OPEX	Achieved	n/a	n/a	Annual disposal report
OMM42			To practice sound financial management principles	Adoption of the 2019/20 final annual budget	Date by which the 2019/20 final annual budget is adopted by Council	Date	2018/19 Annual budget adopted at a Council meeting held on the 24-May-18	2019/2020 final annual budget adopted by Council (31-May-19)	none	2019/20 final annual budget adopted by Council (31-May-19)	2019/2020 Final Budget was adopted by Council on the 23rd May 2019.	OPEX	Achieved	n/a	n/a	Council signed minutes and resolution
OMM43			To practice sound financial management principles	Submission of the final 2019/20 adopted annual budget to NT & PT	Turnaround time for submission of 2019/20 adopted Final Budget to NT & PT after Council adoption	Turnaround time	2018/19 final budget was submitted to NT & PT on the 7th June 2018.	2019/20 adopted Final Budget submitted to NT & PT within 10 days of council adoption	none	2019/20 adopted Final Budget submitted to NT & PT within 10 days of council adoption	2019/2020 Final Budget was adopted by Council on the 23rd May 2019 and submitted to NT & PT on the 05 June 2019 which was within 10 days of Council adoption	OPEX	Achieved	n/a	n/a	Proof of submission
OMM44			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-19	Number	12 Section 71 reports were submitted to finance portfolio committee on the 06/09/2017, 04/10/2017, 04/08/2017, 12/10/2017, 14/11/2017, 12/12/2017, 11/01/2018, 9/02/2018, 14/03/2018,	Submission of 12 section 71 reports' to finance portfolio committee by 30-Jun-19	none	Submission of 12 section 71 reports' to finance portfolio committee by 30-Jun-19	12 section 71 reports' submitted to finance portfolio committee on the following dates: 11/06/18, 14/08/18, 13/09/18, 11/10/18, 13/11/18, 12/12/18, 10/01/19, 14/02/19, 14/03/19, 11/04/19,	OPEX	Achieved	n/a	n/a	Signed portfolio minutes and section 71 reports

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
							12/04/2018, 10/05/2018 and 11/06/2018				14/05/19 and 07/06/19					
OMM 45			To practice sound financial management principles	Submission of the 2019/2020 draft SDBIP and annual performance agreements to the Mayor	Turnaround time for submission of 2019/2020 draft SDBIP and annual performance agreements to Mayor after budget adoption	Turnaround time	Draft SDBIP was submitted to the Mayor on the 22nd March 2018	Submission of 2019/2020 draft SDBIP and annual performance agreements to Mayor within 14 days of budget adoption	none	Submission of 2019/2020 draft SDBIP and annual performance agreements to Mayor within 14 days of budget adoption	The draft 2019/2020 SDBIP and Annual performance agreements were submitted to the Mayor on the 23rd May 2019 which was within 14 days of Budget Adoption	OPEX	Achieved	n/a	n/a	Signed council minutes and resolution
OMM 46			To practice sound financial management principles	Submission of the 2019/2020 draft SDBIP to COGTA	Turnaround time for submission of Draft 2019/2020 SDBIP to COGTA after council approval	Turnaround time	2018/19 Draft SDBIP was approved on the 22nd march 2018 and submitted to COGTA on the 29th March 2018 within 10 days after council approval.	Submission of the Draft 2019/2020 SDBIP to COGTA within 10 days after council approval	none	Submission of the Draft 2019/2020 SDBIP to COGTA within 10 days after council approval	The 2019/2020 Draft SDBIP was approved and submitted to COGTA on the 29 March 2019 which was within 10 days after council approval.	OPEX	Achieved	n/a	n/a	Proof of submission
OMM 47			To practice sound financial management principles	Adoption of 2019/2020 SDBIP to Council	Turnaround time for submission of 2019/2020 SDBIP to Council for adoption after budget adoption	Turnaround time	SDBIP adopted by Council on 24 May 2018	Submit 2019/2020 SDBIP to Council for adoption within 28 days after budget adoption	none	Submit 2019/2020 SDBIP to Council for adoption within 28 days after budget adoption	2019/2020 SDBIP was submitted to Council for adoption on the 23rd May 2019 which was within 28 days after budget adoption	OPEX	Achieved	n/a	n/a	Signed council minutes & a signed attendance register
OMM 48			To practice sound financial management principles	Publication of adjusted 2018/19 SDBIP and IDP	Turnaround time for which the 2018/19 adjusted SDBIP and IDP is published after the approval of adjusted budget	Turnaround time	adjusted 2016/17 SDBIP and IDP was published on the 1st of March 2018 after approval that was on the 22nd of February 2018 which was within 10 days after approval of adjusted budget	Publication of adjusted 2018/19 SDBIP and IDP within 10 days after approval of adjusted budget	none	Publication of adjusted 2018/19 SDBIP and IDP within 10 days after approval of adjusted budget	Adjusted budget was approved on the 15/02/2019 and adjusted SDBIP & IDP were published on the 25th February 2019 on the Witness Newspaper, which was within 10 days after approval of the adjusted budget	OPEX	Achieved	n/a	n/a	Public notice and a council resolution
CORP 23			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 13/07/2017 distributed on the 11/07/17 which translates to 2 days prior. Agenda of the 10/08/2017 distributed on the 8/08/17 which translates to 2 days prior. Agenda of the 12/09/2017 distributed on the 8/09/17 which translates to 4 days prior. Agendas for 2 Finance Committee Meetings were submitted 4 days prior to the meetings.	Distribute the agenda of the Finance Portfolio committee meeting 2 days prior to meeting	none	Distribute the agenda of the Finance Portfolio committee meeting 2 days prior to meeting	1. Agendas for 2 Finance Committee Meetings were submitted 4 days prior to the meetings. Date of Meeting: 13/09/2018 Date of Distribution: 10/09/2018 Date of Meeting: 06/07/18 Date of Distribution : 02/07/18. 2. Agenda for Finance Portfolio Committee distributed on the	OPEX	Achieved	n/a	n/a	Dated proof of agenda distribution and date of the meeting

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
							<p>Date of Meeting: 14/11/2017 Date of Distribution: 10/11/2017 Date of Meeting: 12/12/2017 Date of Distribution: 08/12/2017 Agendas for the Finance Portfolio committee meeting were distributed 2 days prior to the meeting. Date of the meetings: 11/01/18,09/02/18,14/03/18 Date of distribution: 09/01/18, 08/02/18,12/03/18 Date of meeting: 12/04/18 Date of distribution: 10/04/18 Date of meeting: 10/05/18 Date of distribution: 08/05/18</p>				<p>9th Oct 2018 for a meeting scheduled for the 11th Oct 2018. Translates to 2 days prior to the meeting. Agenda distributed on the 12th Nov 2018 for a meeting scheduled for the 12th Nov 2018. Translates to 1 day prior to the meeting. 3. Agenda distributed on the 9th of January 2019 for the meeting scheduled for the 10th of January 2019. Translates to 1 day prior to the meeting. 11th February for a meeting on the 14th February 2019, translates to 3 days. 12th March for a meeting on the 14th March 2019, translates to 2 days prior, respectively. 4. Agenda for Finance Portfolio was distributed on the following dates: 10th April for a meeting on the 11th of April 2019, translate to 1 day prior to the meeting. 11th May for a meeting on the 14th May 2019, translates to 3 days. 11th June for a meeting on the 13th June 2019, translates to 2 days prior.</p>					
BTO2 2			To practice sound financial management principles	Approval of capital commitments register	Date by which capital commitment register is approved	Date	Capital commitment register 2017/18 was approved on the 29th June 2018	Approve capital commitment register by 30-Jun-19	none	Approve capital commitment register by 30-Jun-19	Capital commitment register was approved on the 5th July 2019	OPEX	Achieved	n/a	n/a	Capital commitment register
BTO2 3			To practice sound financial management principles	Approval of operational and capital grants reconciliations	Number of approved operational and capital grants reconciliations by 30-Jun-19	Number	12 Capital grant approved on the 04/10/2017, 06/09/2017 04/08/2017, 04/12/2017, 06/11/2017, 08/01/2018, 06/03/2018, 05/02/2018, 10/04/2018, 09/05/2018, 04/06/2018, 06/07/2018	Approve 12 operational and capital grants reconciliations by 30-Jun-19	none	Approve 12 operational and capital grants reconciliations by 30-Jun-19	12 Capital grant approved on the 11/09/2018, 06/08/2018, 02/10/2018, 07/12/2018, 21/11/2018, 06/12/2018, 05/02/2019, 06/03/2019, 05/04/2019, 05/06/2019, 07/05/2019 and 05/04/2019	OPEX	Achieved	n/a	n/a	Monthly operational and capital grants reconciliations

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
BTO2 4			To practice sound financial management principles	Approval of retention registers	Number of approved retention registers by 30-Jun-19	Number	Retention register approved on the 04/10/2017 03/08/2017 04/09/2017, 3 Retention registers were approved on the 04/12/2017, 08/11/2017 & 08/01/2018, 3 Retention register was approved on the 06/02/2018, 10/04/2018, 08/01/2018 06/03/2018	Approve 12 retention registers by 30-Jun-19	none	Approve 12 retention registers by 30-Jun-19	12 Retention registers were approved on the 03/10/2018,11/09/2018, 03/08/2018, 06/12/2018, 06/11/2018, 17/01/2018, 05/02/2019, 06/03/2019, 03/04/2019, 06/06/2019, 07/05/2019, 03/04/2019	OPEX	Achieved	n/a	n/a	Monthly retention register
BTO2 5			To practice sound financial management principles	Review of conditional assessment report	Date by which 2018/19 conditional assessment report is reviewed	Date	2017/18 conditional assessment report was approved on the 29th June 2018	Review 2018/19 conditional assessment report by 30-Jun-19	none	Review 2018/19 conditional assessment report by 30-Jun-19	The 2018/19 conditional assessment report was reviewed on the 24th June 2019	OPEX	Achieved	n/a	n/a	Conditional assessment report
BTO2 6			To practice sound financial management principles	Adoption of the 2019/20 final annual budget	Date by which the 2019/20 final annual budget is adopted by Council	Date	2018/19 final annual budget was adopted by Council on 24-May-18	2019/20 final annual budget adopted by Council (31-May-19)	none	2019/20 final annual budget adopted by Council (31-May-19)	2019/20 final annual budget was adopted on the 23/05/2019	OPEX	Achieved	n/a	n/a	Council signed minutes and resolution
BTO2 7			To practice sound financial management principles	Submission of the final 2019/20 adopted annual budget to NT & PT	Turnaround time for submission of 2019/20 adopted Final Budget to NT & PT after Council adoption	Turnaround time	Final budget was submitted to PT & NT on the 07/06/2018	2019/20 adopted Final Budget submitted to NT & PT within 10 days of council adoption	none	2019/20 adopted Final Budget submitted to NT & PT within 10 days of council adoption	2019/20 Final Budget was adopted on the 23/05/2019 and submitted to NT & PT on the 05/06/2019 which was within 10 days of Council adoption	OPEX	Achieved	n/a	n/a	Proof of submission
BTO2 8			To practice sound financial management principles	Adoption of the 2018/19 adjustments budget	Date by which 2018/19 Adjustments budget is Adopted	Date	2017/18 Adjustments budget was adopted by Council on 22/02/2018	Adopt 2018/19 Adjustments budget by 28-Feb-19	none	Adopt 2018/19 Adjustments budget by 28-Feb-19	2018/19 Adjustments budget was adopted on the 15/02/2019	OPEX	Achieved	n/a	n/a	Council resolution
BTO2 9			To practice sound financial management principles	Submission of the 2018/19 adjustments budget to NT & PT	Turnaround time for submission of 2018/19 adjustments budget to NT & PT after the adoption	Turnaround time	Submission of Adjustments Budget for 2017/18 to NT & PT 28/02/2018 and NT 28/02/2018	Submission of Adjustments Budget for 2018/19 to NT & PT within 10 days after adoption	none	Submission of Adjustments Budget for 2018/19 to NT & PT within 10 days after adoption	Adjustments Budget for 2018/19 was submitted to NT on the 6th March 2019 & PT on the 5th March 2019.	OPEX	Achieved	n/a	n/a	Proof of submission
BTO3 0			To practice sound financial management principles	Submission of the AFS to AG	Date by which 2017/18 Annual financial statements (with annual report) is	Date	Annual Financial Statement was submitted to AG on the 31/08/2017	Submit 2017/18 Annual financial statements (with annual report) to AG by 31-Aug-18	none	Submit 2017/18 Annual financial statements (with annual report) to AG by 31-Aug-18	Annual Financial Statements(with annual report) was submitted to AG on the 31/08/2018	OPEX	Achieved	n/a	n/a	Proof of submission

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
					Submitted to AG											
BTO3 1			To practice sound financial management principles	Tabling of the 2018/19 Mid-Term budget	Date by which 2018/19 Mid-Term budget review is tabled to Council – section 72	Date	2017/18 Mid-Term budget was tabled to Council on the 25/01/2018	Tabling of 2018/19 Mid-Term budget review to Council– section 72 by 25-Jan-19	none	Tabling of 2018/19 Mid-Term budget review to Council– section 72 by 25-Jan-19	2018/19 Mid-Term budget review was tabled to Council on the 24/01/2019	OPEX	Achieved	n/a	n/a	Council resolution
BTO3 2			To practice sound financial management principles	Submission of the 2018/19 Mid-Term budget to NT & PT	Date by which 2018/19 Mid-Term budget review is Submitted to NT& PT	Date	2017/18 Mid-Term budget review was submitted to NT& PT on the 25th January 2018	Submission of the 2018/19 Mid-Term budget review to NT& PT by 25-Jan-19	none	Submission of the 2018/19 Mid-Term budget review to NT& PT by 25-Jan-19	2018/19 Mid-Term budget review was submitted to NT& PT on the 24/01/2019	OPEX	Achieved	n/a	n/a	Proof of submission
IPD26			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	Percentage	The overall Percentage of Municipal Capital Budget is at 66%, where 100% has been spent on MIG;100% has been spent on INEP grant; 46% has been spent on internal funding and 63% spent on small town rehabilitation.	Percentage of a municipality's CAPITAL BUDGET actually spent on CAPITAL PROJECTS identified in the IDP at 100% by 30-Jun-19	none	Percentage of a municipality's CAPITAL BUDGET actually spent on CAPITAL PROJECTS identified in the IDP at 100% by 30-Jun-19	Overall percentage is at 90% where 100% has been spent on MIG Grant , 100% has been spent on INEP Grant,72% has been spent on internal funding and 100 % has been spent on cogta	OPEX	Achieved	n/a	n/a	Signed expenditure report
BTO3 3			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 was adopted by council on the 24/05/2018	Develop and adopt an Annual procurement plan by 31-May-19	none	Develop and adopt an Annual procurement plan by 31-May-19	Annual procurement plan was developed and adopted on the 23/05/2019	OPEX	Achieved	n/a	n/a	Council resolution
BTO3 4			To practice sound financial management principles	Current debtors not above 40% of the total debtors	Percentage of current debt over total debt	Percentage	Current debtors are at 4.10% by 30-Jun-18	Current Debtors not above 40% of the total debtors by 30-Jun-19 (% of current debt over total debt)	none	Current Debtors not above 40% of the total debtors by 30-Jun-19 (% of current debt over total debt)	Current debtors are at 16.22%	OPEX	Achieved	n/a	The Municipality is employing strategies to ensure that our debtor remain at a low percentage, we are in constant communication with them	Summary Debtor age analysis report and calculations

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
															and we are using the services of a debt collector.	
BTO3 5			To practice sound financial management principles	Approval of Bank Reconciliations	Date by which Bank reconciliations are approved	Date	new indicator	Approval of bank reconciliations by the 10th of each month	none	Approval of bank reconciliations by the 10th of each month	Bank reconciliations were approved on the 07/09/2018, 06/08/2018, 05/10/2018, 09/01/2019, 10/12/2019, 12/11/2019,08/02/2019 04/04/2019,04/05/2019, 05/06/2019, 05/07/2019	OPEX	Achieved	n/a	n/a	Bank reconciliations
BTO3 6			To practice sound financial management principles	Approval of Interim Annual Financial Statements	Date by which Interim Annual Financial Statements(AFS) are approved	Date	new indicator	Approval of the Interim AFS by 28-Feb-19	none	Approval of the Interim AFS by 28-Feb-19	Interim AFS were approved on 22/02/2019	OPEX	Achieved	n/a	n/a	Interim Annual Financial Statements
BTO3 7			To practice sound financial management principles	Approval of VAT Reconciliations	Date by which VAT Reconciliations are approved	Date	new indicator	Approval of 3 VAT Reconciliations by the 10th of each month	none	Approval of 3 VAT Reconciliations by the 10th of each month	12 VAT reconciliations were approved on the following dates: 13/09/2018, 10/08/2018, 08/10/2018, 12/10/2018, 09/11/2018, 09/01/2018, 08/02/2019,08/03/2019, 10/04/2019, 03/05/19, 05/06/19 and 05/07/19	OPEX	Achieved	n/a	we ensured that monies due to the municipality are collected from SARS due to VAT 201 submission s monthly, instead of 3 times as per the target..	VAT Reconciliations
BTO3 8			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	Financial viability in terms of ratios is at 18.45:1 by 30-Jun-18	(Financial viability in terms of cost coverage at 7: 1 ratio quarterly) Ratio: Available cash plus investments divided by monthly fixed operating expenditure	none	(Financial viability in terms of cost coverage at 7: 1 ratio quarterly) Ratio: Available cash plus investments divided by monthly fixed operating expenditure	Financial viability in terms of cost coverage is at 8.72:1 by 30-Jun-19	OPEX	Achieved	n/a	n/a	Detailed Calculation
BTO3 9			To improve the	Submission of Finance	Turnaround time for submission of	Turnaround time	3 Finance items were submitted with Circular dates as follows: Circular date 31 July 2017,	Submission of Finance portfolio committee items	none	Submission of Finance portfolio committee items	Finance items were submitted to Finance portfolio committee as follows: Circular date 2/07/2018	OPEX	Achieved	n/a	n/a	Proof of submission

