

2018/2019



MUNICIPAL CODE: EC 444

DRAFT ANNUAL

REPORT

NTABANKULU LOCAL MUNICIPALITY

Contents

CONTENTS

CONTENTS	2
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	7
COMPONENT A: MAYOR’S FOREWORD	7
COMPONENT B: EXECUTIVE SUMMARY	8
1.1. MUNICIPAL MANAGER’S OVERVIEW	8
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	10
1.3. SERVICE DELIVERY OVERVIEW	16
1.4. FINANCIAL HEALTH OVERVIEW	18
1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW	23
1.6. AUDITOR GENERAL REPORT	24
1.7. STATUTORY ANNUAL REPORT PROCESS	25
CHAPTER 2 – GOVERNANCE	27
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	28
2.1 POLITICAL GOVERNANCE	28
2.2 ADMINISTRATIVE GOVERNANCE	32
COMPONENT B: INTERGOVERNMENTAL RELATIONS	36
2.3 INTERGOVERNMENTAL RELATIONS	36
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	39
2.4 PUBLIC MEETINGS	40
2.5 IDP PARTICIPATION AND ALIGNMENT	44
COMPONENT D: CORPORATE GOVERNANCE	45
2.6 RISK MANAGEMENT	45
2.7 ANTI-CORRUPTION AND FRAUD	46
2.8 SUPPLY CHAIN MANAGEMENT	46
2.9 BY-LAWS	47

Contents

2.10 WEBSITES	48
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES.....	49
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)	51
COMPONENT A: BASIC SERVICES.....	52
3.1. WATER PROVISION	55
3.2 WASTE WATER (SANITATION) PROVISION.....	58
3.3 ELECTRICITY.....	59
3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING).....	62
3.5 HOUSING.....	68
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT.....	69
COMPONENT B: ROAD TRANSPORT.....	72
3.7 ROADS.....	72
3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)	76
3.9 WASTE WATER (STORMWATER DRAINAGE)	77
COMPONENT C: PLANNING AND DEVELOPMENT	81
3.10 PLANNING.....	82
3.11 LOCAL ECONOMIC DEVELOPMENT	86
COMPONENT D: COMMUNITY & SOCIAL SERVICES	101
3.52 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)	101
3.55 CEMETORIES AND CREMATORIIUMS	104
3.56 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES	107
COMPONENT E: ENVIRONMENTAL PROTECTION.....	112
3.60 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)	113
COMPONENT F: HEALTH.....	115

Contents

3.64	HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC ...	115
COMPONENT G: SECURITY AND SAFETY		115
3.65	115
3.66	FIRE.....	116
COMPONENT H: SPORT AND RECREATION		117
3.68	SPORT AND RECREATION	117
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES		119
3.69	EXECUTIVE AND COUNCIL.....	120
3.70	FINANCIAL SERVICES.....	122
3.71	HUMAN RESOURCE SERVICES	124
3.72	INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	128
3.73	PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES	131
COMPONENT J: MISCELLANEOUS		136
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD 2018/2019		136
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE		140
(PERFORMANCE REPORT PART II)		140
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL		140
4.1	EMPLOYEE TOTALS, TURNOVER AND VACANCIES.....	140
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE		143
4.2	POLICIES	144
4.3	INJURIES, SICKNESS AND SUSPENSIONS	145
4.4	PERFORMANCE REWARDS.....	147
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE		148
4.5	SKILLS DEVELOPMENT AND TRAINING	149
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE		153
4.6	EMPLOYEE EXPENDITUR	153

Contents

CHAPTER 5 – FINANCIAL PERFORMANCE.....	157
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE	158
5.1 STATEMENTS OF FINANCIAL PERFORMANCE	158
5.3 ASSET MANAGEMENT	159
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	163
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET.....	163
5.5 CAPITAL EXPENDITURE	164
5.6 SOURCES OF FINANCE.....	165
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS	166
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW	167
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS	168
5.9 CASH FLOW	169
5.10 BORROWING AND INVESTMENTS	174
5.11 PUBLIC PRIVATE PARTNERSHIPS.....	176
COMPONENT D: OTHER FINANCIAL MATTERS	177
5.12 SUPPLY CHAIN MANAGEMENT	177
5.13 GRAP COMPLIANCE	178
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS.....	179
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS Year 0	179
6.1 AUDITOR GENERAL REPORTS Year 0 (Previous year)	179
COMPONENT B: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR).....	179
6.2 AUDITOR GENERAL REPORT YEAR 1	179
GLOSSARY	180
APPENDICES.....	182
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	182
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES	186

Contents

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE.....	188
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY.....	189
APPENDIX E – WARD REPORTING	191
APPENDIX F – WARD INFORMATION	196
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1	197
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE	198
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS	205
APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE	208
APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE.....	208
APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG	209
APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES.....	211
APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME.....	211
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 1.....	213
APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT	214
VOLUME II: ANNUAL FINANCIAL STATEMENTS.....	215

Chapter 1

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

MAYOR'S FOREWORD

On behalf of the executive, I am humbled that we bring before you all a report for this financial year ending. The year has been very exciting for us even though we were faced with many structural changes which were all necessary to allow us to realize our constitutional mandate to deliver services to our people. Most of those changes were on the internal systems including organogram and other parts of our system. As council we saw a need to enhance our capacity by giving effect to such changes in order to improve our delivery of services. We have compiled this Annual Report to fulfil our legislative obligation as enshrined in Section 46 of the Local Government: Municipal Systems Act (No: 32 of 2000) and Sections 121 and 127 (2) of the Local Government: Municipal Finance Management Act (No: 56 of 2003).