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
			performance and functioning of the municipality	portfolio committee items	Finance portfolio committee items to Corporate Services after receiving circular.		submission 04/08/2017, Circular date was 27 September and submission was 04/10/2017, Circular received on 31 August 2017 and items submitted on 06/09/2017, Circular date is the 05/12/2017 and submission date is the 07/12/2017, circular date 07/11/2017 and submission date 07/11/2017. Circular date is the 02/10/2017 and submission date 03/10/2017, Circular date is the 04/01/2018 and submission date is the 08/01/2018, circular date 26/01/2018 and submission date 06/02/2018. Circular date is the 05/03/2018 and submission date 05/03/2018	to Corporate Services within 7 working days after receiving circular		to Corporate Services within 7 working days after receiving circular	submission date 05/07/2018. Circular date 31/07/2018 submission date 07/08/2018. Circular date 03/09/2018 submission date 05/08/2018, Circular date 06/11/2018 submission date 06/11/2018. Circular date 01/10/2018 submission date 04/10/2018, Circular date 6th February 2019, submission date. Circular date 05/03/19, submission date 08/04/2019, Circular date 02/04/2019 submission date 03/04/2019, Circular date 04/07/2019 submission date 06/06/2019.					and circular
SD35			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	Amount / Revenue	R 3 597 571,53 revenue generated through community safety services by 30-Jun-18	Monitor revenue collection of R3 100 000 through Community Safety Services by 30-Jun-19	none	Monitor revenue collection of R3 100 000 through Community Safety Services by 30-Jun-19	Revenue of R4 518 912.77 was collected through community safety services by 30-Sep-17	OPEX	Achieved	n/a	n/a	E-Natis report
IPD27			To practice sound financial management principles	Compliance with the MFMA	Number of progress reports submitted to IPD Portfolio Committee by 30-Jun-19	Number	6 Progress reports submitted to Portfolio Committee on the 14th August 2017, 14th August 2017, 1st November 2017, 8th February 2018, 12th April 2018 and 21st June 2018.	5 progress reports submitted to IPD Portfolio Committee by 30-Jun-19	none	5 progress reports submitted to IPD Portfolio Committee by 30-Jun-19	5 progress reports were submitted to IPD Portfolio Committee on the: 27th August 2018, 2nd November 2018, 1st February 2019, 15th April 2019 and 20 June 2019.	OPEX	Achieved	n/a	n/a	Signed portfolio minutes with signed attendance register
IPD28	DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING PLANNING AND CROSS CUTTING INTERVENTIONS		To facilitate spatial development in the entire area of Ubhlebezwe and at the same time achieve economic social and environmental sustainability	Reviewal and submission of annual Spatial Development Framework	Date by which Final Spatial Development Framework is reviewed and submitted to IDP unit	Date	The Final Spatial Development Framework was submitted accordingly to the IDP unit to form part of the Final IDP on 30-Apr-18. SDF was reviewed together with IDP on 24 May 2018.	Final review and submission of Spatial Development Framework to IDP unit by 10-May-19	none	Final review and submission of Spatial Development Framework to IDP unit by 10-May-19	The submission of the SDF to the office of IDP was on the May 10th 2019.	OPEX	Achieved	n/a	n/a	Proof of submission, Draft & Final SDF

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
IPD29			To facilitate spatial development in the entire area of Ubuhlebezwe and at the same time achieve economic social and environmental sustainability	Development of Strategic Environmental Assessment	Date by which the Strategic Environmental Assessment is developed and submitted to Council	Date	The Final Strategic Environmental Assessment was received from the Consultant on 18/06/18.	Development and Submission of final Strategic Environmental Assessment to Council by 30-Sept-18	none	Development and Submission of final Strategic Environmental Assessment to Council by 30-Sept-18	The Final Strategic Environmental Assessment Report (SEA) was developed and submitted to Council for approval on the 20th of September 2018.	OPEX	Achieved	n/a	n/a	Council resolution
IPD31			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	Data-sets were for Agricultural, Cadastral, Demographics, Disaster Management, Environmental, Infrastructure Projects, Social, Tourism and Traditional Areas, Were updated on the 14/06/18	Monitor the Updating of Data Sets for GIS by 30-Apr-19	none	Monitor the updating of data sets for GIS by 30-Apr-19	GIS datasets were updated on the 26th April 2019 and also featured in the mapping for final SDF submitted on the 3rd of May 2019.	OPEX	Achieved	n/a	n/a	Spread sheet of collected data and mapping of the collected sets
IPD32			To facilitate spatial development in the entire area of Ubuhlebezwe and at the same time achieve economic social and environmental	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	The Final Ward Profiles reports were submitted by the GIS office on the 30/05/18 and included the wards mapping.	Monitor the submission of final ward profiles reflecting information for all wards within Ubuhlebezwe jurisdiction by 30-May-19	none	Monitor the submission of final ward profiles reflecting information for all wards within Ubuhlebezwe jurisdiction by 30-May-19	final ward profiles reflecting information for all wards within Ubuhlebezwe jurisdiction has been completed on the 30 May 2019	OPEX	Achieved	n/a	n/a	Ward profile report on focus areas , draft ward profiles reports and final ward profiles report and applicable mapping

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							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
			sustainability													
OMM 49			To improve performance and functioning of the municipality	Adoption of the 2019/20 IDP	Date by which the 2019/20 IDP is submitted to Council for adoption	Date	18/19 IDP adopted by Council on 24 May 2018	Submit 2019/20 IDP to Council for adoption by 31-May-19	none	Submit 2019/20 IDP to Council for adoption by 31-May-19	2019/2020 IDP was submitted to council for adoption on the 23rd May 2019	OPEX	Achieved	n/a	n/a	Council resolution
OMM 50			To improve performance and functioning of the municipality	Holding of IDP stakeholders meeting	Number of IDP Stakeholder meetings held by 30-Jun-19	Number	2 IDP Stakeholders meetings held on the 27 November 2017 and 12 April 2018	2 IDP Stakeholders meetings held by 30-Jun-19	none	2 IDP Stakeholders meetings held by 30-Jun-19	2 IDP Stakeholders meeting were held on the 14th November 2018 and 15th March 2019	OPEX	Achieved	n/a	n/a	Signed Attendance register
SD36			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-19	Number	17 fire safety awareness campaign conducted by 30-Jun-18. 17th of August 2017 at Mpofini Primary School, 13th of December 2017 at Eskom Customer Service Hub, 15th of December 2017 at Highflats SAPS, 19th of December 2017 at Jolivet clinic, 13th of December 2017 at Eskom Customer Service Hub, 15th of December 2017 at Highflats SAPS, 19th of December 2017 at Jolivet clinic, Mehlomane Primary school on the 19th of February 2018, Ludliki Primary school on the 19th of February 2018, Glenmaze Primary school on the 16th of February 2018, Ncakubana Primary school on the 13th of February 2018, Hlokozi High school on the 9th of March 2018, Carisbrooke community on the 22nd of March 2018, Nhlangwinimultipurpose centre on the 28th of March 2018, 11th of April 2018 at CTK gateway clinic, on the 23rd of April 2018 at Sonqobasimunye secondary school, on the 24th of April 2018 at DT Nursing school Ixopo seminary, on	Monitor 4 fire safety awareness campaigns conducted by 30- Jun-19	none	Monitor 4 fire safety awareness campaigns conducted by 30- Jun-19	28 fire safety awareness campaign were conducted on the 18th of July 2018 at Magidigidi primary, on the 30th of July 2018 at Inkosi Umdibaniso High school, on the 31st of July 2018 at Amazabeko High school, on the 8th of August 2018 at Highflats primary, on the 24th of August 2018 at Ubuhlebezwe Municipality, on the 27th of August 2018 at Sizanani crèche, on the 10th of September 2018 at Mantulela primary, on the 12th of September 2018 at Ixopo village, and on the 21st of September 2018 at Kwamashumi clinic, 10th of October 2018 at Endwebu cp school, on the 11th of October 2018 at Carisbrooke primary school, on the 19th of October 2018 at Vuleka pre-school, on the 29th of October 2018 at Mgodi Primary school, on the 30th of October 2018 at Ubuhlebezwe Municipality Social Development offices,	OPEX	Achieved	n/a	n/a	Letter signed by the head of the institution visited.

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
							the 11th of May 2018 at Ubuhlebezwe traffic department, on the 15th of May 2018 at Dingizwe secondary school, on the 28th of June 2018 at Dabulamanzi hall.				10th of January 2019 at Ixopo Village, on the 23rd of January 2019 at Cekazi Primary, On the 12th of February 2019 at Nobengela Primary, on the 14th of February 2019 at Skeyi primary, on the 26th of February 2019 at Ixopo nursing institute, and on the 19th of March at Themba Mnguni hall, 8th of April 2019 at Snetemba Daycare, on the 11th of April 2019 at Luswazi Secondary, on the 7th of May 2019 at Lusiba Primary School, on the 10th of May 2019 at Highflats Primary, on the 14th of May 2019 at Nomandla Primary, on the 21st of May 2019 at Sizisizwe Secondary, on the 7th of June 2019 at Mntungwana clinic, and on the 17th of June 2019 at Dabulamanzi hall.					
SD37			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-19	Number	4 Disaster Management Advisory Forum meeting was held on the 20th of September 2017, 30th of November 2017, 7th of March 2018 and 6th of June 2018.	Monitor 4 Disaster Management Advisory Forum meetings held by 30-Jun-19	none	Monitor 4 Disaster Management Advisory Forum meetings held by 30-Jun-19	4 Disaster Management Advisory Forum meetings were held on the 19th of September 2018, 5th of December 2018, 6th of March 2019 and 12th of June 2019	OPEX	Achieved	n/a	n/a	Signed Attendance register and signed minutes
SD38			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-19	Number	2 scheduled firebreaks conducted in 3 areas: little flower insenarator on the 14th of July 2017, behind Mariathal on the 12th of July 2017 and behind Ixopo High School on the 4th of July 2017, 11th of June 2018, behind Mariathal on the 14th of June 2018 & behind Ixopo high school on the 19th of June 2018.	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-19	none	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-19	2 scheduled firebreaks were conducted at three areas. On the 17th of July 2018 at little flower to insenarator, on the 5th of July 2018 behind Mariathal two rooms & on the 20th of July 2018 behind Ixopo high 45 Fire inspections conducted in buildings within Ubuhlebezwe (30 businesses, 15 public Institutions) were conducted from the 7th of July 2018 to the 20th of September 2018. behind Mariathal on the 27th of June 2019, behind Ixopo high school on the 24th of June 2019 and at Littleflower to insenarator on the 21st of June 2019.	OPEX	Achieved	n/a	n/a	Dated pictures
SD39			To improve	Monitor Fire	Number of Fire inspection	Number	180 Fire inspections conducted in buildings within Ubuhlebezwe (120	Monitor 180 Fire inspections	none	Monitor 180 Fire inspections	180 Fire inspections conducted in buildings within	OPEX	Achieved	n/a	n/a	Inspection reports

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
			safety and security within the municipal environment	inspections conducted in buildings within Ubuhlebezwe	conducted in buildings within Ubuhlebezwe by 30-Jun-19		businesses & 60 public institutions) by 30-Jun-18. 1. from the 7th of July 2017 to the 21st of September 2017. 2. from the 14th of October to the 15th of December 2017. 3. from the 4th of January 2018 to the 23rd of March 2018.4. from the 3rd of April 2018 to the 17th of June 2018	conducted in buildings within Ubuhlebezwe (120 businesses & 60 public institutions) Fire inspection in buildings within Ubuhlebezwe by 30-Jun-19		conducted in buildings within Ubuhlebezwe (120 businesses & 60 public institutions) Fire inspection in buildings within Ubuhlebezwe by 30-Jun-19	Ubuhlebezwe (120 businesses & 60 public institutions) by 30-Jun-19. 1. from the 7th of July 2018 to the 20th of September 2018. 2. from the 9th of October 2018 to the 14th of December 2018. 3. from the 10th of January 2019 to the 25th of March 2019. 4. from the 11th of April 2019 to the 25th of June 2019.					
SD40			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-19	Number	12 inspections for 20 fire hydrants conducted by 30-Jun-18	Monitor 12 inspections for 20 fire hydrants conducted by 30-Jun-19	none	Monitor 12 inspections for 20 fire hydrants conducted by 30-Jun-19	12 inspections for 20 fire hydrants conducted by 30-Jun-19	OPEX	Achieved	n/a	n/a	Inspection reports
SD41			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-18	Number	Arbor Day commemoration by planting 10 trees was held on 28 and 29/9/2017 within Ubuhlebezwe	Monitor Arbor Day commemoration by planting 10 trees within Ubuhlebezwe by 30-Sep-18	none	Monitor Arbor Day commemoration by planting 10 trees within Ubuhlebezwe by 30-Sep-18	Arbor Day commemoration by planting 10 trees within Ubuhlebezwe was coordinated on the 7th and 8th of September 2018.	OPEX	Achieved	n/a	n/a	Dated Pictures
SD42			To facilitate spatial development in the entire era of Ubuhlebezwe and at the same time achieve economic and environmental	Geo referencing funded LED projects	Date by which all LED projects are submitted to Infrastructure, Planning and Development Department	Date	LED projects were submitted to Infrastructure, Planning and Development Department for reflection on municipal spatial plans on the 15th of June 2018.	Monitor submission of LED projects to Infrastructure, Planning and Development Department for reflection on municipal spatial plans by 30-Jun-19	none	Monitor submission of LED projects to Infrastructure, Planning and Development Department for reflection on municipal spatial plans by 30-Jun-19	Submission of LED projects to Infrastructure, Planning and Development was done on the 20th of May 2019.	OPEX	Achieved	n/a	n/a	Proof of submission to IPD Department.

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
			sustainability.													
IPD33 ; BTO40; SD43; CORP 24			To improve the performance and functioning of the municipality	Submission of the back to basics template to the office of the Municipal Manager	Turnaround time for submission of monthly back to basics template to Office of the Municipal Manager after receiving template	Turnaround time	<p>OMM submitted on the 10th August 2017, 06 September 2017 and 06 October 2017. BTO: 06/10/2017,10/08/2017 and 08/09/2017 IPD: 10/08/2017,08/09//2017 and 6/10/2017; SD: 10/08/2017, 6/09/2017 and 06/10/2017. Back to basics Template for October was received on the 2nd November 2017 and information was submitted on the 7th November 2017, Template for November was received on 4th November 2017 and information was submitted on the 8th December 2017</p> <p>Template for September was received 03 January 2018 and information was submitted on 08 January 2018 (OMM, IPD, BTO, SD). back to basics template for January was received on 7 February 2018 and submitted on 12 February 2018.</p> <p>February template was received on 5 March 2018, submitted on the 8th March 2018.</p> <p>March template was received on the 5th April 2018, submitted on 9th April 2018 (IPD,BTO,SD,CORP). The template for April was received on the 26th of April 2018 and submitted on the 4th of May, the template for May was received on 4th June 2018 and submitted 8th of June, the template for June was received on 2 July and submitted on 06th July 2018 (CORP, SD, IPD, BTO).</p>	submit the required information at a monthly back to basics meeting within five working days after receiving the template from the office of the Municipal Manager	none	submit the required information at a monthly back to basics meeting within five working days after receiving the template from the office of the Municipal Manager	<p>The required information was submitted at a monthly back to basics meeting within 5 working days after receiving the template from office of the Municipal Manager. July template was received on the 6th of August 2018 and submitted on the 10th of August 2018. August template was received on the 7th of September 2018 and submitted on the 11th of September 2018. September template was received on the 2nd of October 2018 and submitted on the 5th of October 2018.(IPD,BTO,SD,CORP). The required information was submitted at a monthly back to basics meeting within 5 working days after receiving the template from office of the Municipal Manager. October template was received on the 6th of November 2018 and submitted on the 9th of November 2018. November template was received on the 5th of December 2018 and submitted on the 7th of December 2018. December template was received on the 4th of January 2019 and submitted on the 8th of January 2018. (SD,CORP, IPD, BTO). The required information was submitted at a monthly back to basics meeting within 5 working days after receiving the template from the office of the Municipal Manager. January template was received on the 1st of February 2019 and submission was done on the 7th of February 2019, February template was received on the 7th of March 2019 and submission was done on the 12th of March 2019. March template was received on the</p>	OPEX	Achieved	n/a	n/a	Proof of receipt of template, Proof of submission and signed attendance register

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
											2nd of April 2019 and submission was done on the 5th of April 2019. (IPD,BTO,SD,CORP). April template was received on the 29th of April 2019, the information was submitted on the 6th of May 2019. May template was received on the 3rd of June 2019, the information was submitted on the 6th of June 2019. June template was received on the 2nd of July 2019, information was submitted on the 5th of July 2019.					
IPD34 ; BTO4 1; SD44; CORP 25			To improve the performance and functioning of the municipality	Submission of the back to basics template to the office of the Municipal Manager	Turnaround time for submission of quarterly back to basics template to the office of the Municipal Manager after receiving template	Turnaround time	1. OMM 12/10/2017; BTO12/10/2017; IPD 12/10/2017 ; SD 12/10/2017. 2. Template for Quarter 2 Back to Basics was received on the 3 January 2018 and information submitted on the 8th January 2018 (OMM, IPD, BTO, SD). 3. The template for the quarterly back to basics meeting was received on the 5th April 2018 and submitted on the 9th April 2018. (IPD,BTO,SD,CORP). 4. The template was received on the 2nd of July and back to basics information submitted on the 06th of July 2018 (CORP, SD,IPD, BTO).	submit the required information at a quarterly back to basics meeting within five working days after receiving the template from the office of the Municipal Manager	none	submit the required information at a quarterly back to basics meeting within five working days after receiving the template from the office of the Municipal Manager	The quarter 1 template was received on the 2nd of October 2018 and submitted on the 5th of October 2018.(IPD,BTO,SD,CORP). The quarter 2 template was received on the 4th of January 2019 and submitted on the 8th of January 2019. (SD,CORP, IPD, BTO). The quarter 3 template was received on the 2nd of April 2019 and submission was done on the 5th of April 2019. (IPD,BTO,SD,CORP,IPD). Quarter 4 Template was received on the 2nd of July 2019, information was submitted on the 5th of July 2019.	OPEX	Achieved	n/a	n/a	Proof of receipt of template, Proof of submission and signed attendance register
OMM 51			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 receiving information from municipal departments	Turnaround time	July template was received on the 4th August 2017, submitted on 10 August 2017. August template received on 31 August 2017, submitted on 8 September 2017 September template was received on 2 October 2017 and submitted on 6 October 2017. October Date of Receipt: 02/11/2017 Date of Submission: 08/11/2017 November Date of Receipt: 04/12/2017 Date of Submission:	submission of monthly back to basics to COGTA within 5 working days after receiving information from Municipal Departments	none	submission of monthly back to basics to COGTA within 10 working days after receiving information from Municipal Departments	Back to Basics template for July was received on the 6th August 2018, submitted on the 10th August 2018. August template was received on the 6th September 2018, submitted on the 11th September 2018. September template was received on the 28th September 2018 and submitted on the 8th September 2018 Template for October was received on the 5th November 2018 and information was submitted on 9th November 2018	OPEX	Achieved	n/a	n/a	Proof of submission to COGTA and proof of receipt of template from COGTA

IDP / SDBIP NO.	OUTCOME 9	NATIONAL KEY PERFORMANCE AREAS	OBJECTIVES	STRATEGIES	INDICATORS	UNIT OF MEASURE	COMPARISON WITH PREVIOUS YEAR	CURRENT YEAR				ACTUAL BUDGET SPENT (YTD)	STATUS (ACHIEVED/ NOT ACHIEVED)	BLOCKAGE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE
							2017/2018 ACTUAL	DEMAND	BACKLOG	2018/2019 TARGET	2018/2019 ACTUAL					
							<p>11/12/2017 December Date of Receipt: 11/01/2018 Date of Submission: 15/01/2018. Template for January was received on 7th February 2018 and information was submitted on the 12th February 2018 Template for February was received 2nd March 2018 and information was submitted on 12th March 2018. Template for March was received 5th April 2018 and information was submitted on 9th April 2018. Template for April was received on 26th April 2018 and information was submitted on the 8th May 2018. Template for May was received 4th June 2018 and information was submitted on 8th June 2018. Template for June was received 5th July 2018 and information was submitted on 13th July 2018.</p>				<p>Template for November was received on the 3rd December 2018 and information was submitted on the 12th December 2018. Template for December was received on the 8th January 2018 and information was submitted on the 10th January 2019. Template for January was received on the 31st January 2019 and information was submitted on 8th February 2019. Template for February was received on the 6th March 2019 and information was submitted on the 12th March 2019. Template for March was received on the 3rd April 2019 and information was submitted on the 9th April 2019 Template for April was received on the 26th April 2019 and information was submitted on 7th May 2019. Template for May was received on the 30th May 2019 and information was submitted on the 10th June 2019. Template for June was received on the 01 July 2019 and information was submitted on the 9th July 2019</p>					
OMM 52			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 receiving information from municipal departments	Turnaround time	<p>Quarter 1 template was received on the 9th October 2017 and submitted on the 12th October 2017. Quarter 2 Back to Basics template was received on the 29th December 2017 and Submitted on 11 January 2018 which was 7 days working days turnaround time. Template for Quarter 3 Back to Basics was received on the 10th April 2018 and information submitted on the 11th April 2018. Template for Quarter 4 Back to Basics was received on the 9th July 2018 and information submitted on the 16th July 2018.</p>	Submission of the quarterly back to basics to Cogta within 5 working days after receiving information from Municipal Departments	none	Submission of the quarterly back to basics to Cogta within 12 working days after receiving information from Municipal Departments	<p>Back to Basics template for Quarter 1 was received on the 3rd October and submitted on the 10th October 2018 which was within 12 working days. Template for Quarter 2 Back to Basics was received on the 10th January 2019 and information submitted on the 14th January 2019. Template for Quarter 3 Back to Basics was received on the 3rd April 2019 and information submitted on the 11th April 2019. Template for Quarter 4 Back to Basics was received on the 9th 2019 and information submitted on the 11th July 2019.</p>	OPEX	Achieved	n/a	n/a	Proof of submission to COGTA and proof of receipt of template from COGTA

ASSESSMENT OF THE PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

TABLE 2: ASSESSMENT RATING SCALE

Terminology	Description	Rating				
		1	2	3	4	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.					5
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.					4
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.					3
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.					2
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.					1

TABLE 3: ASSESSMENT OF THE 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
SPARKS AND ELLIS (PTY) LTD	Supply And Delivery Of Fire And Traffic Uniform For 36 Months	3 years	4	None	None	None	Appointment letter/SLA
ETHOS TRANSPORT & ROAD SERVICES CC	Hire Of Water Tanker	2 Years	2	The truck provided is not in good condition and the operator is slow	User to communicate with the service provider to resolve the situation	None	Appointment letter/SLA
MAHLUBI TRANSPORT AND PLANT HIRE	Hire Of Lowbed	2 Years	3	The services provider has reported that they have under quoted	None	Awaiting a formal written letter based on the indicated challenge	Appointment letter/SLA
TRICIRCLE HARDWARE	Panel For Provision Of Building Material	3 Years	3	None	None	None	Appointment letter/SLA
BARGAIN UNIFORMS AND SPORTS	Supply And Delivery Of Protective Clothing For 36 Months (Re-Advert)	3 Years	4	None	None	None	Appointment letter/SLA
ALTECH NETSTAR	Supply And Installation Of The Tracker On Municipal Vehicle	3 Years	n/a	None	None	The contract is still on the inception stage, no rating can be done	Appointment letter/SLA

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Name of the Service Provider	Type of Service provided	Duration of service	Assessment of service provided	Challenges	Corrective Measure	Comment	Portfolio of Evidence
GOODERSON LEISURE COOPERATION	Panel For Provision Of Accommodation Services	3 Years	4	None	None	None	Appointment letter/SLA
AHA HOTEL AND LODGES, SOUTHERN SUN HOTEL INTEREST	Panel For Provision Of Accommodation Services	3 Years	3	None	None	None	Appointment letter/SLA
CITY OF CHOICE TRAVEL AND TOURS	Travel Agent	3 Years	4	None	None	None	Appointment letter/SLA
CELL C SERVICE PROVIDER	Provision Of Cellular Phones And Data Packages	4 Years	5	None	None		Appointment letter/SLA
THE DOCUMENT WAREHOUSE (PTY) LTD	Packaging And Offsite Storage	3 Years	4	None	None	None	Appointment letter/SLA
MTN	Provision Of Internet Service Provider	2 Years	4	Lately there is problem with the network	None	The service provider is working on the issue	Appointment letter/SLA
NDLALA MASS VALUATION SERVICES	Compilation Of Valuation Roll	5 Years	3	None	None	None	Appointment letter/SLA
FIDELITY CACH SOLUTIONS	Provision Of Security Cash Intransit For Banking Services	1 Year	4	None	None	None	Appointment letter/SLA

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Name of the Service Provider	Type of Service provided	Duration of service	Assessment of service provided	Challenges	Corrective Measure	Comment	Portfolio of Evidence
LATERAL UNISON INSURANCE BROKERS	Insurance Services For Municipal Assets	5 Years	4	None	None	None	Appointment letter/SLA
X-TEC PMB (XEROX)	Photocopying Machines	3 Years	3	Machines are always giving problems, Not responding on time.	The letter has been issued to the them to outlining the challenges	Not yet improved to meet our expectations	Appointment letter/SLA
HAHN COLLECTIONS (PTY) LTD	Debt Collection Services	3 Years	3	None	None	None	Appointment letter/SLA
SMART SECURE	Provision Of Security Services For Municipal Properties	3 Years	4	None	None	None	Appointment letter/SLA

2. CONCLUSION

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

Furthermore, in areas where performance was not achieved, we have provided reasons and remedial actions to ensure that performance is improved in the 2019/2020 financial year.

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

Municipal Manager

Mr. GM Sineke

CHAPTER 6 – AUDIT FINDINGS

AUDITOR-GENERAL FINDINGS AND ACTION PLAN FOR 2016/17

Report on the audit of the financial statements

Unqualifies 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

ACTION PLAN FOR 2016/17

NATURE OF THE QUERY	ACTION PLAN	RESPONSIBLE OFFICIAL	TARGET DATE	CURRENT STATUS
<p>1. Performance indicators were not well-defined</p> <p>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)</p>	<p>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.</p>	<p>Manager: IDP/ PMS</p>	<p>Not applicable</p>	<p>A template for the annexure was received from COGTA.</p> <p>IPD department had issues regarding the template and are currently consulting COGTA for a way forward</p> <p>The annexure will be part of POE submission in quarter 1 (2018/2019).</p> <p>IA Opinion: PARTIALLY CLEARED The IA unit has received the annexure template from PMS.</p> <p>Subsequently to the issues regarding the template, annexures were not included in the Q4 POE files.</p> <p>IA will follow-up to ensure that the Q1 POEs are submitted with the said annexures.</p>
<p>2. Bid specification not specifying minimum threshold for local production</p> <p>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.</p> <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>	<p>Payments in respect of these awards should be disclosed as irregular expenditure.</p> <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>	<p>Chief Financial Officer</p>	<p>Not applicable</p>	<p>This finding has been remedied.</p> <p>The matter was first tabled at the Finance Committee meeting on 13/02/2018, then at the EXCO meeting on 13/03/2018 and finally, at the Council meeting on 22/03/2018.</p> <p>The Council resolved to write-off the irregular expenditure amounting to R 448 983.00.</p> <p>The Council resolution is attached.</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: CLEARED The matter was tabled to the Finance Committee at a meeting on 13/02/2018, to EXCO on 13/03/2018 and finally, at the Council meeting held on 22/03/2018.</p> <p>The Council resolution is attached.</p>

<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> <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>	<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>	<p>Chief Financial Officer</p>	<p>Not applicable</p>	<p>This finding has been remedied.</p> <p>The matter was first tabled at the Finance Committee meeting on 13/02/2018, then at the EXCO meeting on 13/03/2018 and finally, at the Council meeting on 22/03/2018.</p> <p>The Council resolved to write-off the irregular expenditure amounting to R 448 983.00.</p> <p>The Council resolution is attached.</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: CLEARED</p> <p>The matter was tabled to the Finance Committee at a meeting on 13/02/2018, to EXCO on 13/03/2018 and finally, at the Council meeting held on 22/03/2018.</p> <p>The Council resolution is attached.</p>
<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>This results to a material non-compliance with the MFMA.</p>	<p>The accounting officer should improve his oversight over the implementation of the PMS checklist to confirm compliance with the MFMA.</p>	<p>Manager: IDP/ PMS</p>	<p>Not applicable</p>	<p>Going forth, the annual report will be published after the Council meeting. This financial year, Council sat on 25/01/2018, the annual report was published thereafter.</p> <p>IA Opinion: CLEARED</p> <p>Council sat on 25 January 2018. The notice was published in the Witness and Isolezwe newspapers 30 January 2018</p>
<p>5. Reported information not accurate</p> <p>The reported achievement for the following indicator was misstated as the evidence provided indicated otherwise:</p>	<p>The PMS manager should improve her review of the actual achievements of the APR against source documentation to confirm the validity, accuracy and completeness of reported achievements prior to the submission for audit</p>	<p>Manager: IDP/ PMS</p>	<p>30/06/2018</p>	<p>The PMS unit will be more diligent in checking POEs submitted against reported targets</p> <p>IA Opinion: CLEARED</p> <p>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>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 FMPPPI.</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 FMPPPI 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 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>	<p>Manager: IDP/ PMS</p>	<p>30/06/2018</p>	<p>The PMS unit has developed the SOPs. They will be included in the Audit Committee meeting on the 17th August 2018</p> <p>IA Opinion: CLEARED</p> <p>The IA unit has reviewed the draft SOPs and sent it back to PMS to be finalised.</p>
<p>7. Reported achievement is not consistent with planned and reported indicator and target</p>	<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>	<p>30/04/2018 revised</p>	<p>The PMS unit will be more diligent in checking POEs submitted against reported targets</p> <p>A checklist has been developed and is in use.</p> <p>Going forward, the IA unit will be more pro-active when reviewing the IDP, SDBIP and APR.</p> <p>IA Opinion: CLEARED</p> <p>The IA unit will continuously ensure that due care and diligence is exercised when auditing the POE files submitted for audit by the PMS unit.</p> <p>A checklist column has been added onto the organisational scorecard.</p>

<p>8. Awards to persons in service of the state</p> <p>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:</p>	<p>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 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>	<p>Chief Financial Officer</p>	<p>30/06/2018</p>	<p>The investigative process is still on going, The municipality has received the correspondence from work dynamics which state that petro SA is not part of the state neither nor the organ of the state as defined by s239 of the constitution</p> <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 two suppliers have been red-flagged and the municipality is no longer using suppliers</p> <p>The IA unit will follow-up until the investigative process is finalised.</p>
<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>	<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 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.</p>	<p>Chief Financial Officer</p>	<p>30/06/2018</p>	<p>The intangible assets impairment assessment methodology has been finalised and it was presented to council.</p> <p>IA Opinion: Cleared The IA unit has reviewed the intangible assets impairment assessment methodology it is in compliance with GRAP standards.</p>
<p>10. Copy of integrated development plan not timeously submitted to MEC for local government</p> <p>The amendment of the IDP was not timeously submitted to the MEC as required by the MSA</p>	<p>The accounting officer should improve his oversight over the implementation of the integrated development plan (IDP) checklist to confirm compliance with the MSA.</p>	<p>Manager: IDP/ PMS</p>	<p>Immediately</p>	<p>Going forth, in calculating days, weekends will also be included and not just working days.</p> <p>IA Opinion: CLEARED 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.</p>

AUDITOR-GENERAL FINDINGS AND ACTION PLAN FOR 2017/18

Qualified opinion

1. I have audited the financial statements of the Ubhlebezwe Municipality set out on pages 432 to 488, which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Ubhlebezwe Municipality as at 30 June 2018, 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, 2017 (Act No.3 of 2017) (Dora).

BASIS FOR QUALIFIED OPINION

REVENUE - PROPERTY RATES

3. The municipality did not recognise all revenue from property rates in accordance with GRAP 23, *Revenue from non-exchange transactions* due to a lack of controls in the billing of rates revenue. Consequently, property rates and trade receivables from non-exchange transactions disclosed in note 25 and 13 to the financial statements, respectively, is understated by R4,10 million.

EXPENDITURE

4. The financial statements were materially misstated as expenditure disclosed in contracted services and general expenses was incorrectly classified between the expenditure line items due to inadequate review of transactions within the expenditure. The effect of the misclassification between the expenditure in note 33 and 34 to the financial statements is R4,11 million and R5,84 million respectively.

IRREGULAR EXPENDITURE

5. The municipality did not record all irregular expenditure in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. This was due to inadequate internal controls for the identification of irregular expenditure. Consequently, irregular expenditure disclosed in note 45 to the financial statements is understated by R1,46 million.

CONTEXT FOR THE OPINION

6. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
7. 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.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion

EMPHASIS OF MATTERS

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

RESTATEMENT OF CORRESPONDING FIGURES

10. As disclosed in note 41 to the financial statements, the corresponding figures for 30 June 2017 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2018.

MATERIAL IMPAIRMENTS - TRADE RECEIVABLES

11. As disclosed in note 13 to the financial statements, material impairments of R23,88 million (2016-17: R18,82 million) was incurred as a result of an annual review of the recoverability of receivables.

OTHER MATTER

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

UNAUDITED DISCLOSURE NOTES

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

an opinion on it.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

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

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

16. 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.
17. 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

18. 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 development priority presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
19. 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.
20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2018:

Development priority	Pages in the annual performance report
<i>KPA 2: Basic service delivery and infrastructure development</i>	285 – 301

21. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance.

planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

22. The material findings in respect of the usefulness and reliability of the selected development priority are as follows:

KPA 2: Basic service delivery and infrastructure development

Percentage of households receiving refuse collection within Ubuhlebezwe jurisdiction by 30-Jun-18

23. The achievement for target 11.42% reported in the annual performance report was 11.42%. However, the supporting evidence provided did not agree to the reported achievement and indicated an estimated achievement of 4.18%.

Various indicators

24. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of 4 of the 12 indicators relating to this programme. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

Indicator description	Reported achievement	Audited value
Percentage of gravel roads constructed by 31-Mar-18	Harold Nxasana road achieved 100% completion on the 15th June 2018. Butateni road achieved 100% completion on the 14th February 2018 Mkhwanazi road achieved 100% completion on the 15th February 2018 Mncadi road achieved 100% completion on the 15th January 2018	0%
Percentage of gravel roads constructed by 30-Jun-18	Project achieved 92% completion by 30 June 2018.	0%
Percentage of constructed roads completed by 31- Mar-18	The construction of Chapel Street was at 87% by 30th June 2018.	0%
Percentage of constructed roads completed by 30-June-18	The project is at 65% complete	0%

ADJUSTMENT OF MATERIAL MISSTATEMENTS

27. Identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Basic service delivery and infrastructure development. As management subsequently corrected 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

28. 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.

29. The material findings on compliance with specific matters in key legislation are as follows:

CONSEQUENCE MANAGEMENT

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

ANNUAL FINANCIAL STATEMENTS

31. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

32. Amendments to the IDP were made without making the proposed amendments available for public comment, as required by section 34(b) of the MSA and municipal planning and performance management regulation 3(4)(b).

33. The local community was not invited to submit representations in connection with the 2016/17 annual report, as required by section 127(5)(a) of the MFMA.
34. The SDBIP for the year under review did not include monthly revenue projections by source of collection and the monthly operational and capital expenditure by vote as required by section 1 of the MFMA.

EXPENDITURE MANAGEMENT

35. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The value of R448 983, as disclosed in note 45, is not complete as management was still in the process of quantifying the full extent of the irregular expenditure. The majority of the disclosed irregular expenditure was caused by non compliance with municipal supply chain regulations.

ASSET MANAGEMENT

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

PROCUREMENT AND CONTRACT MANAGEMENT

37. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(a) and (c).
38. 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 Preferential Procurement Regulation 9(5). Similar non-compliance was also reported in the prior year.

Other information

39. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development priority presented in the annual performance report that have been specifically reported in this auditor's report.
40. 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.
41. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
42. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

43. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
44. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
45. Leadership did not perform effective oversight and monitoring to ensure that delegated officials consistently applied policies and procedures and related internal controls to achieve reliable and credible financial and performance reporting as well as compliance with applicable legislation.
46. Senior management did not implement adequate review procedures to ensure that the annual financial statements and annual performance report were accurately prepared and supported by reliable and credible information.

47. The internal audit unit did not perform a proactive review of the financial statements and annual performance report prior to submitting for auditing as well as review compliance with key legislation applicable to the municipality. The internal audit unit and audit committee did not adequately review the processes in place for risk identification and assessment.

Auditor-General

Pietermaritzburg

30 November 2018



AUDIT ACTION PLAN 2017/18

Audit query	Audit finding	Internal Control Deficiency	Action required	Responsible Department/ official	Target date	Current status
Revenue	Understatement of property rates	Management did not ensure that the annual update to the system's valuation roll was implemented in the billing system. The CFO did not ensure that reconciliation between the billing system and the valuation roll are performed to ensure that categorization of properties and property values are accurate and complete.	The CFO should ensure that reconciliation between billing system and valuation roll (general and supplementary valuations) is done annually. Any reconciling items should be investigated. A billing module in the financial system should be able to produce system generated reconciliation. Previous year's valuation roll should be used for comparison.	BTO - CFO	28/02/2019	BTO- the reconcilliation was done and it still confirms the amount reported as at 30 June 2018. The investigation was done and the reconcilliation was perfomed again however we did not have a chance to present it to AG, currently we still need to compare auditors calculations and the calculations we have. There is a report that can be pulled from the system which shows all the properties billed and we compare it manually with the valuation roll. The 2018.2019 valuation roll has been loaded in the system and the reconcillion was performed as at 31 July 2018 and it will be done again at 30 June 2019.