The municipality continues to prioritize the development of the people of Ntabankulu and delivery of much needed services in Infrastructure and Local Economic Development. Guided by our vision which endeavours the creation of an enabling environment which empowers and develops the community economically and socially to ensure sustainable and affordable services, we are on track to fulfill that vision.

Our observation is that much achievement has been done in the delivery of services with particular focus on electrification even though we must concede to some delays which were necessary in order to ensure delivery of quality services.

We have as mentioned rapidly improved our systems to foster accountability, and capacity building. I must express however that our annual performance is sitting at an improved 73% and this is reasonably satisfactory. Compared with the 62% of the previous year this is an improvement. However we shall not thrive on mediocrity. As the executive we have agreed to hold our management accountable in terms of their performance agreements and improve the efficiency of our Performance Management Systems.

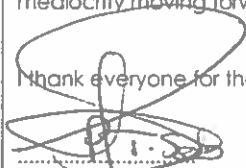
In order to fulfill our obligation to deliver services to our people, we have adopted a revenue enhancement strategy to increase revenue collection. Part of this strategy is to encourage write offs while encouraging rate payers to commit to fulfilling their constitutional obligation to pay their rates. This we believe will enhance our capacity to service our people.

I must further note our observation on some slow improvements have been experienced on Infrastructure challenges, glaring with Internal Streets and electrification and I must reiterate our commitment to continue to find strategies to mitigate those challenges. Progress has been made and remedial action has been taken in unlocking those challenges and we will complete them in due time in the financial year upcoming.

This stems from our commitment and will to acknowledge challenges, diagnose root causes and provide necessary remedy in all areas facing challenges in order to lead an efficient local state that delivers quality services. We are committed to upholding the rule of law in all aspects including land occupation which we have observed is becoming a thorny issue. We remain positive that without appearing triumphant over our people and their aspirations to occupy land, we can find ways to use available land productively. In this regard we wish to encourage land usage in a legal manner guided by all relevant laws and in cases of disputes relevant constitutional means be used to resolve any land disputes. We condemn illegal occupations of any form and we reiterate our commitment to legal engagements on land use and occupation.

I am confident that moving forward we will move with speed to catch up with the lost time and deliver the services to our people and perform better. We are committed to upholding high service standards and we will not tolerate mediocrity moving forward.

Thank everyone for their continued support.



Cllr P.T. Saputhongo
Mayor

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Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

The legislative mandate calls for a responsive, accountable, effective and efficient Local Government Systems. In pursuing the mandate, the Ntabankulu Local Municipality hereby presents the 2018/2019 Annual Report which is a culmination of the work performed from 01 July 2018 to 30 June 2019. This report reflects the progress towards the attainment of the objectives as set out in the Integrated Development Plan (IDP) and the 2018/19 Service Delivery and Budget Implementation Plan (SDBIP). The 2018/2019 financial statements have been prepared in accordance with the requirements of Section 55, Municipal Systems Act, 32 of 2000, Municipal Financial Management Act, 56 of 2003 as well as Treasury Circular No. 63.

The municipality is determined to take performance of the institution towards excellence. The desire to obtain clean audit is driving aspiration to the management of the Ntabankulu Local Municipality. This can be witnessed by the fact that the municipality has obtained unqualified audit opinion in 2017/18 financial year. Having regard to the importance of community involvement in the implementation of the PMS as enshrined in chapter 4 of the Municipal Systems Act 32 of 2000, the municipality improved public accountability and responsiveness to the needs and concerns of the people. This was done through Community Outreach Programs, IDP/PMS and Budget Representative Forums, IDP/PMS and Budget Roadshows and Mayors Outreach Programs in the financial year under review. The functioning of the Municipal Public Accounts Committee (MPAC) and the Audit Committee has assisted the municipality to strengthen its oversight role- which role is able to steer the municipality towards much needed clean audit status. The Municipality further established financial misconduct board and risk management committee with approved terms of reference.

On basic service delivery, utilizing MIG and INEP grant, the municipality provided basic services through construction of 31.1 km of access roads, electricity infrastructure for 1943 households was also provided. Community facilities, KwaNtuli Community Hall and Ntabankulu Sport Field Phase 2, were also completed during the financial year under review.

Important to note that 100% expenditure for both MIG and INEP could not be realized as the households were not yet energized by year end. The Municipality benefitted an additional R15 000 (Fifteen Million rand) from the regazetting of Municipal Infrastructure Grant, Gazette no 42318 of the 18th of March 2019, and 100 % expenditure has not been realized by year end.

On Local Economic Development the municipality continues to support SMME's, in the financial year under review five SMME's were provided with needed equipment and machinery.

A resolution was taken by Council to join Alfred Nzo Municipal Planning Tribunal so as to comply with SPLUMA 16 of 2013; this was done due to lack of funds to perform the function.

On Institutional Development and Organizational Transformation, filling of critical positions, Municipal Manager and Senior Managers reporting directly to the Municipality Manager in the financial year 2018/2019 was achieved. Training of employees was a priority; as such 60 employees were trained during the financial year under review. Personnel expenditure as at June 2019 was at 109% due to unrealistic municipal budgeting and was addressed through virement to avoid unauthorised expenditure and on general expenses was at 77% which indicates under expenditure that was attributed by implementation of the cost containment measures .

The revenue collection of the municipality was at 86.8% as at June 2019, this has shown an improvement, with notable contribution from rates payment by government departments as well as implementation of debt relief programme which was aimed to encourage debtors to pay their accounts monthly.