Property, Plant and Equipment	Work in progress (WIP) not appropriately disclosed	The Chief Financial Officer (CFO) and internal audit did not perform an adequate review of the financial statement to confirm compliance with the requirements of GRAP	<p>Reconciliation should be performed by staff with the knowledge of construction with BTO in order to update the cost of the project under construction and also updating the component register.</p> <p>The register should be updated by taking into consideration amount of expenditure incurred relating to each component and as a tool to track performance.</p>	<p>BTO: Asset Manager</p> <p>IPD: PMU Manager</p>	28/02/2019	This was corrected during the audit , Asset management will ensure that the Work In Progress is disclosed as per GRAP requirements. Individual projects reconciliation are performed monthly to ensure expenditure is allocated correctly for capital projects.
Procurement and contract management	Competitive process was not followed for procurement of services with the value more than R200 000	The accounting officer did not ensure that all required processes are duly followed prior to approving the award.	An irregular expenditure was incurred and it should be investigated by the relevant structures.	<p>OMM – Municipal Manager</p> <p>BTO: SCM Manager</p>		The SCM Irregular expenditure report would be reported to finance Committee on the 14 February 2019 for noting and Recommendations for onward submission to MPAC ,then after investigated by MPAC ,its will be submitted to council to approve for condonation on non condonations then that report would also further

						submitted to Provincial treasury for approval.
Procurement and contract management	Procurement processes not followed for the purchase of goods and services	The accounting officer did not ensure that all required processes are duly followed prior to approving payment of good and services	An irregular expenditure was incurred and it should be investigated by the relevant structures. The reasons for not obtaining three quotes should be documented and approved by CFO	OMM – Municipal Manager BTO - CFO -SCM Manager		The SCM section will develop a form and document reasons why they accepted quotes less than three, as well as processes followed. The SCM Irregular expenditure report would be reported to finance Committee on the 14 February 2019 for noting and Recommendations for onward submission to MPAC ,then after investigated by MPAC ,its will be submitted to council to approve for condonation on non condonations.then that report would also further submitted to Provincial treasury for approval.

Procurement and contract management	No procurement processes followed for the upgrade of accounting system	The accounting officer did not ensure that all required processes are duly followed prior to approving the award	An irregular expenditure was incurred and it should be followed up	OMM - Municipal Manager		The SCM Irregular expenditure report would be reported to finance Committee on the 14 February 2019 for noting and Recommendations for onward submission to MPAC ,then after investigated by MPAC ,its will be submitted to council to approve for condonation on non condonations.then that report would also further submitted to Provincial treasury for approval.
Procurement and contract management	Bid not advertised for the required minimum period	The bid evaluation committee did not ensure compliance with the preferential procurement regulations before recommending the award. The bid adjudication committee did not adequately review compliance with the preferential procurement regulations before approving the recommendation by the bid evaluation committee.	The relevant structure should commence with investigation as required by legislation.	OMM - Municipal Manager		The SCM Irregular expenditure report would be reported to finance Committee on the 14 February 2019 for noting and Recommendations for onward submission to MPAC ,then after investigated by MPAC ,its will be submitted to council to approve for condonation on non condonations.then that report would also further submitted to Provincial treasury for approval.

Procurement and contract management	PPPFA requirements not followed for evaluation of quotations	The SCM Manager did not exercise oversight on subsequent appointment of a supplier after the BEC did not get a supplier who met the product.	A compliance checklist should be developed and be implemented by the SCM unit to avoid recurrence of non-compliance. Irregular expenditure should be disclosed and investigated.	OMM: Municipal Manager BTO: CFO & SCM Manager		
Procurement and contract management	Reasons for not obtaining 3 quotations are not documented and approved	The bid evaluation committee did not document the reasons for obtaining less than three quotations The CFO did not obtain documented reasons for less than three quotations received before approving the recommendation from the bid evaluation committee.	The reasons for appointing with less than three quotations should be documented for approval by the CFO	BTO - CFO Manager SCM		The SCM section will develop a form and document reasons why they accepted quotes less than three, as well as processes followed.

Procurement and contract management	Winning service provider did not meet the minimum threshold for local production and content	The Supply Chain Manager did not diligently review compliance with Preferential Procurement Regulations before recommending the award to the accounting officer.	A compliance checklist should be developed and be implemented by the SCM unit to avoid recurrence of non-compliance. Irregular expenditure should be disclosed and investigated.	BTO - CFO Manager SCM	30-Jun-19	The municipality has requested training from DTI to capacitate members of bid committees. The SCM Irregular expenditure report would be reported to finance Committee on the 14 February 2019 for noting and Recommendations for onward submission to MPAC ,then after investigated by MPAC ,its will be submitted to council to approve for condonation on non condonations.then that report would also further submitted to Provincial treasury for approval.
Procurement and contract management	Awards to persons in the service of state	The accounting officer did not implement additional controls to be able to detect suppliers interest to avoid repeat findings and possible fraud.	The municipality should request assistance from Provincial Treasury with this regard. There should be a clause in the contracts stating that if a Director of a winning bidder is found to be in the service of state that contract will be terminated and there will be consequences.	BTO: CFO & SCM Manager		The BTO was certain that these people were not in the service of the state ,we visited Msunduzi Municipality to get the proof that these people are not in the service of the state.One was the pensioner so Msunduzi is only paying medical aid potion for them.One was the resigned intern.

Cash and cash equivalents	Bank reconciliation cash book balance does not agree to the balance as per the AFS	Management did not perform an adequate review of the financial statements to ensure that the financial statements submitted for audit are supported by accurate underlying records.	Bank reconciliations should be performed and reviewed monthly in order to detect reconciling items of time.	BTO: BUDGET MANAGER CFO & Assistant CFO		Bank recorns are prepared ,Reviewed and authorised on a monthly basis. We will ensure that there are no journlas or transactions posted after the trial balance has been taken for Annual Financial Statements.
Expenditure	Incorrect classification of expenditure.	The CFO did not adequately review the annual financial statements and review the items within general expenses to ensure that amounts are accurate and classified accordingly	To confirm the reliability of the expenditure the CFO should review the expenditure items to confirm the accurate allocation. A reconciliation between expenditure section and budget section to confirm the accuracy of the item.	BTO: CFO & Assistant CFO	Quarterly	Budget unit and expenditure unit analyses the expenditure on the votes against the vouchers to ensure that the expenditure is classified correctly on the system.
Consequence Management	Irregular and fruitless expenditure were not investigated	The accounting officer did not adequately monitor investigations of irregular expenditure and fruitless and wasteful expenditure incurred in the prior year.	The Accounting Officer should ensure that MPAC sits as per legislation. MPAC should ensure that the all irregular expenditure is investigated. The MPAC report should be tabled to Council.	OMM- Municipal Manager		Irregular ,Fruiless and wasteful expenditure report will be submitted to MPAC on the 13 February 2019.

Consequence Management	No evidence of investigation of irregular expenditure and approval of condonation	The accounting officer did not exercise adequate oversight responsibility regarding compliance with laws and regulations relating to condonation of irregular expenditure.	Consequent management should be constituted against officials identified to be liable for the incurrence of irregular, fruitless and wasteful expenditure. Irregular expenditure should only be condoned by the Council after an investigation has been investigated by the MPAC.	OMM- Municipal Manager		The Municipal Manager awaits for the report from MPAC and council, then He will act accordingly on their recommendations.
Investments	Investment account in a bank not registered in terms of the bank Act	The accounting officer did not exercise oversight in ensuring that the legislation over cash management and investment is complied with.	The Accounting Officer should ensure that: <ul style="list-style-type: none"> The municipality comply with Local Government: Municipal Finance Management Act, Section 7 (3). The municipality comply with requirements of Regulation 6: Permitted investments which states that a municipality may 	BTO - CFO	30-Apr-19	The maturity date of the investment will be April 2019 (IThala Bank 30 April 2019). The municipality will incur penalties if the investment is recalled and that loss will be fruitless expenditure. The municipality will not reinvest at Ithala Bank for future. Currently the statement is closely monitored.

			invest fund only in any investment types listed in the regulations.			
Strategic planning and performance management	Amended SDBIP/IDP - No opportunity allowed for public comments	The accounting officer did not design and implement adequate controls and checklist over information sent for publishing to ensure that all necessary information is stated on adverts	The Accounting Officer should ensure that all public notices are reviewed and before publishing the notice ensure that all compliance requirements are included.	OMM – Manager: IDP & PMS	31-Mar-19	The advert notifying the public of the proposed amendments to the SDBIP/IDP will clearly state that the community can submit their representation if they have any. A checklist will be created to ensure that all required information is included for compliance purposes.
Pre-determined objectives	Local community not invited to submit representations on Annual Report	The accounting officer did not design and implement adequate controls and checklist over information sent for publishing to ensure that all necessary	The advert should clearly specify that the community can submit their representation if any	OMM – Manager: IDP & PMS	31-Mar-19	The Public notice for the 2017/18 annual report clearly states that the local community may submit representation to the annual report if they have any.

		information is stated on adverts				
	Projections of revenue and expenditure not indicated in the SDBIP	The accounting officer did not develop checklist to confirm it complies with MFMA	The Manager IDP& PMS should ensure that the SDBIP template comply with the requirements of the MFMA; and disclose projections of revenue and expenditure. The Internal Audit perform reviews to ensure the credibility of the document.	OMM – Manager: IDP & PMS	31-Mar-19	SDBIP for 2018/19 will be amended to include monthly revenue projections by source of collection and the monthly operational and capital expenditure by vote. Internal Audit will perform reviews to ensure credibility of documents.

Pre-determined objectives	Reported outputs not valid and accurate.	The IDP/PMS Manager did not ensure that valid and accurate evidence is filed in support of the reported achievements disclosed in the APR.	To confirm the reliability of the reported information, the PMS and Internal Audit should verify the reported quarterly and annual percentages/ targets using the pre-defined sources and supporting documents	OMM – Manager: IDP & PMS	31-Mar-19	<p>The aspect that resulted in a different outcome in percentages was that of the source that was used to calculate the percentage which is data from STATS SA, database collected by our Department of Social Development from Wards and billing report from our Revenue section.</p> <p>Going forward we will adjust the POE and use a more reliable source which is to rely on our own Revenue Section to provide the number of households where refuse is collected. Target and supporting documents (POE) have been adjusted.</p>
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Pre-determined objectives	Reported outputs not valid and accurate.	The IDP/PMS Manager did not ensure that valid and accurate evidence is filed in support of the reported achievements disclosed in the APR.	To confirm the reliability of the reported information, the PMS and Internal Audit should verify the reported quarterly and annual percentages/ targets using the pre-defined sources and supporting documents.	OMM – Manager: IDP & PMS	31-Mar-19	On an ongoing basis, IPD will provide a fully detailed report, with calculations when reporting on the indicators for Roads, electricity, halls, sports field and any other constructed infrastructure with percentages and kilometre. The report must detail the percentage of work done in that quarter with the percentage of each task performed explained as well, in order to ensure that all the required information for the pre-determined source is available. When auditing PMS quarterly, Internal Audit will recalculate the figures provided, using the information provided by IPD for accuracy.
Information Technology	IT Governance Framework incomplete	The ICT Manager did not ensure that a complete IT Governance Framework is in place and implemented by the municipality.	IT Manager should include the provisions of the framework for Council adoption	Corporate Services: IT Manager	31-May-19	Included provisions for IT Governance framework as per AG recommendation and will review policy with Internal Audit while we advertize for Governance specialist to help recraft and identify other shortfalls on the Framework and in the enviroment for the

						Framework to be adopted by Council in Quarter 4.
Information Technology	IT security policy not meeting minimum requirements	The ICT Manager did not ensure that a complete IT security policy is in place and implemented	The policy should include minimum requirement and be adopted by Council.	Corporate Services: IT Manager	31-May-19	Included provisions for IT Governance framework as per AG recommendation and will review policy with Internal Audit while we advertise for Governance specialist to help recraft and identify other shortfalls on the Framework and in the environment for the Framework to be adopted by Council in Quarter 4.
Information Technology	User access policy not meeting minimum requirements	The ICT Manager did not ensure that user access policy is in place and implemented within the municipality	The policy should be amended to include all the requirements, and be adopted by Council.	Corporate Services: IT Manager	31-May-19	Included all the minimum requirements on the policy as per AG recommendation and the policy will be reviewed with Internal Audit unit while we advertise for Governance specialist to help recraft and identify other shortfalls on the policy. Implementation will proceed should there be a required change within the IT environment but adoption

						of the new policy will be in in Quarter 4.
Information Technology	Program change policy not meeting minimum requirements	The ICT Manager did not ensure that a complete program change policy is in place and implemented within the municipality	The policy should be amended to include all the requirements, and be adopted by Council.	Corporate Services: IT Manager	31-May-19	Included all the requirements on the policy as per AG recommendandation and the policy will be reviewed with Internal Audit unit while we advertize for Governance specialist to help recraft and identify other shortfalls on the policy. Implementation will proceed should the be a required change within the IT enviroment but adoption of the new polic will be in in Quarter 4.
Information Technology	Disaster Recovery Plan not meeting minimum requirements	Management had not implemented adequate preventative controls to ensure that adequate continuity arrangements exist in the event of disaster.	The recovery plan should be amended and preventatative controls confirming continuity be documented. The plan should be adopted by Council	Corporate Services: IT Manager	31-Mar-19	Tender was advertized via SCM for Disaster Recovery and Business Continuity Plan implementation and testing. The tender is currently in its evaluation phase.

Information Technology	No formal change request form done for upgrade of SAMRAS	Management did not ensure that formal change management policies and procedures are implemented and monitored, especially when vendors have access to the organisation's systems and data.	Policies and procedures for change request should be documented and adopted by Council.	Corporate Services: IT Manager		IT unit disputed the finding and furnished AG with supporting documentation for the year 2017-2018.
Property, plant and equipment	Inaccurate depreciation	The CFO and Asset Manager did not adequately review the depreciation calculations on fixed asset register prior to submission of audit to ensure that the relevant variables for calculation of depreciation are accurately recorded	The management should review the FAR and confirm depreciation amounts.	BTO - CFO & Asset Manager	18/03/2019	The depreciation calculation was corrected during the audit . To ensure that the depreciation calculation is correctly calculated in the system there is an ongoing investigation and correction by Bytes senoir developer and a scheduled traning and hand holding for all asset management personnel.
Property, plant and equipment	Incorrect capitalization amounts	Management did not perform an adequate review of recording of expenditure on assets to ensure that VAT is correctly accounted for.	Management should develop a checklist of payments submitted to ensure accuracy.	BTO - CFO	Monthly	Individual projects reconcilliation are performed monthly to unsure expenditure is allocated correctly for capital projects. The capital projects u keys (votes) are set on the system to automatically take the VAT percentage however we also review the invioces when reviewing the individual project reconcilliation.

Property, plant and equipment	Incorrect classification in the FAR	Management did not perform adequate review of the FAR to ensure that items are classified consistently with results of the physical verification	Management should conduct a review of the FAR to identify any errors.	BTO -BUDGET MANAGER , CFO & Asset Manager	18/03/2019	We have started the verification of assets and we correct all the assets descriptions and we will also go through the asset types during the handholding and training.
Revenue and Receivables	Comparative amounts do not agree with prior year AFS	Management did not perform adequate review of the financial statements to ensure that the financial statements submitted for audit are accurate and complete.	Management should investigate the difference identified.	BTO -BUDGET MANAGER , CFO & Assistant CFO	Bi Annually and Annually	This finding was corrected during the audit.Management will ensure that AFS are reviewed before submission.
Revenue and Receivables	Differences between AFS and debtors age analysis	The CFO and internal audit did not adequately review annual financial statements prior to submission for audit to ensure that disclosures made for receivables is supported by complete and accurate debtors age analysis	Management should investigate the difference identified.	BTO - MANAGER BUDGET, CFO & Assistant CFO	Monthly	This finding was corrected during the audit.Management will ensure that AFS are reviewed before submission. We perform debtors reconciliation on monthly basis.
Revenue and Receivables	Incomplete recording of revenue from licenses and permits	The CFO did not design procedures and controls to ensure that revenue from licenses and permits is recognised in accordance with GRAP.	Management should ensure that monthly reconciliations are performed and reviewed.	BTO - BUDGET MANAGER ,CFO & Assistant CFO	Monthly	This finding was corrected during the audit.Management will ensure that there is a proper recording for Licenses and permits.From July 2019 ,We prepare monthly reconciliation for Fines issued versus Fines Captured in the system.

Revenue and Receivables	Debtors classified as Indigent without meeting the criteria.	The accounting officer did not develop control procedures to identify consumers who are employed within the municipality and other government institutions, registered as directors and deceased to confirm the gross income from such employment or business and the validity of the consumer as an indigent debtor. Approval of indigent debtors is performed by a data capturer without any review procedures by management to confirm that only consumers who fulfil all criteria per indigent policy are approved as indigent consumers.	Annual update of the Indigent register should be conducted. Management should involve Ward Councillors for confirmation.	BTO - BUDGET MANAGER ,CFO & Assistant CFO	Annually	This finding was resolved during the audit.BTO has the indigent register that is revised annually and indeed they are all confirmed by ward councillors.
Payables from exchange transactions	Retention overstated in the AFS	Management did not perform an adequate review of the financial statements to ensure that the financial statements submitted for audit are supported by accurate underlying records	Management should ensure that reconciliations are performed and reviewed to compare the budget and expenditure from both finance department and IPD departments	BTO -BUDGET MANAGER , CFO & Assistant CFO Director: IPD	Monthly	This finding was corrected during the audit.Management will ensure that AFS are reviewed before submission.There is monthly retention register to ensure that there is no excess on retention raised.

Cash and cash equivalents	Discrepancies in cash and cash equivalents	Management did not perform an adequate review of the bank reconciliation to ensure financial statements submitted for audit supported by reliable underlying records.	Management should investigate the difference identified.	BTO - CFO & Assistant CFO	Monthly	This finding was corrected during the audit. Management will ensure that AFS are reviewed before submission. Bank reconciliations are prepared, reviewed and authorised monthly.
Consequent management	Financial misconduct that constitute a crime committed by an official was not reported to the South African Police Service	The accounting officer did not adequately monitor investigations on the financial misconduct to ensure full compliance with legislation.	Management should ensure that any act of theft should be reported to the South African Police Services.	OMM - Municipal Manager		

Report on the audit of the financial statements

Qualified opinion

I have audited the financial statements of the Ubuhlebezwe Local Municipality set out from page 360 which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Ubuhlebezwe Local Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting 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 Division of Revenue Act of South Africa, 2018 (Act No.1 of 2018) (Dora).

Basis for qualified opinion

Payables from exchange transactions

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

Property, plant and equipment

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

Irregular expenditure

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

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

Context for the opinion

I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

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

Emphasis of matter

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

Material impairments

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

Other matter

I draw attention to the matter below.

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

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

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

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

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.

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

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 development priority presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

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/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2019:

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

I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

I did not raise any material findings on the usefulness and reliability of the reported performance information for this development priority.

Other matters

I draw attention to the matters below.

Achievement of planned targets

The annual performance report on 230 to 295 sets out information on the achievement of planned targets for the year and explanations provided for the under and over-achievement of a significant number of targets.

Adjustment of material misstatements

I identified material misstatements in the annual performance report submitted for auditing.

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

Report on the audit of compliance with legislation

Introduction and scope

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.

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

Annual financial statements

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

Asset management

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

Expenditure management

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

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

Revenue management

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

Consequence management

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

Procurement and contract management

Some of the quotations were accepted from bidders and some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.

Competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2).

<h2>Other information</h2>

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development priority presented in the annual performance report that have been specifically reported in this auditor's report.

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.

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance

report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Internal control deficiencies

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

Leadership did not ensure that effective measures were taken to address previous findings to support the achievement of credible reporting and compliance with legislative requirements.

Management did not implement a proper records management system in support of accruals under payables from exchange transactions.

Non-compliance with key legislation could have been prevented, had management updated and regularly monitored adherence to their compliance checklists.

Pietermaritzburg

30 November 2019



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

AUDIT ACTION PLAN FOR 2018/19 :

Audit finding	Internal Control Deficiency	Action required	Responsible Department/ official	Target date	Current status
Trade Payables not agreeing to supporting schedules	Management did not perform an adequate review of the payables from exchange transaction disclosure against underlying records to confirm accuracy in the financial statements.	The CFO should ensure that an amount of R1 414 396 is investigated and all avenues should be exhausted to ensure there is enough evidence to substantiate and validate a liability in question which emanated from the previous years. The following action and corrective measures will be performed; 1. A notice will be sent through media platforms to suppliers to check if there are still any payments due to them for any work performed which relates to 2016/17 and 2017/2018 financial year's, Suppliers will be required to submit individual accounts reconciliation with supporting documents such as valid purchase orders etc which will be verified against our	BTO - Budget and Reporting Manager	31-Jan-20	A draft notice has been prepared and will be submitted to the ACFO for review.

		<p>internal records and reasons why they did not furnish us with invoices and follow ups if they submitted invoices, Sworn affidavit where they bind themselves about the correctness of the information submitted to us to avoid chancers, fraudulent and invalid claims. 2. CFO will evaluate all claims recieved and submit recommendations to internal audit for verification and validation. 3. Once all processes have been performed a submission by an Accounting Officer to council for write off will be made as a last resort in ensuring that this is resovled.</p>			
BAC is not constituted in terms of Regulation.	<p>The bid evaluation committee did not ensure compliance with the preferential procurement regulations before recommending the award.</p> <p>The bid adjudication</p>	<p>The relevant structure should commence with investigation as required by legislation.</p>	<p>OMM - Municipal Manager</p>	<p>31- Jan-20</p>	<p>The SCM Irregular expenditure report would be reported to finance Committee on the 14 February 2019 for noting and Recommendations for onward submission to MPAC ,then after investigated by MPAC ,its will be</p>

	committee did not adequately review compliance with the preferential procurement regulations before approving the recommendation by the bid evaluation committee.				submitted to council to approve for condonation on non condonations.then that report would also further submitted to Provincial treasury for approval.
Properties with Zero balance	Management did not perform adequate review of the FAR to ensure that items are classified consistently with results of the physical verification	Management should conduct a review of the FAR to identify any errors.	BTO - CFO & Asset Manager	30-Jun-20	We will involve experts in resolving the issue of zero book value assets, the process will start as soon as the FAR import to sage evolution is completed we will also seek guidance from MFMIP specialist in this regard
Reasons for not obtaining 3 quotations are not documented and approved	The bid evaluation committee did not document the reasons for obtaining less than three quotations The CFO did not obtain documented reasons for less than three quotations	The reasons for appointing with less than three quotations should be documented for approval by the CFO	BTO - CFO Manager SCM	31-Mar-20	The SCM section will develop a form and document reasons why they accepted quotes less than three, as well as processes followed.

	received before approving the recommendation from the bid evaluation committee.				
Winning service provider did not meet the minimum threshold for local production and content	The Supply Chain Manager did not diligently review compliance with Preferential Procurement Regulations before recommending the award to the accounting officer.	A compliance checklist should be developed and be implemented by the SCM unit to avoid recurrence of non-compliance. Irregular expenditure should be disclosed and investigated.	BTO - CFO Manager SCM	30-Jun-20	The municipality has requested training from DTI to capacitate members of bid committees. The SCM Irregular expenditure report would be reported to finance Committee on the 14 February 2019 for noting and Recommendations for onward submission to MPAC ,then after investigated by MPAC ,its will be submitted to council to approve for condonation on non condonations.then that report would also further submitted to Provincial treasury for approval.
Irregular and fruitless expenditure	The accounting officer did not adequately monitor	The Accounting Officer should ensure that MPAC sits as per legislation.	OMM- Municipal Manager	30-Jun-20	Irregular ,Fruileless and wasteful expenditure report was submitted to

were not investigated	investigations of irregular expenditure and fruitless and wasteful expenditure incurred in the prior year.	MPAC should ensure that the all irregular expenditure is investigated. The MPAC report should be tabled to Council.			MPAC on the 12 December 2019.
No evidence of investigation of irregular expenditure and approval of condonation	The accounting officer did not exercise adequate oversight responsibility regarding compliance with laws and regulations relating to condonation of irregular expenditure.	Consequent management should be constituted against officials identified to be liable for the incurrence of irregular, fruitless and wasteful expenditure Irregular expenditure should only be condoned by the Council after an investigation has been investigated by the MPAC.	OMM- Municipal Manager	30- Jun-20	The Municipal Manager awaits for the report from MPAC and council ,then He will act accordingly on their recommendations.
Inaccurate depreciation	The CFO and Asset Manager did not adequately review the depreciation calculations on fixed asset register prior to submission of audit to ensure that the relevant variables for calculation of depreciation are accurately recorded	The management should review the FAR and confirm depreciation amounts.	BTO - CFO & Asset Manager	30- May-20	The audited Fixed Asset Register will be imported to the asset management system and the depreciation will be calculated on the system and before the submission of AFS we will do a manual re-calculation to ensure accuracy/

Incorrect classification in the FAR	Management did not perform adequate review of the FAR to ensure that items are classified consistently with results of the physical verification	Management should conduct a review of the FAR to identify any errors.	BTO - CFO & Asset Manager	30-May-20	We have started the verification of assets and correct all the assets descriptions and we will aslo go through the asset types during the handholding and traning.
Financial misconduct that constitute a crime committed by an official was not reported to the South African Police Service	The accounting officer did not adequately monitor investigations on the financial misconduct to ensure full compliance with legislation.	Management should ensure that any act of theft should be reported to the South African Police Services.	OMM - Municipal Manager	30-May-20	
Interest not levied on arrear consumer accounts	The management did not monitor adherence to its debt policy and the 2018/19 rates assessment to confirm that interest is levied on overdue accounts	The submission relating to 2019/2020 was sent to council and permission not charge interest was approved together with the tariff policy, resolution is available for validation and verification.	BTO - Budget and Reporting Manager	30-Dec-19	The item submitted to council and resolution has been obtained and filed for audit purposes.
Suppliers not paid within 30 days	management did not implement an invoice received register at the	For 2019/2020 financial year, all invoices are received, recorded and distributed by	BTO - Budget and Reporting Manager	30-Dec-19	All invoices are submitted to creditors section and the register is kept for

	municipality to monitor long overdue invoices	creditors section to ensure that there is one central point which monitors the movement of invoices from creditors to user departments for approval to ensure that payments to suppliers are paid within the prescribed timelines stipulated by MFMA.			monitoring purposes as from the beginning of the financial year.
No movement in unspent conditional grants	management did not implement proper record keeping in a timely	Funders have been informed about these monies but we have only received one response for Sancwaba Grant and they confirmed the existence of the liability and will give us direction on the way forward thereto, we are still awaiting responses for other grants.	BTO - Budget and Reporting Manager	31-Mar-20	Only one response received and awaiting for other funders to respond.

REFERENCE

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

The Audit and Performance Audit Committee (APAC) is pleased to present its report for the financial year end 30 June 2019 to be included in the Annual Report. This report is in compliance with the requirements of the Municipal Finance Management Act.

- ✓ Meeting attendance of APAC members with term of office expired on 30 June 2019 is set out in the report
- ✓ Details of fees paid to the committee members will appear in the annual financial statements

Audit and Performance Audit Committee members and attendance

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

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

Members	Capacity	Annual Meetings	Attended
Dr. S.P. Zulu	Chairperson	4	6
Mrs. N. Shabalala	Member	4	6
Mr. R. Bowyer	Member	4	2

**There were two special meetings held during the year

**Mr. Bowyer attended two meetings during the year due to health reasons

** There was no vacancy on the committee during the year.

Appointment of new Audit and Performance Audi Committee members

The new APAC members were appointed with effect from 1st July 2019, for a period of three (3) years following the approval of appointment by Municipal Council;

- ✓ Mr. T.W. Tsabo – Chairperson
- ✓ Mr. D. Mpanza – Member
- ✓ Mr. J. Mhlongo – Member
- ✓ Mr. M. Litile - Member
- ✓ Mrs. N.R. Shabalala – Member (contract extended for a period of six (6) months to give support to the new members).

COMMITTEE MANDATE AND FUNCTIONING

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

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

The purpose of this report is to report work conducted by the APAC during the year and the

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

The MFMA obliges every Municipality to establish an independent Audit Committee, which must advise the Municipal Council, Political Office Bearers, Accounting Officer and Management Staff of the Municipality on the matters relating to Internal Financial Controls , Internal Audit, Risk Management, Accounting Policies, the Adequacy, Reliability and Accuracy of Financial Reporting, Performance Management, Effective Governance, Compliance with the MFMA and annual Division of Revenue Act (DoRA) and any other applicable legislation and any other issues referred to it by the Municipality.

REVIEW AND EVALUATION OF ANNUAL FINANCIAL STATEMENTS

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

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

EFFECTIVENESS OF INTERNAL CONTROLS

The Committee has considered the work performed by the Internal Audit on a quarterly basis and has reviewed the findings by the Auditor General on internal controls for the year ended 30 June 2018. The Committee notes that there has been improvement in internal controls in the areas of financial statements, performance reporting and compliance with legislation.

In line with section 62 (c) (ii) of the MFMA, Internal Audit provides the Committee and Management with reasonable assurance that the internal controls are adequate and effective. Though the 2018/2019 approved risk-based internal audit plan has not been fully achieved, Internal Audit assessed the adequacy of controls mitigating risks and the Audit and Performance Audit Committee monitored implementation of the corrective actions.

The following assurance engagements were approved in the 2018/2019 Internal Audit Plan:

- ✓ 2017/18 Annual Financial Statements review
- ✓ Section 71 reviews
- ✓ Audit of performance Information – Quarterly
- ✓ 2018/19 Interim Financial Statements review
- ✓ Supply Chain Management
- ✓ Cemetery Management
- ✓ Fleet Management
- ✓ Human Resource Management
- ✓ Project Management Unit
- ✓ Payroll
- ✓ IT: General Controls
- ✓ Asset Management
- ✓ Employee Assistance Programme

The following engagements are still in progress:

- Human Resource Management
- Payroll
- Supply Chain Management
- Quarter 4 – Audit of Performance Information

Listed hereunder are the engagements that will be rolled over to the 2019/2020 financial year:

- ✓ Asset Management
- ✓ Project Management Unit
- ✓ Employee Assistance Programme

The following areas still attention:

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

The committee further wishes to draw attention to the following areas:

Information Systems

The Municipality has implemented a new financial system as well as HR/payroll system during the year under review to ensure compliance with the mSCOA requirements. An Internal Audit review was conducted to evaluate the effectiveness of the processes and controls surrounding the implementation of the new financial system.

The skills were not fully transferred to the system users by the service provider. The business case, Project Management Methodology as well as Project Implementation Plan were not documented prior implementation of the new system.

The Municipality had made progress to improve controls over IT systems including user access, security management and documentation of policies. Disaster Recovery Plan has not been implemented, the Municipality has appointed the service provider to address the matter and other related issues.

Resolving Internal Control Findings

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

INTERNAL AUDIT FUNCTION

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

The Internal Audit Manager was appointed effective 03 December 2018. Currently the Internal Audit is comprised of 3 staff, namely 2 Internal Auditors under the supervision of the Internal Audit Manager.

In terms of the risk-based audit plan approved by Audit Committee, the Internal Audit has performed 75% of the planned engagements for 2018/2019 financial year; including those currently in progress. The outstanding projects will be included in the plan as rolled over projects and the approval from the APAC should be requested. The outstanding projects are the review of asset management, review of project management unit and review of employee assistance programme. During the risk assessment session conducted for

2019/2020 financial, these were also identified as risks that may pose threat to the achievement of the Municipal objectives.

RISK MANAGEMENT

The Audit Committee is responsible for the oversight of the Risk Management Function.

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

To ensure the effectiveness of the Risk Management Committee, the Municipality appointed an Independent Risk Management Chairperson, and the reports of the committee are presented to the APAC.

It is important to note that the committee is expected to sit 4 times a year; however the Chairperson was also invited to two special meetings organized by APAC during the year.

The Municipality has conducted risk assessments, strategic risk assessment as well as operational risk assessment in May 2019 and June 2019 and assistance has been requested from the Provincial Treasury.

PERFORMANCE MANAGEMENT

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

- ✓ Annual Financial Statements for the year ended 30 June 2018,
- ✓ Quarterly performance evaluation reports prepared by the Internal Audit as per section 45 of the Local Government: Municipal Systems Act, No. 32 of 2000,
- ✓ Internal Audit reports,
- ✓ Financial Status of the Municipality

Inaccurate, incomplete and non-submission of portfolios of evidence have been identified and the departments are expected to improve.

INDEPENDENCE STATEMENT

The External Audit activities are performed by the Office of the Auditor General (SA). The Internal Audit activities are completed by an Internal Audit Activity that

performs the work in terms of an Internal Audit Charter and an audit plan approved by the Audit and Performance Audit Committee.

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

The APAC humbly request council to note the contents of this report and accept same.



Signed at Ixopo on 30 July 2019 by APAC Chairperson: TW
Tsabo

APPENDIX B – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2018 to 30 June 2019		
Position	Name	Description of Financial Interests
Mayor	Cllr ZD Nxumalo	None
Deputy Mayor, Exco Member	Cllr EB Ngubo	None
Exco Member	Cllr ET Shoba	None
Exco Member	Cllr GJ Ngcongco	None
Municipal Manager	Mr GM Sineke	None
Social Development Director	Ms NC Mohau	None
Infrastructure Planning & Development Director	Mrs S Ndebele	None

VOLUME II
AUDITED ANNUAL FINANCIAL STATEMENTS
2018/2019



UBUHLEBEZWE LOCAL MUNICIPALITY
(DERMACATION CODE KZN 434)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

General Information

Mayoral Committee

His worship, The Mayor

Z D Nxumalo

Cllr.Ngubo E.B (Deputy Mayor)

Councillors

Cllr.Mngoyama C.Z (Speaker)

Cllr. Shabalala Z.M

Cllr. Mkhize T.T

Cllr.Caluza B. M

Cllr.Ndlovu P

Cllr.Dlamini T.C.

Cllr.Ndlovu M.C

Cllr. Mkhize V.C

Cllr. Jili N.Z

Cllr. Jili H.C

Cllr.Ngcongo G. J

Cllr.Maluleka S.P

Cllr.Radebe N.G

Cllr. Khumalo Z.C

Cllr. Mdunge N.M

Cllr.Mpungose P.B

Cllr. Msimango S.M

Cllr.Ntabeni C.N

Cllr. Nxumalo T.B

Cllr. Shoba E.T

Cllr. Khuboni B.M

Cllr. Nkontwana M.C

Cllr. Zulu B.R.

Cllr.Nduli B. R

Cllr.Davids L.M

Grading of local authority

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

Accounting Officer

G.M Sineke

Chief Finance Officer (CFO)

Ms NK Sibobi (Resigned 25 May 2019)

Ms MP Mbatha (Acting from 01 June 2019)

Registered office

Ubuhlebezwe Local Municipality

Margaret Street

Ixopo

3276

Business Address

29 Margaret Street

Ixopo

3276

Postal Address

P.O. Box 132

Ixopo

3276

Bankers

First National Bank

Auditors

Auditor General (S.A)

uBuhlebezwe Local Municipality

(Registration number KZN 434)

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Annual Financial Statements for the year ended 30 June 2019

Index

The reports and statements set out below comprise the Annual Financial Statements presented to the Ubuhlebezwe Local Municipality:

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Statement of Financial Performance	5
Statement of Changes in Net Assets	6
Cash Flow Statement	7
Statement of Comparison of Budget and Actual Amounts	8 - 9
Appropriation Statement	10 - 11
Accounting Policies	12 - 28
Notes to the Annual Financial Statements	29 - 59

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
EPWP	Expended Publics Works Programme
SDL	Skills Development Levies
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)
FMG	Finance Management Grant
mSCOA	Municipal Standard Chart of Accounts
MPRA	Municipal Property Rates Act

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

Accounting Officer's Responsibilities and Approval

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

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

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

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

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

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

The external auditors are responsible for independently auditing and reporting on the municipality's annual financial statements set out on pages 4 to 59, which have been prepared on the going concern basis, were approved by the accounting officer on 30 August 2019 and were signed on its behalf by:

G.M Sineke
Accounting Officer

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

Statement of Financial Position as at 30 June 2019

Figures in Rand	Note(s)	2019	2018 Restated*
ASSETS			
Current Assets			
Inventories	3	9,199,474	9,987,822
VAT receivable	4	5,300,118	4,602,892
Receivables from non-exchange transactions	5	16,631,162	7,423,087
Receivables from exchange transactions	6	5,399,714	1,995,294
Prepayments	7	-	675,156
Cash and cash equivalents	8	155,455,064	102,277,331
Investments	9	-	32,542,736
		191,985,532	159,504,318
Non-Current Assets			
Investment property	10	20,670,810	20,961,275
Property, plant and equipment	11	269,392,967	251,876,840
Intangible assets	12	1,403,648	212,393
Heritage assets	13	4,808,819	4,808,819
		296,276,244	277,859,327
TOTAL ASSETS		488,261,776	437,363,645
Liabilities			
Current Liabilities			
Payables from exchange transactions	14	32,137,702	23,536,042
Unspent conditional grants and receipts	15	1,285,554	1,163,515
Provisions	16	3,264,536	3,893,612
		36,687,792	28,593,169
Non-Current Liabilities			
Employee benefit obligation	17	4,668,000	6,089,000
Provisions	16	2,549,000	2,355,000
		7,217,000	8,444,000
TOTAL LIABILITIES		43,904,792	37,037,169
NET ASSETS		444,356,984	400,326,476
Reserves			
Housing Development	20	373,787	373,787
Accumulated surplus		443,983,197	399,952,689
TOTAL NET ASSETS		444,356,984	400,326,476