Chapter 1

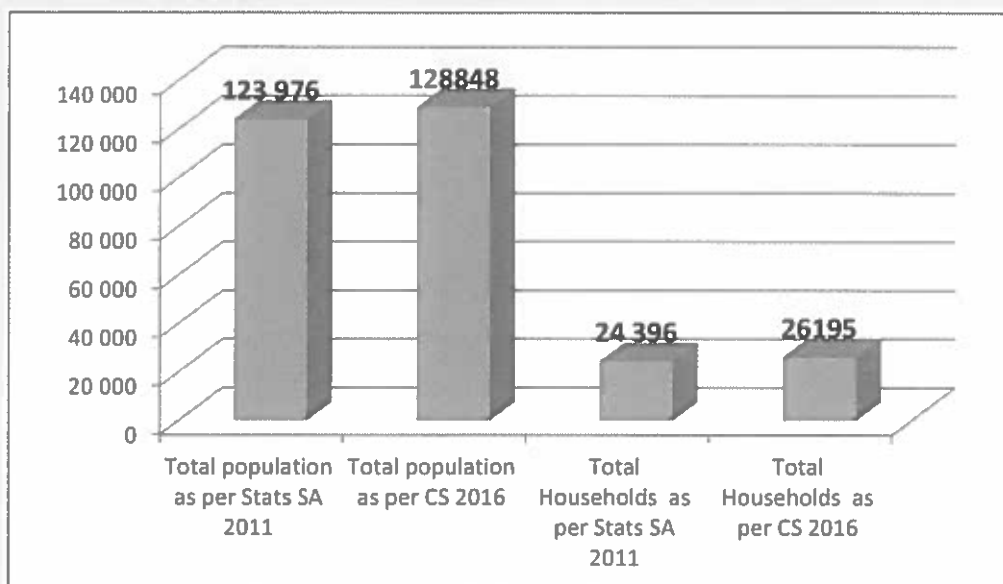
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND

A Municipality is assigned powers and functions which it must perform in order to realise the objects of Local Government. Among these functions are Municipal Roads and storm water, Street lighting, land use management, building regulations Trading regulations, electricity, Municipal Planning, cleansing, Parks & Pound, Cemeteries, Sports facilities, Social infrastructure. The municipality is not a water services authority; Alfred Nzo District Municipality performs this function.

Population Size

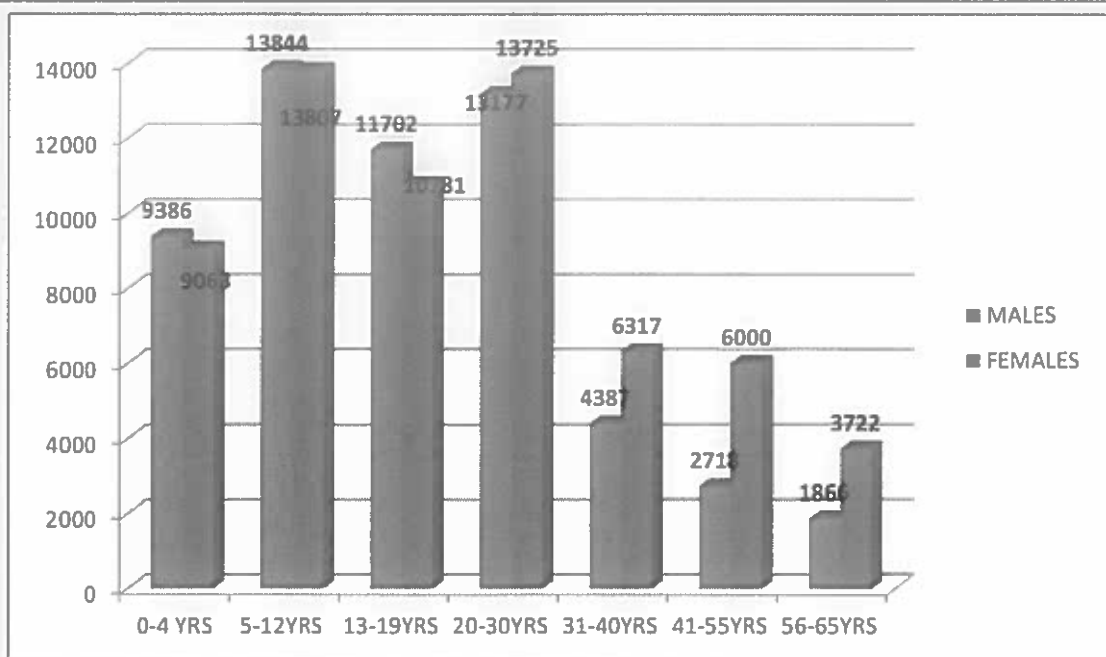
According to the Census 2011 conducted by Statistics South Africa, the total population of Ntabankulu Local Municipality was estimated at **123 976** and some **24 397** households. According to Community Survey 2016 conducted by Statistics South Africa; the total population of Ntabankulu Local Municipality was estimated at **128 848** and **26 195** of households.



Gender and Age distribution

The population is dominated by females of approximately 54% and males comprise only about 46 % of the population as per Community Survey 2016. A large percentage of the population was dominated by children and elderly people, approximately 57%, is children aged between 0 and 19 years. About 6% falls within the pensioned group (over 56years), whilst 34% are in the working age group (20-64 years). As per Community Survey 2016 from age 0-65 years, a large population is dominated by persons from age 0-30 years which contributes 79% and from 31-65 contributes 21%.

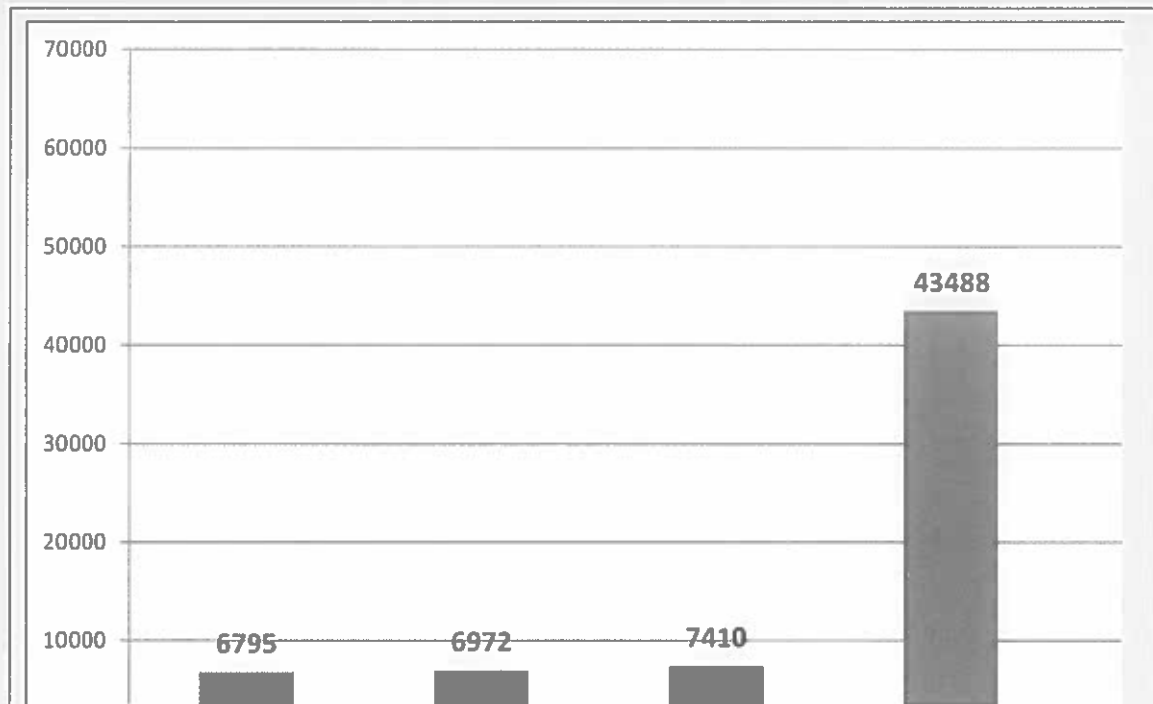
Chapter 1



Official Employment Status

Ntabankulu is one of the municipalities with the highest levels of poverty, illiteracy and unemployment in the Eastern Cape. The rationale for this cause is that the majority of the population does not actively contribute towards the local economy thus **43 488** people which is equivalent to **36%** of the total population as per statistics South Africa. This emphasizes need for municipal planning to focus robustly on infrastructural development that facilitates local economic development initiatives that will enable the community to generate income.

Chapter 1



Statistics South Africa 2011

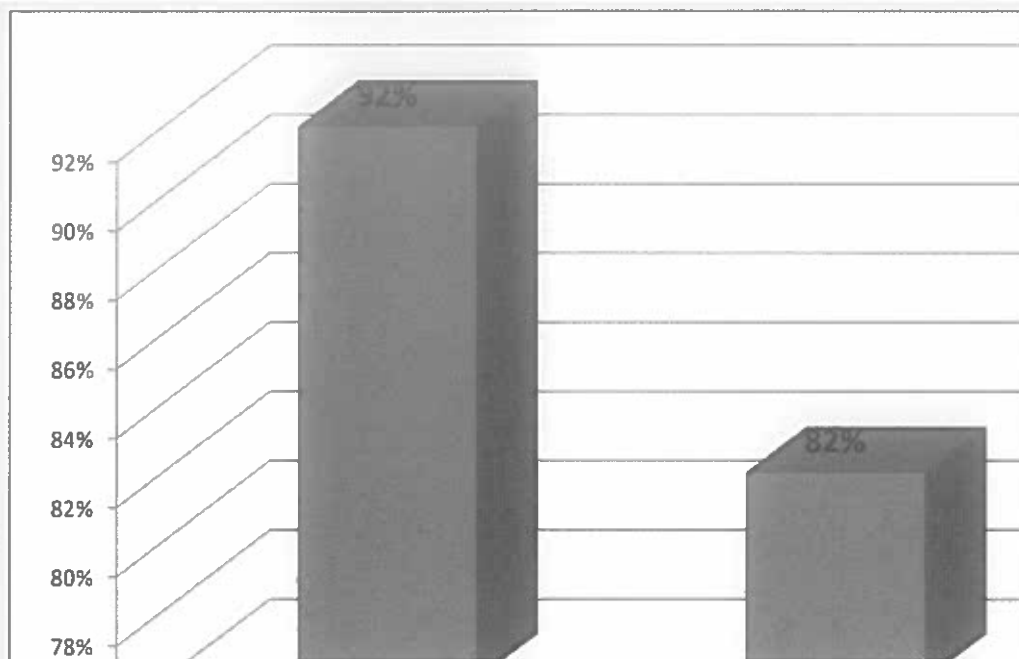
The rate of unemployment as estimated by Census 2011 was approximately 75% in 2001 and approximately 51% in 2011. The total number of unemployed persons is 6972 which is equivalent to 5, 6% of the total population. The discouraged work seekers is at a total of 7410 thus 6% of the total population and those who were not known as to which category they belong to is at the total of 59316 thus 48% **(these are citizens in terms of labour relations act who are not eligible to have employment which are from 0 years to 14 years.)** The youth appear to be highly unemployed, with estimated unemployment rate at 82% in 2001 and to have decreased to 61% in 2011.