* See Note 45

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

Statement of Financial Performance

Figures in Rand	Note(s)	2019	2018 Restated*
REVENUE			
Revenue from exchange transactions			
Service charges	19	2,257,263	2,155,141
Rental of facilities and equipment	21	1,074,076	923,761
Agency services		884,998	634,223
Licences and permits		2,884,673	2,710,002
Other income	22	327,895	220,901
Interest received - investment	23	13,026,783	11,001,948
Total revenue from exchange transactions		20,455,688	17,645,976
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	24	21,886,399	13,681,143
Transfer revenue			
Government grants & subsidies	25	138,943,262	126,444,003
Fines, Penalties and Forfeits		901,062	1,957,000
Total revenue from non-exchange transactions		161,730,723	142,082,146
TOTAL REVENUE	18	182,186,411	159,728,122
EXPENDITURE			
Employee related costs	26	(62,083,872)	(62,333,281)
Remuneration of councillors	27	(10,182,136)	(9,901,684)
Depreciation and amortisation	28	(20,831,259)	(21,269,841)
Impairment loss/ reversal of impairments	29	(3,184,560)	(5,303,291)
Finance costs	30	(2,395)	(2,856)
Debt Impairment	31	(4,743,403)	(4,477,729)
Contracted services	32	(14,542,813)	(14,031,483)
General Expenses	33	(24,795,297)	(21,671,593)
TOTAL EXPENDITURE		(140,365,735)	(138,991,758)
Operating surplus		41,820,676	20,736,364
(Loss) gain on disposal of assets and liabilities		(460,657)	127,230
SURPLUS FOR THE YEAR		41,360,019	20,863,594

* See Note 45

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

Statement of Changes in Net Assets

Figures in Rand	Housing Development Fund	Accumulated surplus	Total net assets
Balance at 01 July 2017	373,787	379,089,095	379,462,882
Surplus for the year	-	20,863,594	20,863,594
Total changes	-	20,863,594	20,863,594
Opening balance as previously reported	373,787	385,889,162	386,262,949
Adjustments			
Correction of errors	-	13,372,527	13,372,527
Restated* Balance at 01 July 2018 as restated*	373,787	402,623,178	402,996,965
Changes in net assets			
Surplus for the year	-	41,360,019	41,360,019
Balance at 30 June 2019	373,787	443,983,197	444,356,984
Note(s)			

* See Note 45

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

Cash Flow Statement

Figures in Rand

Note(s)

2019

2018
Restated*

Cash flows from operating activities

Receipts

Property rates	12,878,841	12,292,781
Sale of goods and services	6,678,359	2,155,141
Grants	135,403,000	146,444,000
Interest income	13,026,783	11,001,948
	167,986,983	171,893,870

Payments

Employee related costs	(72,266,008)	(72,795,640)
Suppliers	(30,736,448)	(44,717,622)
Finance costs	(2,395)	(2,856)
Other cash item	-	2,368
	(103,004,851)	(117,513,750)

Net cash flows from operating activities

34

64,982,132 **54,380,120**

Cash flows from investing activities

Purchase of property, plant and equipment	11	(41,566,182)	(38,020,020)
Proceeds from sale of property, plant and equipment	11	362,857	173,285
Purchase of investment property	10	-	(1,108,000)
Purchase of other intangible assets	12	(1,722,830)	(237,845)
Proceeds from sale of other intangible assets	12	(1)	11,397
Proceeds from sale of other assets		32,542,736	(32,573,208)
		(10,383,420)	(71,754,391)

Cash flows from financing activities

Movement in retirement benefits: post employment medical benefits		(1,421,000)	1,351,000
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Net increase/(decrease) in cash and cash equivalents

53,177,712 **(16,023,271)**

Cash and cash equivalents at the beginning of the year

102,277,331 118,300,602

Cash and cash equivalents at the end of the year

8

155,455,043 **102,277,331**

* See Note 45

uBuhlebezwe Local Municipality

(Registration number KZN 434)

Trading as uBuhlebezwe Local Municipality

Annual Financial Statements for the year ended 30 June 2019

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	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	2,090,247	(90,247)	2,000,000	2,257,263	257,263	(a)
Rental of facilities and equipment	1,000,000	-	1,000,000	1,074,076	74,076	(b)
Agency services	815,300	(70,000)	745,300	884,998	139,698	(c)
Licences and permits	3,678,900	(1,000,000)	2,678,900	2,884,673	205,773	(d)
Other income	1,306,192	86,000	1,392,192	327,895	(1,064,297)	(e)
Interest received - investment	10,000,000	4,000,000	14,000,000	13,026,783	(973,217)	(f)
Total revenue from exchange transactions	18,890,639	2,925,753	21,816,392	20,455,688	(1,360,704)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	36,001,950	(14,075,227)	21,926,723	21,886,399	(40,324)	(g)
Transfer revenue						
Government grants & subsidies	148,819,096	24,750,810	173,569,906	138,943,262	(34,626,644)	(h)
Fines, Penalties and Forfeits	200,000	800,000	1,000,000	901,062	(98,938)	(i)
Total revenue from non-exchange transactions	185,021,046	11,475,583	196,496,629	161,730,723	(34,765,906)	
Total revenue	203,911,685	14,401,336	218,313,021	182,186,411	(36,126,610)	
Expenditure						
Employee related costs	(68,426,559)	570,207	(67,856,351)	(62,083,872)	5,772,479	(j)
Remuneration of councillors	(9,862,407)	(496,436)	(10,358,844)	(10,182,136)	176,708	
Depreciation and amortisation	(20,000,000)	-	(20,000,000)	(20,831,259)	(831,259)	(k)
Impairment loss/ Reversal of impairments	-	-	-	(3,184,560)	(3,184,560)	(l)
Finance costs	-	-	-	(2,395)	(2,395)	
Debt Impairment	(1,578,000)	-	(1,578,000)	(1,578,000)	-	(l)
Other materials	(756,000)	(14,454)	(770,454)	-	770,454	(m)
Contracted Services	(21,047,892)	19,042	(21,021,934)	(14,542,813)	6,479,121	(n)
Transfers and Subsidies	(20,152,096)	(20,614,787)	(40,766,883)	-	40,766,883	(o)
Other expenditure	(24,124,744)	(384,866)	(24,534,610)	(27,960,700)	(3,426,090)	(p)
Total expenditure	(165,947,698)	(20,921,294)	(186,887,076)	(140,365,735)	46,521,341	
Operating surplus	37,963,987	(6,519,958)	31,444,029	41,820,676	10,376,647	
Loss on disposal of assets and liabilities	-	-	-	(460,657)	(460,657)	
Surplus after capital transfer & contribution	37,963,987	(6,519,958)	31,444,029	41,360,019	9,915,990	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	37,963,987	(6,519,958)	31,444,029	41,360,019	9,915,990	

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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	Reference
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Figures in Rand

(a) Service charges

Collection target was achieved and it includes the prior year debt.

(b) Rental of facilities

Hall hire rental targets were achieved due to increase in usage of halls..

(c) Agency Services

The collection of Traffic Department income was lower than expected which led to lower agency fees received from the Department Transport.

(d) Licences and permits

Target achieved and a great turnout from applicants in this financial year.

(e) Other income

Lower than expected due to the usage of E-portal instead of the normal process of procuring tenders

(f) Interest in investments

Receipt lower than the budget due to the fluctuations of the interest rates in commercial banks.

(g) Property rates

Variance less than 10% and within the norm.

(h) Government grants and subsidies

INEP and Housing was initially budgeted for under revenue, however there was no revenue recognised in the income statement due to changes in the accounting treatment by provincial circular.

(i) Fines, penalties and forfeits

This was due to lower fines and penalties issued.

(j) Employee costs

This was due to reduction in overtime, post employment benefits and savings on director corporate services..

(k) Depreciation

Depreciation is inline with the budget.

(l) Impairment provision

The impairment is in the current year was due to current year damages and was not anticipated.

(m) Other materials

This was budgeted under general expenditure.

(n) Contracted Service

The expenditure relating to grants is accounted for in general expenses due to the implementation of the mSCOA alignments.

(q) General Expenditure

This is due to the mSCOA alignment where allocations were classified to general expenditure instead of contracted services.

(r) Finance costs

Interest on late payment of Eskom was not budgeted for.

The accounting policies on pages 12 to 28 and the notes on pages 29 to 59 form an integral part of the annual financial statements.

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Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2019											
Financial Performance											
Property rates	36,001,950	(14,075,227)	21,926,723	-	-	21,926,723	21,886,399		(40,324)	100 %	61 %
Service charges	2,090,247	(90,247)	2,000,000	-	-	2,000,000	2,257,263		257,263	113 %	108 %
Investment revenue	10,000,000	4,000,000	14,000,000	-	-	14,000,000	13,026,783		(973,217)	93 %	130 %
Transfers recognised - operational	148,819,096	10,154,756	158,973,852	-	-	158,973,852	108,842,563		(50,131,289)	68 %	73 %
Other own revenue	7,000,392	(184,000)	6,816,392	-	-	6,816,392	6,072,704		(743,688)	89 %	87 %
Total revenue (excluding capital transfers and contributions)	203,911,685	(104,718)	203,716,967	-	-	203,716,967	152,085,712		(51,631,255)	75 %	75 %
Employee costs	(68,686,949)	-	(68,686,949)	-	-	(68,686,949)	(62,083,872)	-	6,603,077	90 %	90 %
Remuneration of councillors	(9,962,311)	(299,967)	(10,262,278)	-	-	(10,262,278)	(10,182,136)	-	80,142	99 %	102 %
Debt impairment	(1,578,000)	-	(1,578,000)	-	-	(1,578,000)	(4,743,403)	-	(3,165,403)	301 %	301 %
Depreciation and asset impairment	(20,000,000)	-	(20,000,000)	-	-	(20,000,000)	(24,015,819)	-	(4,015,819)	120 %	120 %
Finance charges	-	-	-	-	-	-	(2,395)	-	(2,395)	DIV/0 %	DIV/0 %
Other expenditure	(65,741,351)	(6,183,056)	(71,924,407)	-	-	(71,924,407)	(39,798,767)	-	32,125,640	55 %	61 %
Total expenditure	(165,968,611)	(6,483,023)	(172,451,634)	-	-	(172,451,634)	(140,826,392)	-	31,625,242	82 %	85 %
Surplus/(Deficit)	37,943,074	(6,677,741)	31,265,333	-	-	31,265,333	11,259,320		(20,006,013)	36 %	30 %

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Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	-	-	-	-	-	-	30,100,69	-	30,100,699 %	DIV/0 %	DIV/0
Surplus (Deficit) after capital transfers and contributions	37,943,074	(6,677,741)	31,265,333	-	-	31,265,333	41,360,01	-	10,094,686 %	132 %	109
Surplus/(Deficit) for the year	37,943,074	(6,677,741)	31,265,333	-	-	31,265,333	41,360,01	-	10,094,686	132 %	109 %

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Accounting Policies

1. Presentation of Annual Financial Statements

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They

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

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

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

1.3 Significant judgements and sources of estimation uncertainty

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

Trade receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of computer software and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, computer software is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of computer software and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 16 - Provisions.

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Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 17.

1.4 Investment property

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

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

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

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

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

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

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

Subsequent measurement

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite
Property - buildings	30 years

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note).

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Accounting Policies

1.4 Investment property (continued)

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note).

1.5 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of the following areas involve a significant degree of estimation and uncertainty. Any remaining inspection costs from .

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent measurement

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses, unless a specific decision has been taken to revalue a certain class of assets and in such instance property, plant and equipment will be valued using the revaluation model.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The useful lives of items of the following areas involve a significant degree of estimation and uncertainty has been assessed as follows:

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Accounting Policies

1.5 Property, plant and equipment (continued)

Item	Depreciation method	Average useful life in years
Land	Straight line	Infinite
Buildings	Straight line	25 - 30
Finance Lease Assets	Straight line	3
Plant and Equipment	Straight line	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
Specialised vehicles	Straight line	10-20

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 11).

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Accounting Policies

1.6 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

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

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

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

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets. 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	Depreciation method	Average useful life
Computer software, other	Straight line	3

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 11).

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Accounting Policies

1.6 Intangible assets (continued)

Intangible assets are derecognised:

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

1.7 Heritage assets

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

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 13).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 13).

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

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Accounting Policies

1.8 Financial instruments

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

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

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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Accounting Policies

1.8 Financial instruments (continued)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unissued capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Subsequent measurement of financial assets and financial liabilities

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

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

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

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

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1.9 Leases (continued)

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

1.10 Inventories

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

Subsequently inventories are measured at the lower of cost and net realisable value.

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

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

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

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

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

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

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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1.10 Inventories (continued)

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.

1.11 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

1.12 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

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

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

1.13 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of a municipality after deducting all of its liabilities.

1.14 Employee benefits

Short-term employee benefits

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

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

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

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

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1.14 Employee benefits (continued)

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.15 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

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1.15 Provisions and contingencies (continued)

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus .

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

1.16 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

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

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

1.18 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

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1.18 Revenue from non-exchange transactions (continued)

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

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

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

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

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

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1.19 Comparative figures

All municipalities are required to comply with mScoa as from the 1st July 2017. uBuhlebezwe Local Municipality have implemented the mScoa and comparative figures have been reclassified to conform to changes in presentation in the current year.

1.20 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

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

1.21 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.

1.22 Irregular expenditure

Irregular expenditure as defined in section 1 of the MFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the MFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

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1.22 Irregular expenditure (continued)

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

1.23 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/07/2017 to 30/06/2021.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.24 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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

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

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

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1.25 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.

1.26 Principal and Agent arrangements

Identification

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Accounting by agent

An agent recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal).

An agent does not recognise expenses it incurs on behalf of the principal in its statement of financial performance. The result of the transaction with third parties, in this case suppliers, results in the principal having the ability to use all, or substantially all, of the resources related to that transaction and not the agent.

Recognising assets and liabilities as an agent

The Framework for the Preparation and Presentation of Financial Statements requires, inter-alia, that an entity must control an asset, as a result of a past event, before it can be recognised in the statement of financial position. Consequently, an agent assesses whether the resources it holds as a result of undertaking transactions with third parties on behalf of the principal are under its control and would otherwise meet the definition and recognition criteria for such assets in accordance with other Standards of GRAP.

Where an agent holds cash or other monetary assets on behalf of its principal, it is necessary to assess whether this should be recognised as an asset by the agent, with a corresponding liability in respect of the obligation to transfer the amounts to the principal. In making this assessment, the agent considers whether it controls (even if this control is temporary) the cash or other asset it holds, and consequently whether it meets the definition of an asset in accordance with the Framework for Preparation and Presentation of Financial Statements.

1.27 Unspent Conditional Grants and receipts

Unspent portion of the conditional grants are accounted as current liabilities.

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Figures in Rand	2019	2018
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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2019 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none">GRAP 110: Living and Non-living Resources	01 April 2020	Unlikely there will be a material impact
<ul style="list-style-type: none">GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none">GRAP 7 (as revised 2010): Investments in Associates	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none">GRAP 8 (as revised 2010): Interests in Joint Ventures	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none">GRAP 18 (as amended 2016): Segment Reporting	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none">GRAP 20: Related parties	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none">GRAP 32: Service Concession Arrangements: Grantor	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none">GRAP 105: Transfers of functions between entities under common control	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none">GRAP 106 (as amended 2016): Transfers of functions between entities not under common control	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none">GRAP 107: Mergers	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none">GRAP 108: Statutory Receivables	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none">GRAP 109: Accounting by Principals and Agents	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none">IGRAP 11: Consolidation – Special purpose entities	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none">IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none">IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2019	Unlikely there will be a material impact
<ul style="list-style-type: none">IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land	01 April 2019	Unlikely there will be a material impact

Income statement for the year 30 June 2020

The changes in the new standards and interpretations resulted in a decrease in basic earnings per share and diluted earnings per share as follows:

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Figures in Rand	2019	2018
3. Inventories		
Consumable stores	-	40,717
Land held for sale	9,947,105	2,530,614
	9,947,105	2,571,331
Disposals	(827,631)	(528,509)
Additions	80,000	7,945,000
	9,199,474	9,987,822
Carrying value of inventories carried at fair value less costs to sell	9,199,474	9,987,822
Inventories recognised as an expense during the year	1,026,641	487,790
Consumables stores relate to Cleaning chemicals and Stationery. Land held for sale is included in the Assets Held for Sale.		
4. VAT receivable		
VAT	5,300,118	4,602,892
VAT is disclosed on the accrual basis, declarations to SARS are made on payments basis		
5. Trade receivable from non exchange transaction		
Gross balances		
Rates	36,823,744	25,122,512
Fines	3,039,664	2,189,703
	39,863,408	27,312,215
Less: Allowance for impairment		
Rates	(20,362,723)	(18,066,533)
Fines	(2,869,523)	(1,822,595)
	(23,232,246)	(19,889,128)
Net balance		
Rates	16,461,021	7,055,979
Fines	170,141	367,108
	16,631,162	7,423,087
Rates		
Current (0 -30 days)	1,843,393	824,961
31 - 60 days	1,579,434	703,353
61 - 90 days	1,532,749	643,554
91 - 120 days	1,318,877	628,834
> 121 days	29,840,546	22,321,810
	36,114,999	25,122,512
Fines		
Fines outstanding	3,039,664	2,189,703
	-	-

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Figures in Rand	2019	2018
5. Trade receivable from non exchange transaction (continued)		
Reconciliation of allowance for impairment		
Balance at beginning of the year	(19,889,128)	(18,821,678)
Contributions to allowance	(3,343,395)	(1,067,450)
	(23,232,523)	(19,889,128)
6. Receivables from exchange transactions		
Housing debtors	115,075	122,298
Accrued interest	1,858,665	291,656
Consumer debtors - Refuse	5,714,984	4,509,041
Consumer debtors - Rental	1,138,854	1,040,600
Sundry debtors	362,158	22,652
Less: Allowance for Impairment-Refuse	(3,160,261)	(3,242,619)
Less: Allowance for Impairment- Rental	(629,761)	(748,334)
	5,399,714	1,995,294
7. Prepayments		
Prepayments	-	675,156
Prepayment for the prior year relate to SALGA membership paid in advance.		
8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	3,000	5,249
Bank balances	24,570,573	5,214,266
Short-term deposits	130,881,491	97,057,816
	155,455,064	102,277,331

uBuhlebezwe Local Municipality

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Figures in Rand	2019			2018		
8. Cash and cash equivalents (continued)						
The municipality had the following bank accounts						
Account number / description	Bank statement balances			Cash book balances		
	30 June 2019	30 June 2018	30 June 2017	30 June 2019	30 June 2018	30 June 2017
FNB - Current Account - 52552416194	24,535,343	5,214,266	6,396,226	24,570,573	5,214,266	6,396,226
FNB -Equitable Share - 62143895988	5,147,234	6,166,184	650,336	5,147,234	6,404,365	650,336
FNB -Equitable Share- 74617848129	-	-	10,729,139	-	-	10,729,139
FNB- Equitable share- 62248166218	690,309	664,709	(9,147,188)	690,309	664,709	(9,147,188)
FNB-74814614472	14,038,663	-	-	14,038,663	-	-
FNB-7 Day Call Short Term - Investment Account	-	-	282,546	-	-	282,546
FNB-7479441557	15,566,845	-	-	15,566,845	-	- FNB-
74806555642	14,237,047	-	-	14,237,048	-	- FNB -
Lums - 62074735831	-	-	15,253,356	-	-	15,253,356
FNB - Investment account 745590521793	-	-	38,346	-	-	38,346 FNB-
FNB Investment	-	6,464,559	-	-	6,464,559	-
FNB Investment account	-	-	555,254	-	-	555,254
FNB -Equitable Share	-	-	10,778,890	-	-	10,778,890
FNB -71770508335	-	-	10,288,805	-	-	10,288,805
FNB -71770508335	-	5,677,600	-	-	5,677,600	-
ABSA-Small Town Rehab/3 months fixed deposit - 2074567242	-	-	12,034,457	-	-	12,034,457
ABSA - Bank - 2074567242	-	12,944,135	-	-	12,944,135	-
ABSA Bank-10M 20178479582	10,062,860	-	-	10,062,860	-	-
ABSA Bank-10M 2078355849	10,181,233	-	-	10,181,234	-	-
ABSA-Small Town Rehab/3 months fixed deposit - 20751136603	-	-	11,632,881	-	-	11,632,881
Nedbank - Fixed Deposit 1 month - 7881076763/001	-	-	197,226	-	-	197,226
Nedbank 7881076763/122	20,000,000	-	-	20,000,000	-	-
Nedbank 7881076763/124	21,000,000	-	-	21,000,000	-	-
Nedbank - Fixed Deposit 1 month - 7881076763/101	-	-	5,477,350	-	-	5,477,350
Nedbank - Fixed Deposit 1 month - 7881076763/018	-	-	5,000,000	-	-	5,000,000
Nedbank - Investment Account	-	15,889,682	-	-	15,889,682	-
Standard Bank-068730276-008	15,151	14,494	-	15,151	14,494	-
Standard bank 068730276/009	14,039,066	-	-	14,039,066	-	-
Standard Bank - 90 Days	-	-	(10,231,644)	-	-	(10,231,644)
Standard Bank - 90 Days	-	-	10,011,381	-	-	10,011,381
Standard Bank-068730276 005	-	-	12,508,568	-	-	12,508,568
Standard Bank -068730276 001	122,628	109,507	-	122,628	109,507	-
Standard Bank -068730276 006	5,780,455	5,328,561	-	5,780,455	5,328,561	-
Standard Bank- R6M	-	-	10,245,482	-	-	10,245,482
Ithala Bank- Equitable Share- 46142189	-	-	131,433	-	-	131,433
Ithala Bank- Equitable Share	-	-	5,062,205	-	-	5,062,205
INVESTEC -11005393353455	-	43,946,807	-	-	43,560,204	- INVESTEC-
50011092081	-	-	10,405,513	-	-	10,405,513
Total	155,416,834	102,420,504	118,300,562	155,452,066	102,272,082	118,300,562

uBuhlebezwe Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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9. Investments

Ithala Bank	-	32,547,736
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As at 30 June 2019 the Municipality has no investments in financial institutions.

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Notes to the Annual Financial Statements

Figures in Rand

10. Investment property

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	22,056,533	(1,385,723)	20,670,810	22,136,533	(1,175,258)	20,961,275

Reconciliation of investment property - 2019

	Opening balance	Transfers	Depreciation	Total
Investment property	20,961,275	(80,000)	(210,465)	20,670,810

Reconciliation of investment property - 2018

	Opening balance	Additions	Transfers	Depreciation	Total
Investment property	20,364,596	1,108,000	(301,000)	(210,321)	20,961,275

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

Amounts recognised in surplus or deficit

Rental revenue from Investment property	1,072,166	923,761
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Figures in Rand 2019 2018

11. Property, plant and equipment

		2019		2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	35,033,503	(12,045,485)	22,988,018	28,343,129	(11,190,835)	17,152,294
Plant and machinery	8,250,630	(5,200,028)	3,050,602	8,687,139	(4,957,868)	3,729,271
Furniture and fixtures	6,352,250	(4,998,710)	1,353,540	6,377,512	(4,102,126)	2,275,386
Motor vehicles	14,860,285	(9,662,455)	5,197,830	15,084,876	(8,365,251)	6,719,625
IT equipment	4,716,798	(2,970,933)	1,745,865	4,754,939	(3,227,072)	1,527,867
Infrastructure	280,825,297	(154,548,380)	126,276,917	259,745,969	(143,631,729)	116,114,240
Community	166,793,043	(60,933,711)	105,859,332	154,406,296	(53,131,272)	101,275,024
Libraries	4,706,767	(1,785,904)	2,920,863	4,706,767	(1,623,634)	3,083,133
Total	521,538,573	(252,145,606)	269,392,967	482,106,627	(230,229,787)	251,876,840

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Figures in Rand

11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Work in Progress	Depreciation	Impairment loss	Total
Buildings	17,152,294	-	-	6,690,374	(854,650)	-	22,988,018
Plant and Equipment	3,729,271	70,160	(49,218)	-	(699,611)	-	3,050,602
Furniture and fixtures	2,275,386	319,102	(3,548)	-	(1,237,400)	-	1,353,540
Motor vehicles	6,719,625	551,719	(427,819)	-	(1,645,695)	-	5,197,830
IT equipment	1,527,867	555,815	(2,962)	-	(334,855)	-	1,745,865
Infrastructure	116,114,240	56,348	-	20,949,479	(10,843,150)	-	126,276,917
Community	101,275,024	37,271	-	12,368,530	(4,636,933)	(3,184,560)	105,859,332
Libraries	3,083,133	-	-	-	(162,270)	-	2,920,863
	251,876,840	1,590,415	(483,547)	40,008,383	(20,414,564)	(3,184,560)	269,392,967

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Buildings	16,317,306	2,237,941	-	-	(869,518)	(533,435)	17,152,294
Plant and machinery	2,569,069	1,747,499	-	-	(587,297)	-	3,729,271
Furniture and fixtures	3,938,403	360,840	(31,980)	(933,982)	(1,057,895)	-	2,275,386
Motor vehicles	7,193,914	1,227,734	-	-	(1,702,023)	-	6,719,625
IT equipment	881,184	35,813	-	933,983	(323,113)	-	1,527,867
Infrastructure	103,195,746	24,286,732	-	-	(11,368,238)	-	116,114,240
Community	102,717,620	8,123,461	-	-	(4,796,201)	(4,769,856)	101,275,024
Libraries	3,245,510	-	-	-	(162,377)	-	3,083,133
	240,058,752	38,020,020	(31,980)	1	(20,866,662)	(5,303,291)	251,876,840

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Figures in Rand	2019	2018
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11. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2019

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	16,681,613	12,044,339	2,460,810	31,186,762
Additions/capital expenditure	20,949,479	12,368,530	6,690,374	40,008,383
Transferred to completed items	(10,221,293)	(4,333,903)	-	(14,555,196)
	27,409,799	20,078,966	9,151,184	56,639,949

Reconciliation of Work-in-Progress 2018

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	13,716,202	10,215,317	3,261,265	27,192,784
Additions/capital expenditure	15,396,123	5,612,235	2,185,335	23,193,693
Other movements	(12,430,712)	(3,783,213)	(2,985,790)	(19,199,715)
	16,681,613	12,044,339	2,460,810	31,186,762

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Contracted services	4,266,552	3,111,623
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There are no long outstanding projects which are taking longer than expected to complete.

There are no indications that projects in Work in Progress are impaired.

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

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Figures in Rand	2019	2018
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12. Intangible assets

	2019			2018		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2,494,287	(1,090,639)	1,403,648	1,111,444	(899,051)	212,393

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	212,393	1,722,830	(339,986)	(191,589)	1,403,648

Reconciliation of intangible assets - 2018

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	881,020	237,845	(25,472)	(881,000)	212,393

13. Heritage assets

	2019			2018		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical monuments	4,808,819	-	4,808,819	4,808,819	-	4,808,819

Reconciliation of heritage assets 2019

	Opening balance	Total
Historical monuments	4,808,819	4,808,819

Reconciliation of heritage assets 2018

	Opening balance	Total
Historical monuments	4,808,819	4,808,819

14. Payables from exchange transactions

Trade payables	17,868,488	11,495,147
Unallocated deposits	221,964	1,126,897
Other creditors	256,092	256,092
Deposits other	32,134	32,134
Retention	9,599,272	9,306,787
Advance payments	4,159,752	1,318,985
	32,137,702	23,536,042

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Figures in Rand	2019	2018
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15. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Mckenzie Farm	428,422	428,422
Small Town Rehabilitation	18,245	18,245
MIG	601	-
Ixopo Sportfields	-	8,278
Sangcwaba Grant	565,387	565,387
Ixopo Sportfield Maintenance	151,461	143,182
Sports & Recreation	28,777	-
Gym Park - Receipts	92,661	-
	1,285,554	1,163,514

16. Provisions

Reconciliation of provisions - 2019

	Opening Balance	Additions	Reduction due to re- measurement	Total
Leave pay provision	3,893,612	-	(629,076)	3,264,536
Long term service award provision	2,355,000	194,000	-	2,549,000
	6,248,612	194,000	(629,076)	5,813,536

Reconciliation of provisions - 2018

	Opening Balance	Additions	Total
Leave pay provision	3,651,080	242,532	3,893,612
Long term service award provision	1,962,000	393,000	2,355,000
	5,613,080	635,532	6,248,612
Non-current liabilities		2,549,000	2,355,000
Current liabilities		3,264,536	3,893,612
		5,813,536	6,248,612

Long services award are payable after ten years of continuous services and every five years thereafter to employees.

Provision is an estimate of the long service award base on historic staff turnover, taking into account management estimate of the likelihood that staff may leave before long services become due. No other long services benefit are provided to employees.

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Figures in Rand	2019	2018
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17. Employee benefit obligations

Long service awards

Independent valuers, ZAQ Consultants and Actuaries (Pty) Ltd, carried out a statutory valuation as at 30 June 2019.

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

Post retirement benefit plan

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

Post retirement medical aid plan

The municipality operates on 6 accredited medical aid schemes, namely Bonitas, Keyhealth, LA Health, Hosmed, Fedhealth and Samwumed. Pensioners continue on the option they belonged to on the day of their retirement. Independent valuers, ZAQ Consultants and Actuaries (Pty) Ltd, carried out a statutory valuation as at 30 June 2019. The post-retirement medical obligations at 30 June 2019 quantified the present value of unfunded obligations at R4,668,000. The Current-service costs for the year ending 30 June 2019 is estimated at R386 000. The principal actuarial assumptions used included a discount rate of Yield Curve, and a health care cost inflation rate of CPI + 1.

Post Medical Aid benefits : The amounts recognised in the statement of financial position are as follows:

Carrying value

Opening balance	(6,089,000)	(4,738,000)
Current service costs	(386,000)	(289,000)
Interest costs	(530,000)	(481,000)
Benefit paid	168,000	175,000
Actuarial loss / (gain)	2,169,000	(756,000)
	(4,668,000)	(6,089,000)

Members withdrawal from the service	Males	Females
Age		
20	16.00 %	24.00 %
25	12.00 %	18.00 %
30	10.00 %	15.00 %
35	8.00 %	10.00 %
40	6.00 %	6.00 %
45	4.00 %	4.00 %
50	2.00 %	2.00 %
55	1.00 %	1.00 %
	-	-

Post Medical Aid Benefits: The amounts recognised in the Statement of Financial Performance were as follows:

Actuarial gains (losses)	2,169,000	(756,000)
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Figures in Rand	2019	2018
18. Revenue		
Service charges	2,257,263	2,155,141
Rental of facilities	1,074,076	923,761
Agency services	884,998	634,223
Licences and permits	2,884,673	2,710,002
Other income - Miscellaneous	327,895	220,901
Interest received - investment	13,026,783	11,001,948
Property rates	21,886,399	13,681,143
Donation income	-	-
Government grants	138,943,262	126,444,003
Fines	901,062	1,957,000
	182,186,411	159,728,122
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	2,257,263	2,155,141
Rental of facilities and equipment	1,074,076	923,761
Agency services	884,998	634,223
Licences and permits	2,884,673	2,710,002
Other income - Miscellaneous	327,895	220,901
Interest received - investment	13,026,783	11,001,948
	20,455,688	17,645,976
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	21,886,399	13,681,143
Transfer revenue		
Government grants	138,943,262	126,444,003
Fines	901,062	1,957,000
	161,730,723	142,082,146
19. Service charges		
Refuse removal	2,178,570	2,037,394
Other service charges - Fire	78,693	117,747
	2,257,263	2,155,141
20. Housing operating account		
Loans extinguished by Government on 1 April 1998	373,787	373,787
The housing operating account is represented by the following assets and liabilities		
Housing selling scheme loans	122,298	122,298
Bank and cash	251,489	251,489
Assets	373,787	373,787
Total Housing Development Fund Assets and Liabilities	373,787	373,787

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Figures in Rand	2019	2018
21. Rental of facilities and equipment		
Premises		
Hall hire	166,394	851,746
Rental of Buildings	907,682	72,015
	1,074,076	923,761
	1,074,076	923,761
22. Other income		
Rates Clearance	2,657	3,289
Sundry Income	325,238	155,518
Skills development	-	62,094
	327,895	220,901
23. Investment revenue		
Interest revenue		
Short term investments	13,026,783	11,001,948

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Figures in Rand	2019	2018
24. Property rates		
Rates received		
Residential	9,762,503	3,621,796
Commercial	5,831,033	2,794,834
State	2,305,716	2,781,121
Property rates	-	937,079
Agricultural	2,955,074	2,382,272
Communal	311,430	17,991
Industrial	690,630	636,159
Public Service Infrastructure	30,013	509,891
	21,886,399	13,681,143

Valuations

Residential	686,574,002	276,469,200
Commercial	324,955,000	348,778,000
Public Service Infrastructure	165,002	8,560,000
Industrial	33,828,001	23,850,000
Municipal	66,923,000	25,200,000
Agricultural	1,249,713,000	1,140,388,000
Vacant Land	20,379,005	37,102,000
Farm : Residential	122,767,000	4,839,000
Public Service Purposes	300,602,000	361,067,000
Smallholdings: Commercial	28,458,000	12,245,000
Ingonyama Trust	138,898,000	264,048,000
Informal Settlement	3,204,000	9,119,000
	2,976,466,010	2,511,665,200

Valuations on land and buildings are performed every 5 years. In terms of the new MPRA legislation an extension of 1 year has been granted. The last general valuation came into effect on 1 July 2018. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alteration and subdivisions. Rates are levied in 12 monthly equal instalments with the first being due at the end of July and the last instalment is in June.

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

Residential
Agricultural
Small holding (Agricultural)
Commercial
Industrial and
Communal

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Notes to the Annual Financial Statements

Figures in Rand	2019	2018
25. Government grants and subsidies		
Operating grants		
Equitable share	99,319,000	95,443,000
FMG	1,970,000	1,900,000
Sports & recreation	21,223	-
Gym Park	1,907,339	-
Library Grant	1,035,000	771,000
Municipal Disaster Grant	3,000,000	-
EPWP	1,590,001	1,000,000
	108,842,563	99,114,000
Capital grants		
MIG	26,438,399	27,330,003
Electrification	3,662,300	-
	30,100,699	27,330,003
	138,943,262	126,444,003
Conditional and Unconditional		
Included in above are the following grants and subsidies received:		
Conditional grants received	35,910,422	51,001,000
Unconditional grants received	99,319,000	95,443,000
	135,229,422	146,444,000
Equitable Share		
Current-year receipts	99,319,000	95,443,000
Mc Kenzie Farm		
Balance unspent at beginning of year	428,422	428,422
Conditions still to be met - remain liabilities (see note 15).		
FMG Grant		
Current-year receipts	1,970,000	1,900,000
Conditions met - transferred to revenue	(1,970,000)	(1,900,000)
	-	-
Sports and Recreation		
Current-year receipts	50,000	-
Conditions met - transferred to revenue	(21,223)	-
	28,777	-
Conditions still to be met - remain liabilities (see note 15).		
Electrification Grant		
Current-year receipts	16,000,000	-

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Figures in Rand	2019	2018
25. Government grants and subsidies (continued)		
Conditions met - transferred to revenue	(16,000,000)	-
	-	-
Conditions still to be met - remain liabilities (see note 15).		
Municipal Infrastructure Grant		
Current-year receipts	26,439,000	27,330,000
Conditions met - transferred to revenue	(26,438,399)	(27,330,000)
	601	-
Library Grant		
Current-year receipts	1,035,000	771,000
Conditions met - transferred to revenue	(1,035,000)	(771,000)
	-	-
Small Town Rehab _ Roads		
Balance unspent at beginning of year	18,245	18,245
Conditions still to be met - remain liabilities (see note 15).		
Municipal Disaster Recovery Grant		
Current-year receipts	3,000,000	-
Conditions met - transferred to revenue	(3,000,000)	-
	-	-
Conditions still to be met - remain liabilities (see note 15).		
Ixopo sports maintenance Grant		
Balance unspent at beginning of year	8,278	8,278
Other	(8,278)	-
	-	8,278
Sangcwaba Grant		
Balance unspent at beginning of year	565,387	565,387
Conditions still to be met - remain liabilities (see note 15).		
EPWP Grant		
Current-year receipts	1,590,000	1,000,000
Conditions met - transferred to revenue	(1,590,000)	(1,000,000)
	-	-
Gym Park Grant		
Current-year receipts	2,000,000	-

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25. Government grants and subsidies (continued)		
Conditions met - transferred to revenue	(1,907,339)	-
	92,661	-
Conditions still to be met - remain liabilities (see note 15).		
Ixopo Sportsfield Grant		
Balance unspent at beginning of year	143,182	143,182
Other	8,278	-
	151,460	143,182

Conditions still to be met - remain liabilities (see note 15).