Access to social grants

As a result of the low level of education and high unemployment rate, the municipality experiences high levels of poverty, thus increasing dependency on government's social grants. The Department of Social Development (DSD) is servicing 17 wards of the municipality. The department renders eight (8) programmes which include:-

- Probation services
- Poverty alleviation
- HIV / AIDS
- Community development
- Victim empowerment
- Subsistence abuse.
- Disability
- Child, Youth and family

Chapter 1

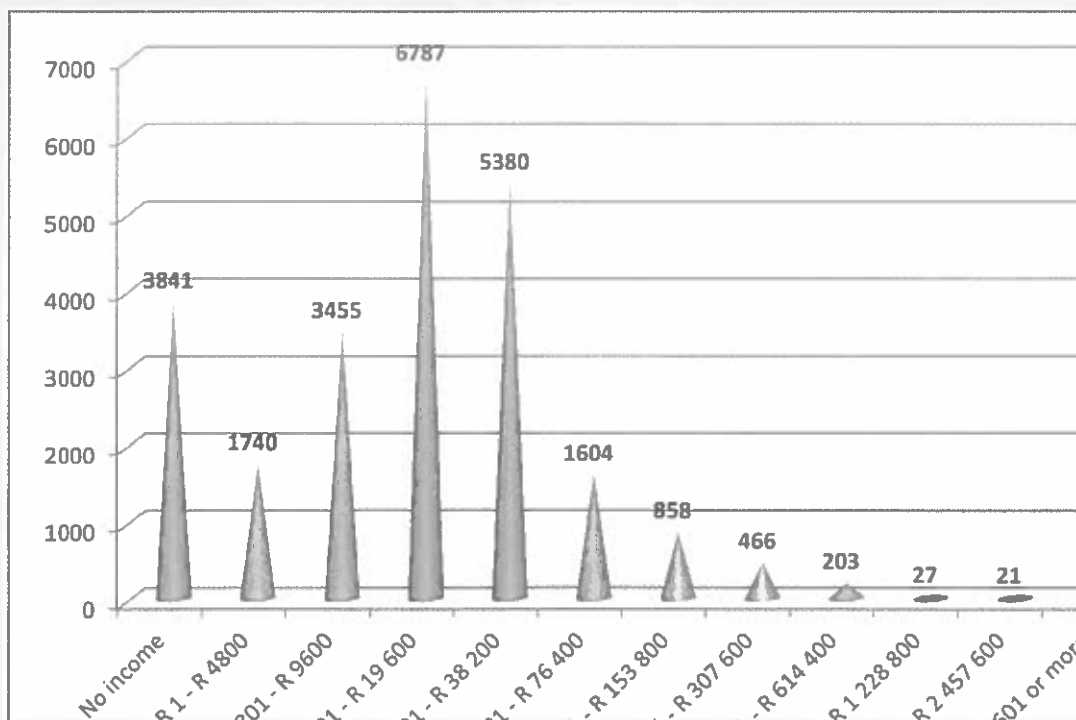


Dependency ratio is at 91.7%. Approximately one third of all households receive social grants, from two main grants, the "child support grant" and the "old age grant". About 7% of households receive employer grant while 10% of the households receive foster care grant and impressively 19% receive child support grant; 38% of the household receive social relief grant and 11% of the household receive Disability grant, and finally 15% of the household survive on old age grants.

This indicates that there is a high dependency ratio, as 82.0% of the population depends on social grants. This underpins the need to develop social and youth development programmes and proper infrastructural planning, provision of basic services and job creation.

Chapter 1

Annual Household Income:



As per Statistics South Africa 2011, the above graph depicts that the Municipality has only about 28% of households receive an income between R 9 601 - R19 600 per annum, 22% receive between R19 601-R38 200, 15% has no income at all, 14% receive between R4 801 – 9 600, 7% receive between R1 – 4 800, 6,6 % receive between R38 201 – 76 400, 3,5% receive between R76 401 – R153 800, 1,9% receive between R153 801 – R307 600, 0,8% receive between R307 601 – 614 400, 0,1% receive between R614 001 – R1 228 800, 0,08% receive between R1 228 801 – R2 457 600 and 0,05% receive between R2 457 601 and more.

Overview of Neighbourhoods within Ntabankulu Municipality		
Settlement Type	Households	Population
Towns		
1	1 546	23 897
Sub-Total	1546	23897
Townships		
2	1308	15240
Sub-Total	1308	15240
Rural settlements		
212	99570	84839

Chapter 1

	Sub-Total	99570	84839
Informal settlements			
	1	570	500
	Sub-Total	570	500
	Total	102424	123976
			T 1.2.6

NATURAL RESOURCES

RESOURCES	RELEVANCY TO THE COMMUNITY
Land	Agriculture, grazing human settlements and forestry ventures
Water	Ntabankulu dam, 2 major rivers (Mzimvubu and Mzintlanva Rivers)
Flora and fauna	Medicinal and game
Mining	Sand and quarry (from Mzimvubu and Mzintlanva Rivers) and quarry, Nickel and Titanium
Forestry and Agriculture	Wards 15, 16 and 17 (both indigenous and plantations). Total forests coverage is estimated at about 29.41 km ² of which plantations account for 11.5 km ² .
Beautiful Scenery	Lalashe – horse shoe development, Cultural historical resources, Local Heritage sites. Mfundisweni Mission (Ward 15), Mnceba Mission (Ward 12), Lwandolubomvu Great Palace at Matshona (Ward 6), Mowa heritage site (Ward 14), Diko Monument at Ludeke (Ward 7), Xhukula Caves and Koi-san grave sites (Ward 5) Amanci Adventure Tourism (Hiking Trails , Lodge in ward 14 Hlankomo village

COMMENT ON BACKGROUND DATA:

Agriculture, Forestry and Mining:

The area is well endowed in natural resources which are not yet utilized to the maximum especially in agriculture and mining. Its economy is highly concentrated - dominated by the community services sector and not very much resource based despite its natural resource endowment.