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26. Employee related costs		
Basic salaries and wages	45,353,423	42,338,505
Bonus	3,582,568	3,281,331
Medical aid - company contributions	828,010	2,542,419
UIF	420,469	353,442
Other payroll levies	18,534	44,077
Leave pay provision charge	739,830	1,801,958
Pension	6,966,937	6,451,184
Travel, motor car, accommodation, subsistence and other allowances	1,549,012	1,526,924
Overtime payments	1,616,050	2,231,119
Long-service awards	341,798	393,000
Housing benefits and allowances	74,191	18,322
Post Retirement Obligation	457,821	1,351,000
Other employee related costs	135,229	-
	62,083,872	62,333,281
Remuneration of Municipal Manager		
Annual Remuneration	958,638	965,054
Performance Bonuses	169,185	169,185
Contributions to UIF, Medical and Pension Funds	131,830	153,046
Other	189,077	150,842
	1,448,730	1,438,127
Remuneration of Chief Finance Officer		
Annual Remuneration	639,891	523,547
Acting allowance	7,683	-
Contributions to UIF, Medical and Pension Funds	39,826	4,169
Other	203,574	156,702
	890,974	684,418
The Chief Financial Officer resigned during the year on 25 May 2019.		
Corporate and human resources (corporate services)		
Annual Remuneration	67,826	813,908
Performance Bonuses	-	130,747
Contributions to UIF, Medical and Pension Funds	10,915	82,304
Other	-	123,665
	78,741	1,150,624
The director for corporate services resigned during the year on 31 July 2018		
Social Development		
Annual Remuneration	590,820	393,880
Performance Bonuses	107,014	-
Contributions to UIF, Medical and Pension Funds	179,087	81,112
Other	172,297	88,441
	1,049,218	563,433
Technical Services		

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26. Employee related costs (continued)		
Annual Remuneration	782,063	838,493
Performance Bonuses	105,368	114,396
Contributions to UIF, Medical and Pension Funds	158,571	109,507
Other	143,481	113,459
	1,189,483	1,175,855
27. Remuneration Of Councillors		
Executive Mayor	873,579	840,313
Deputy Executive Mayor	706,990	610,693
Exco Members	1,312,747	1,408,469
Speaker	731,754	592,530
Councillors	6,557,066	6,449,679
	10,182,136	9,901,684
<p>The Accounting officer affirms that remuneration of councilors disclosed above are within the upper limmits envisaged in section 219 of the constitution and were aligned with gazzet number 1426 issued on 21 December 2018.</p>		
In-kind benefits		
<p>The Mayor, Deputy Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.</p>		
<p>The Mayor is entitled to stay at the mayoral residence owned by Council at no cost. The Executive Mayor has use of a Council owned vehicle for official duties.</p>		
<p>The Mayor and the Deputy Mayor each have the use of separate Council owned vehicles for official duties.</p>		
<p>The Mayor has three full-time bodyguards. The Deputy Mayor and speaker have two full-time bodyguards.</p>		
28. Depreciation and amortisation		
Property, plant and equipment	20,352,472	21,041,469
Investment property	210,465	210,322
Intangible assets	268,322	18,050
	20,831,259	21,269,841
29. Impairment		
Impairments		
Property, plant and equipment	3,184,560	5,303,291
30. Finance costs		
Other interest paid	2,395	2,856
31. Provision for Bad debts		
Self help housing	-	59,808
Receivables from non-exchange	3,142,186	4,417,921
Bad debts written off	1,601,217	-
	4,743,403	4,477,729

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32. Contracted services		
Security services	4,052,944	3,141,085
Legal fees	697,543	752,080
Valuation services	263,348	512,647
Other Contractors	923,031	696,529
Repairs and Maintenance	4,266,552	3,111,623
Catering	1,001,711	672,964
Event promoters	309,407	695,823
Plants and decorations	-	100,225
Consultants and Professional Services	2,851,041	4,240,448
Pest control and fumigation	11,087	13,287
Audit committee fees	166,149	94,772
	14,542,813	14,031,483
33. General expenses		
Mscosa Implementation and system development	1,315,659	1,611,581
Advertising	2,225,931	1,273,950
Auditors remuneration	2,191,088	1,391,515
Bank charges	217,595	212,740
Consumables	396,286	832,832
Entertainment	84,609	59,595
Road Traffic levy	2,181	5,497
Free Basic Services	790,519	1,579,541
Insurance	619,103	462,982
Operating Leases: Furniture and Office	679,112	477,443
Parking Fees	67,645	124,251
SDL	466,050	578,847
Specialised Computer Service	821,233	260,967
Fuel and oil	1,895,563	1,768,996
Postage and courier	175,290	149,244
Printing and stationery	604,247	861,125
Bursary Youth	550,176	600,000
Employment creation and assistant programme	273,800	1,132,405
Conferences and seminars	1,010,772	63,086
Software expenses	609,546	137,286
Ward Committees	882,202	735,976
Subscriptions and membership fees	764,134	674,298
Travel - local	3,346,843	2,050,187
Water and electricity	866,938	618,150
Uniforms/ Protective Clothing	775,113	806,960
Communication costs	1,827,732	1,602,333
Computer & Network extensions and internet costs	48,758	524,536
Licence and permits	127,861	158,326
Other expenses	1,159,311	916,944
	24,795,297	21,671,593

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Figures in Rand	2019	2018
34. Cash generated from operations		
Surplus	41,360,019	20,863,594
Adjustments for:		
Depreciation and amortisation	20,831,259	21,269,841
Transfer of assets	460,657	(127,230)
Impairment deficit	3,184,560	5,303,291
Provisions	4,743,403	4,477,729
Movements in benefit assets and liabilities	(1,421,000)	1,351,000
Other non-cash items	(1,054,249)	7,373,897
Changes in working capital:		
Inventories	788,348	(7,454,839)
Receivables from exchange transactions	(3,404,420)	2,946,201
Trade receivables from non exchange transactions	(9,208,075)	(3,406,496)
Prepayments	675,156	(237,909)
Payables from exchange transactions	8,601,661	13,274,786
VAT	(697,226)	(11,253,745)
Unspent conditional grants and receipts	122,039	-
	64,982,132	54,380,120

35. Financial instruments disclosure

Categories of financial instruments

2019

Financial Assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	8,900,759	8,900,759
Other receivables from non-exchange transactions	14,628,949	14,628,949
Cash and cash equivalents	155,437,958	155,437,958
	178,967,666	178,967,666

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	32,459,478	32,459,478

2018

Financial assets

	At amortised cost	Total
Prepayments	675,156	675,156
Trade and other receivables from exchange transactions	4,602,892	4,602,892
Other receivables from non-exchange transactions	3,740,600	3,740,600
Consumer debtors	675,156	675,156
Cash and cash equivalents	102,277,331	102,277,331
Interest	35,542,736	35,542,736
	147,513,871	147,513,871

Financial liabilities

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35. Financial instruments disclosure (continued)		
	At amortised cost	Total
Trade and other payables from exchange transactions	23,536,041	23,536,041
36. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Infrastructure	16,549,782	5,342,619
• Community property	5,064,920	1,654,906
• Buildings	36,747,861	25,327,427
	58,362,563	32,324,952
Total capital commitments		
Already contracted for but not provided for	58,362,563	32,324,952
Authorised operational expenditure		
Already contracted for but not provided for		
• Operating expenditure	18,438,993	2,347,978
Total operational commitments		
Already contracted for but not provided for	18,438,993	2,347,978
Total commitments		
Total commitments		
Authorised capital expenditure	58,362,563	32,324,952
Authorised operational expenditure	18,438,993	2,347,978
	76,801,556	34,672,930

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, and grants.

37. Contingencies

Contingent liabilities

There were no contingent liabilities as at 30 June 2019

Contingent assets

There were no contingent assets as at 30 June 2019.

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38. Related parties

There were related party transactions in the current financial year. The two related party transactions were the Municipalities councillors and s57 employees as per Grap 20

Remuneration of key management

Councillors

2019

Name

Councillors

2018

Name

Councillors

Section 57 Employees

2019

Basic salary

Name

Municipal manager

958,63

Chief Financial Officer

639,89

Corporate Services Manager

67,82

Social Development Manager

590,82

Technical Manager

782,06

3,039,23

2018

Basic salary

Name

Municipal manager

965,05

Chief Financial Officer

523,54

Corporate Services Manager

813,90

Social Development Manager

393,88

Technical Manager

838,49

3,534,88

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39. Key source of estimation, uncertainty and judgments

Property, plant and equipment

- Useful live 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 the collectable amount traffic fines issued
- Valuation of properties for the purposes of rates billing.

40. Going concern

We draw attention to the fact that at 30 June 2019, the municipality had an accumulated surplus of 441,185,904 and that the municipality's total assets exceed its liabilities by 441,185,904.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

41. Risk management

Financial risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

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

Financial instrument	2019	2018
Cash and cash equivalents	155,455,064	102,277,331
Investments	-	32,547,736
Trade and other receivables	9,189,736	5,986,247
Receivables from non exchange transactions	11,793,065	3,432,134

42. Events after the reporting date

Management is not aware of any events that occurred post balance sheet date identified during the year.

43. Fruitless and wasteful expenditure

Opening balances	110,787	107,931
Interest	2,395	2,856
	113,182	110,787

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43. Fruitless and wasteful expenditure (continued)

Fruitless and wasteful expenditure in the current year relates to interest charged by Eskom.

44. Irregular expenditure

Opening balance	12,658,045	581,321
Add: Irregular Expenditure - current year	580,000	12,076,724
Less: Amounts written off	(448,983)	-
	12,789,062	12,658,045

Analysis of expenditure awaiting condonation per age classification

Current year	580,000	12,076,724
Prior years	12,658,045	581,321
	13,238,045	12,658,045

Details of irregular expenditure condoned

This amount relates to the prior irregular expenditure which was sent MPAC and Council for condonement	Written off by council	
	Relates to 2016/2017	448,983

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45. Prior period errors

Receivables from Non-Exchange Transactions

The Receivables from non exchange transactions are adjusted in 2017/18 year end as a result of debtors being qualified in the audit for the year ended 30 June 2018. The Auditors could not be satisfied on the completeness of property rates. UBuhlebezwe Municipality has recalculated the billings for 2017/18 year end and has adjusted accordingly on both property rates and Receivables from non-exchange. See movement below

Cash and Cash Equivalents

Cash and cash equivalents were overstated in the 2017/18 year end. This was due to two Investment accounts being misstated comprising of FNB investment and Investec. The bank confirmations or 3rd party confirmations reflected figures which do not agree to the GL /cash book. As a result UBuhlebezwe Municipality's cash book did not agree to the 3rd party confirmations of the previous year. Adjustments have been processed to correct the misstatement.

Trade and Other payables from exchange transactions

Payables from exchange transaction were overstated in the 30 June 2018 year end . Accrual for the 2016/17 year end were not reversed at the beginning of the 2017/18 year end. This misstatement was identified during the preparation of the Annual financial statements for the year ended June 2019. An adjustment correcting the prior period error has been processed accordingly

Trade Receivables from Exchange Transactions

During the review of the 2018/17 disclosed accrued interest, it was noted that the interest been overstated as it doesn't align to the supporting bank statements. The correction was made to correctly reflect the interest and align it to the bank statements as provided for 30 June 2018.

Investments property

The properties held by the municipality for capital appreciation were not recognised in the prior years in the asset register, these assets were identified from the deeds office. An adjustment at market value obtained from the valuation roll was made to correctly reflect the properties held by the municipality.

Investments

This is due to when reviewing the bank statement dated 30 June 2018, it was identified that the Ithala GL account had been misstated by R5000 and this was not a reconciling item. The error correction aims to correct this error and align the GL balance to the supporting document

Inventory

This is due to when reviewing the carrying value of the land held for sale, it was noted that inventory write-down that was calculated in prior years had not been taken into consideration when calculating the carrying value of the assets, hence the adjustment aims to align the carrying value to the net realisable value.

Intangible Assets

It was identified that an incorrect assets was capitalized which is was not in line with GRAP definition as there was no underlying software being used by the municipality for service provision, hence there was no service delivery benefits.

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

- -

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Figures in Rand	2019	2018		
45. Prior period errors (continued)				
Statement of Financial Position	Amount previously reported	Adjustment	Reclassification	Total
Trade receivable from non-exchange transactions	2,558,487	937,079	3,990,953	7,486,519
Cash and cash Equivalents	102,395,778	(118,447)	-	102,277,331
Trade receivables from exchange transactions	5,968,297	(45,482)	(3,990,953)	1,931,862
Investments	32,547,736	(5,000)	-	32,542,736
Inventory	2,346,190	7,641,632	-	9,987,822
Payables from exchange transactions	28,799,622	(5,263,581)	-	23,536,041
Intangible assets	1,105,036	(892,643)	-	212,393
Investment Property	19,853,275	1,108,000	-	20,961,275
Property plant and Equipment	251,702,032	174,808	-	251,876,840
Accumulated Surplus	385,889,162	13,372,527	-	399,261,689
	833,165,615	16,908,893	-	850,074,508
Statement of Financial Performance	Amount previously reported	Adjustment	Reclassification	Total
Property Rates	12,744,064	937,079	-	13,681,143
Contracted services	15,349,679	-	(1,318,196)	14,031,483
General expenditure	19,761,814	-	1,909,779	21,671,593
Employee Costs	62,912,128	-	(578,847)	62,333,281
Depreciation	21,270,935	(1,094)	-	21,269,841
	132,038,620	935,985	12,736	132,987,341
46. Additional disclosure in terms of Municipal Finance Management Act				
Contributions to organised local government				
Current year subscription / fee		72,462	675,156	
Amount paid - current year		(72,462)	(675,156)	
		-	-	
Audit fees				
Current year subscription / fee		2,191,088	1,391,514	
Amount paid - current year		(2,191,088)	(1,391,514)	
		-	-	
PAYE, UIF & Skills				
Current year subscription / fee		9,791,885	9,484,993	
Amount paid - current year		(9,791,885)	(9,484,993)	
		-	-	
Pension and Medical Aid Contributions				
Current year subscription / fee		13,151,532	10,830,557	
Amount paid - current year		(13,151,532)	(10,830,557)	
		-	-	

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46. Additional disclosure in terms of Municipal Finance Management Act (continued)		
VAT		
VAT receivable	5,300,118	4,602,892
VAT payable	-	-
	5,300,118	4,602,892

VAT output payables and VAT input receivables are shown in note .

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

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46. Additional disclosure in terms of Municipal Finance Management Act (continued)

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Accounting Officer and noted by Council. The expenses incurred as listed hereunder have been approved by the Accounting Officer and have noted by Council. Furthermore, management did not note any material non-compliance with the Municipal Finance Management Act.

Section 36 deviations and Reasons

THE MUNICIPALITY HAS AN SLA WITH H&B EQUIPMENT AND LUSTED AND JOHNSON AND THEY HAVE FAILED TO REPAIR THE TRUCK. THE UD TRUCK NEEDED REPAIRS TO PTO, CLUTCH PLATE, WIRING, BRAKES, ENGINE BRAKE (COMPRESSOR) AND MAJOR SERVICE. THIS TRUCK NEEDS URGENT ATTENTION AS IT A REFUSE TRUCK SUBSTITUTING NIX 6416 & NIX 8830 .TRUCKS. WITH THE ABOVE REASONS THE MUNICIPALITY HAD TO DEVIATE FROM NORMAL SCM PROCESSES AND TAKEN THE TRUCK DIRECTLY TO AN APPROVED DEALERSHIP.COMPANY AWARDED WAS THOMPSON COMMERCIAL VEHICLES	100,385	-
THE GRADER HAD GEAR SELECTING PROBLEM WHEREBY GEAR NUMBER 1,4,5,7 & 8 WERE NOT ENGAGING. THE GRADER WAS TAKEN FOR REPAIRS AFTER FOLLOWING THE NORMAL SCM PROCESSES. UPON STRIPING THE GRADER IT WAS DISCOVERED THAT THE OTHER GEARS 2,4,6 & THE CLUTCH PADS ARE ALSO DAMAGED AND WILL CAUSE OTHER BREAKDOWNS IN THE NEAR FUTURE. THE ADDITIONAL WORK WAS QUOTE AT R79 925,00. IT WAS WAS FOR THE ABOVE REASONS THAT THE WE DEVIATE FROM THE NORMAL SCM PROCESSES AND THE SAME SERVICE PROVIDER BE APPOINTED FOR THE ADDITIONAL TO AVOID THE DELAYS IN THE MAINTENANCE SECTION.COMPANY AWARDED WAS B&B TRANSPORT AND PLANT HIRE.	79,925	-
THE MUNICIPALITY REQUIRED SERVICES TO SUPPLY AND FIT FORKLIFT ATTACHMENTS TO A TLB FRONT BUCKET. THE MENTIONED SERVICES HAD TO BE DONE BY AN APPROVED CATERPILLAR AGENT. IT IS WITH THE ABOVE REASON THAT WE DEVIATED FROM NORMAL SCM PROCESSES FOR QUOTES ABOVE R30 000 AND APPOINTED BORLOWORLD EQUIPMENT TO RENDERS THIS SERVICE AT AN AMOUNT OF R32348.00. COMPANY AWARDED WAS BARLOWORLD EQUIPMENT (PTY) LTD	32,384	-
THE MUNICIPALITY HAS ENCOUNTERED LAPTOP THEFTS ON THE 25TH OF JANUARY AND UPON CHECKING ON THE CAMERAS IT WAS NOTED THAT THEY WERE NOT FUNCTIONING. WITH THE OCCURENCE OF RECENT EVENTS IT WAS NOTED THAT CAMERAS HAD TO BE QUICKLY ATTENDED TO. A TECHNICIAN FROM KDM ELECTRICAL WAS CALLED TO DO THE ASSESMENT AND REPAIRS OF THE CAMERA SYSTEM. IT IS WITH THE ABOVE REASONS THAT THE MUNICIPALITY DEVIATED FROM NORMAL SCM PROCESSES AND APPLIED REGULATION 36 OF THE SCM REGULATIONS AND APPOINTED KDM ELECTRICAL AT AN AMOUNT OF R5 922.50 FOR SERVICE PROVIDED.COMPANY AWARDED WAS KDM ELECTRICAL	5,923	-
ABANQOBI GROUP WERE SPECIALLY REQUESTED TO PERFORM ON THE PRAYER DAY. THE MUNICIPALITY HAS UTILISED DEVIATION TO DO APPOINTMENT AS IT WAS IMPRATICAL TO FOLLOW NORMAL SCM PROCESSES IN THIS REGARD DUE TO THE FACT THAT WE SPECIFICALLY WANTED ABANQOBI GROUP FOR THEIR POWERFULL MESSAGE SENT ACROSS THROUGH THEIR PERFORMANCE AND THEIR APPEAL TO THE PUBLIC. COMPANY AWARDED WAS ZERO TO HERO TRADING	18,000	-
LEADERSHIP ACADEMY IS THE SOLE PROVIDER OF THE REQUIRED TRAINING FOR OUR INETENAL AUDITORS. IT IS WITH THE ABOVE REASON THAT THE MUNICIPALITY HAD TO APPLY REGULATION 36 OF SCM REGULATION TO PROCURE THE REQUIRED SERVICE, SINCE THEE IS NO OTHER SERVICE PROVIDER THAN C[AN PROVIDE SUCH TRAINING.	135,419	-

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Figures in Rand	2019	2018
46. Additional disclosure in terms of Municipal Finance Management Act (continued)		
PASTOR STHEMBISO ZONDO FROM ZERO TO HERO WAS SPECIALLY REQUESTED TO GIVE THE KEY NOTE ADDRESS DURING OUR CANDLELIGHTING CEREMONY FOR DECEMBER 2018. THE MUNICIPALITY HAS UTILISED DEVIATION TO DO APPOINTMENT AS IT WAS IMPRACTICAL TO FOLLOW NORMAL SCM PROCESSES IN THIS REGARD DUE TO THE FACT THAT MR ZONDO WAS SPECIFICALLY WANTED FOR HIS MOTIVATIONAL POWERS AND HIS APPEAL TO THE PUBLIC. AN AMOUNT OF R11 000 WAS PAID FOR THE SERVICES OFFERED ON THE DAY. THE COMPANY AWARDED WAS ZERO TO HERO TRADING	11,000	-
	383,036	-

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the Council and includes a note to the annual financial statements.

Deviations from the tender stipulations in terms of the municipality's Supply Chain Management Policy were presented to the Executive Committee, which condoned the various cases.

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