Land

Land is making it possible for Agricultural production, grazing animal stock, plantation of indigenous forests and medicinal plants and provision of human settlements.

Water

Adequate rainfall and fertile soil make the Ntabankulu municipal economy well-endowed for agricultural (crop) production; rainfall which is over 800mm annually. Ntabankulu economy is endowed with natural resources which are an advantage to the municipality in terms of land accessibility and permit for various land uses.

Beautiful Scenery and Flora and Fauna

Ntabankulu has also remarkable cultural and historical sites to boost eco-tourism. The environmental sustainability, use of scarce natural resources efficiently, promote renewable sources of energy and leverage a green agenda for new jobs and income for the poor

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Chapter 1

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

Roads infrastructure in the municipality is classified as worse as most areas are inaccessible, more specially on rainy weather conditions. About 99.5% of our roads are gravel roads. Even the roads that are classified as district roads that link Ntabankulu to Flagstaff through DR08019 and Mt Frere through DR080125 are gravel roads which are now deteriorated. The municipality is in dire need for tarring of both major District Roads (DR08019 and DR 080125), notwithstanding those other district roads in the municipality that also need serious attention.

Part of DR080125 from the N2 had been surfaced through phase one of construction, Phase two is currently underway starting from Siphethu hospital towards the completed area. Phase three of surfacing that covers about 30km of the road from Ntabankulu town to Siphethu hospital is still on planning and design stage. During financial year 2016/17 the road was re-gravelled starting from Ntabankulu town towards Siphethu hospital. The road is still a priority for the municipality as it would improve accessibility to Ntabankulu town thus making it easy for the community members to prefer to access government services and do their shopping at Ntabankulu instead of Mt. Frere town. The issue of the non-traversable roads is also a big problem to the transport industry because 99% of the roads are gravel and they are not being maintained timeously as a result the mode of transport used to transport communities is the vans with canopy which are not safe for the people of Ntabankulu. Ntabankulu Local Municipality submitted an application to the MEC Department of Transport for construction of an Ncedo Taxi Rank; a feasibility study was conducted by the Department of Transport and the Municipality is waiting for the report of the feasibility study.

The Municipality has developed Local Integrated Transport Plan in 2014 which has been adopted by the council and approved by the MEC and is due for renewal. The Local Integrated Transport Plan seeks to address integrated transport modes and routes or roads and their facilities into one holistic and integrated transport plan. The following minor arterial district roads, DR 08019, DR080125, DR080109 are in a very poor condition compromising safety and accessibility, and resulting in high user maintenance cost to motorists. The LITP is submitted to give the status quo of the roads and required intervention in terms of upgrading them into tarred roads so as to improve socio economic development of Ntabankulu area. The LITP further indicates the very poor conditions of the urban internal roads.

Municipal Infrastructure Grant funding which does not only funds roads programme was R37, 581, 000.00 for the financial year 2017/2018 and R 41,681, 000.00 in the year under consideration, 2018/19. More funding is needed to better the status of roads infrastructure as the current backlog is about 510.4 km of access roads (municipal roads), and 280.99 km of District Roads.

The following project was maintained in the financial year 2018/2019.

-Re-gravelling of Tshongweni to Mpisini access road in ward 09

The Municipality has constructed and completed the following projects for the financial year 2018/2019 through MIG Funding and Equitable share

-Construction of Ntabankulu sports field phase 2 in ward 8&13 with a total budget of R11 467 449.15

-Completion of 6.5km of Madwakazana gravel access road phase 2 in ward 7 with a total budget of R 5 295 043.74

-Construction of Caba community hall in Ward 10 with a total budget of R 3 673 943.67

- Completion of kwaNtuli community hall in ward 16 with a total budget of R 2 729 326.02

- Construction of 4km of Ndikini via Crech to Cetshe gravel access road in Ward 15 with a total budget of R 2 388 805.46

-Construction of 12km of Mafuka to Sihlonyaneni gravel access road in ward 9 with a total budget of R 6 946 908.72

Chapter 1

- Completion of 2km of Bhayi-Ntlangano Gravel Access road in ward 1 with a total budget of R 973 444.05
- Construction of 6.5km of T107 via Mbangweni to T108 gravel access road in ward 9 with a total budget of R 4 480 628.62
- Construction of 4.6km of Lufafa via Siyaya to School gravel access road in ward 11 with a total budget of R 3 500 893.29
- Construction of Mazeni community hall in ward 15 with a total budget of R 3 474 302.12
- Installation of 20 LED solar powered street lights in ward 8&13 with a total budget of R 2 000 000.00

Construction of the following projects has overlapped to the 2019/2020 financial year as they were not completed in the financial year under review, 2018/2019.

- Ntabankulu MPCC in Ntabankulu town in ward 8
- Madwaba Preschool in Ward 3
- Bulelani Preschool in Ward 8
- Construction of Ntabankulu Internal streets in ward 8&13
- Ntabankulu Sport field phase two in ward 8 &13

Alfred Nzo District Municipality is a water services Authority as per the Water Services Act. The estimated backlog for water is +/-50%. A water service in the municipality is largely bad with most of water schemes not functional, with faults ranging from malfunctioning boreholes to water purification. The municipality is largely not having access to water that fall within RDP Standards. The status of sanitation is no exception, with about 70% backlog. Only about 8,000 households have access to sanitation facilities in the area.

The municipality has 26 195 households with only about 25 390 households benefiting from grid electricity. Allocation for 2018/2019 financial year was R51 732 000.00 as per DORA bills. During the 2018/2019 financial year the municipality electrified & energised 3405. 805 households will remain as the municipal backlog that will be addressed in the 2019/20 financial year and thus reaching universal access.

The Municipality has been providing the indigent its beneficiaries. There were 9 680 indigent applicants however due to budgetary constraints the Municipality budgeted to provide 5 580 beneficiaries as indicated below for the period 2017/2018 financial year:- Solar panel maintenance was subsidized until October 2017 due to challenges with the contractual agreement with the service provider therefore their subsidy was converted to paraffin.

Item Description	No of households	Quantity provided
Paraffin	3700	5 litre monthly
Solar	155	5 litre of paraffin by monthly
Electricity	1725	50 kilo wats per household

The municipality reviews the indigent register and the policy on annual basis. The indigent register gets approved by the Council before the beginning of each financial year. The Municipality has employed two employees to execute

Chapter 1

the indigent services which are, Indigent Coordinator and Two Indigent Administrator under the Budget & Treasury Office, Revenue Division.

The Indigent Steering Committee has been established and is functional. The committee is constituted of the Ward Councilors, Ward Committees, Community Development Workers, Traditional Leaders and Religious leaders. The committee is chaired by budget & treasury Portfolio Head.

The District Municipality supports Ntabankulu Local Municipality through provision of indigent verification system however the final verification is done by the indigent steering committee for submission to the Council for approval.

Service Type	Base Line	Served/being served	Backlog	% backlog
Electricity (h/h)	26 195	25 390	805	3%
Roads (km)	783	256	528	67.3%
Sports Field	18	3	15	83%
Community Halls	31	22	9	29%
Pre-Schools	53	7	46	86.8%
LED	2	1	1	50%

COMMENT ON ACCESS TO BASIC SERVICES

The Municipality has managed to reduce community protests which were fuelled by the demand for electricity through the engagement of different stakeholders like Eskom, the Office of the Premier and CoGTA where in commitments were made to reach universal access by financial year 2021.

Electricity challenges within Ntabankulu jurisdiction were aggravated by the fact that there was no sub-station to provide energy capacity of which that has been sorted through the engagements, construction of the sub-station is complete.

The Municipality is still challenged by shortage of funding to provide other types of infrastructure like roads, community facilities (pre-schools, sporting facilities, community halls) and the LED infrastructure even though strides have been made to use the equitable share for the provision of the infrastructure. Huge backlogs are noticeable with pre-schools, roads, Sports fields. The community halls are in existence in many areas even though they require to be upgraded and the municipality has constructed three community halls and one was completed, two rolled over to the financial year 2019/2020.

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1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Budget Planning, Formulation and Monitoring

The Municipality developed and reviewed the five years Integrated Development Plan. The plan is aligned with the priorities of the Community which are prioritized annually as per the available resources-budget. The IDP, MTREF Budget and Budget related Policies for financial year 2018 /2019, as required by the MFMA Act were submitted to the Council for adoption on the 27th of May 2018 this was done in compliance with section 21(1) (a) of the MFMA. During the year the Municipality implemented the revenue enhancement strategy together with the discount policy adopted by the Council. Furthermore the Municipality has managed to reconcile the public works account that lead to increase of properties from 51-99 properties. The Municipality has put control measures in place to ensure that all the expenditure incurred is budgeted for in order to avoid the unauthorized expenditure. The budget is first verified before processing the transaction. Monthly reports in the form of section 71 reports, quarterly report in the

Chapter 1

form of MFMA section 52d and half year report in the form of MFMA section 72 were prepared and submitted to the Council and Treasury. Furthermore the monthly cash flows are prepared timeously to ensure financial viability of the Municipality.

Revenue Management

The Municipality has a revenue management unit that is operational. The Municipal Revenue Management Policies and By-Laws were adopted by Council on the 30th of May 2018. The revenue management unit is responsible for billing of clients for Rates and Refuse Removal and facilitates other revenue collection for all other services like traffic fines, pound fees, tender fees, hall hire fees, business license advertising fees and town planning related revenue. The unit is also responsible for grants management. The Municipality appointed a Municipal Valuer for compilation of the General Valuation Roll, implementable from the 1st of July 2019 and the valuation roll was adopted for implementation by Council on the 28th of June 2019.

During the year the Municipality implemented the revenue enhancement strategy together with the debt incentive program adopted by the Council. Furthermore the Municipality has managed to reconcile the public works account that led to increase of properties from 99-130 properties.

Asset and Liability Management

Asset management policy was reviewed and adopted by Council on 30 May 2018. The municipality is maintaining a GRAP compliant asset register which is updated on a monthly basis with all the assets movements for that particular month. Asset physical verification has been performed two times during the year under consideration. There is a lot of improvement on asset management accountability as a result there was no qualification raised by Auditor General from the section. Assets are bar-coded upon receipts and are therefore added on the asset register. The Municipal assets are insured with Indwe Risk Services. The Municipality consistently updates and maintains its asset

Supply Chain Management

Supply Chain Management unit is operational, and the Supply Chain Policy has been reviewed and adopted by the Council on 30 May 2018. The Municipality complies with the approved SCM policy and with the legislations, circulars and gazette. The procurement plan has been developed and implemented for financial year 2018/19 and all bid documents are in place. The document management has improved. The reports on the implementation of the Supply Chain Policy were prepared and submitted to the Council and Treasury on quarterly basis. The data base is updated timeously on an electronic supplier data base system. The Municipality does not have any long term contract awarded during the current financial year. The training for the Supply Chain practitioners is budgeted and was carried out during the 2018/20 financial year. The Municipality is trading with suppliers that are registered on the Central Supplier Database. There are still minor challenges with regards to some service providers that are not registered but the Municipality is in a process of assisting them through the Local Economic Development Department. The SIPDM policy has also been adopted as an annexure to the Municipal Supply Chain Management Policy on the 30 May 2019.

Expenditure Management

The Municipality is committed to pay its creditors within thirty days. The budget availability is first verified by the budget and reporting office before transactions are processed so as to avoid unauthorized expenditure. Payroll and third party payments are done before the due dates to avoid interest charges. The Municipality did incur fruitless and wasteful expenditure due to late payments cause by cash-flow problems. Cost containment measures were put in place to reduce excessive expenditure.

T1.4.1

Chapter 1

NTABANKULU LM STATEMENT OF COMPARISON OF BUDGET WITH ACTUAL AMOUNTS

Description	Original Budget	Budget Adjustments	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R	R
FINANCIAL POSITION								
Current Assets	32 284 042	(20 405 071)	11 858 971	13 108 081	28 105 724.00	(14 997 663)	214.42	87.11
Inventories	886 228	-	886 228	886 228	562 723.00	323 505	63.50	63.50
Receivables from Exchange Transactions	844 510	-	844 510	1 893 600	1 167 008.00	726 594	61.63	181.07
Receivables from Non-exchange Transactions	2 049 527	(0)	2 049 527	2 049 527	3 684 190.00	(1 634 663)	179.76	179.76
VAT Receivable	4 790 177	-	4 790 177	4 790 177	3 743 540.00	1 046 637	78.15	78.15
Cash and Cash Equivalents	23 893 600	(20 405 071)	3 488 529	3 488 529	18 948 265.00	(15 459 736)	543.18	79.30
Operating Lease Receivables								
Non-Current Assets	422 924 852	38 974 683	481 899 535	481 899 535	471 151 815.00	(9 252 280)	102.00	111.40
Property, Plant and Equipment	400 648 712	38 974 683	439 623 395	439 623 395	441 629 669.00	(2 306 274)	100.52	110.30
Intangible Assets	13 415	-	13 415	13 415	1 918.00	11 497	14.30	14.30
Investment Property	22 262 725	-	22 262 725	22 262 725	29 220 228.00	(6 957 503)	131.25	131.25
Heritage Assets								
Total Assets	465 188 894	18 569 612	473 758 506	475 007 596	489 257 539.00	(24 249 943)	59.82	59.82
Current Liabilities	21 031 724	653 446	22 735 234	22 735 234	41 733 629.00	18 998 395.00	352.10	290.62
Consumer Deposits								
Provisions	1 052 000	1 418 120	2 470 120	2 470 120	478 171.00	1 993 949	19.28	45.26
Payables from Exchange Transactions	19 897 653	367 461	20 265 114	20 265 114	17 988 836.00	2 276 278	88.77	90.41
Payables from Non-exchange Transactions					514 787.00	(514 787)		
Unspent Conditional Grants and Receipts					15 941 555.00	(15 941 555)		
Current Portion of Long-term Liabilities	82 071	(82 071)	-	-				
Non-Current Liabilities	1 575 032	(575 032)	1 000 000	1 000 000	3 406 140.00	2 406 140.00	122.03	77.48
Employee Benefit Liabilities					2 185 869.00	(2 185 869)		
Non-current Provisions	1 575 032	(575 032)	1 000 000	1 000 000	1 220 271.00	(220 271)	122.03	77.48
Total Liabilities	22 606 756	(21 696)	23 735 234	23 735 234	45 139 769.00	(19 404 535)	474	388
Total Assets and Liabilities	432 582 138	18 591 188	450 023 272	451 272 362	454 117 770.00	(4 845 408)	(415)	(308)
Net Assets (Equity)								
Reserves	99 093 465	(99 093 465)	-	-				
Accumulated Surplus / (Deficit)	337 035 910	116 515 716	453 551 632	453 551 632	461 707 117.00	(8 155 485)	101.80	136.99
Total Net Assets	436 129 381	17 422 251	463 551 632	453 551 632	461 707 117.00	(8 155 485)	102	137

COMMENT ON OPERATING RATIOS:

Financial Position: Explanation of Variances between Approved Budget and Actual

Inventory

The budget was based on prior year figures and was anticipated to increase but instead of that there was an decrease.

Receivables from Exchange Transactions

Rentals were budgeted based on previous years budget that there would be an increase on receipts arising from outstanding balances on rentals. Refuse were budgeted based on anticipated billing but there was an increase on billings due to reconciled accounts and developed properties that were not previously billed for refuse

Receivables from Non-exchange Transactions

There was overbudgeting on balance for receivables from no-exchange revenue as it was only based more on anticipated collection and billing and less on impairment

Vat Receivable

There was no budget for vat receivable and the adjustment budget for vat was not allocated on statement of financial position

Cash and Cash Equivalents

When budgeting there was an anticipation that there would be additional funding for grants due to additional funding incentive for good spending partners for the grants and that the funds will not be fully spent by the end of financial period. On Adjustment the amount was revised to be based on anticipated cash excluding grants revenue. but there was indeed the unspent conditional grants at the end of the financial period will resulted on the huge difference.

Property Plant & equipment

The original and adjustment budget were based on the trends and CPI for assets management and the balance difference did not glaring as it is 0.45% though it is above R1m

Chapter 1

T1.4.3

NTABANKULU LM STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2011

Description	Original Budget	Budget Adjustments	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R	R
FINANCIAL PERFORMANCE								
Revenue from Non-exchange Transactions	204 017 282	23 884 080	227 901 342	228 382 874	207 638 943.00	20 743 031	100	3 639.88
Property Rates	9 118 974	(0)	9 118 974	9 118 974	9 246 603.00	(127 629)	101.40	101.40
Fines, Penalties and Forfeits	137 368	-	137 368	618 900	618 900.00	-	100.00	450.54
Licences and Permits	2 209 200	-	2 209 200	2 209 200	1 431 930.00	777 270	64.82	0.00
Transfers and Subsidies	190 289 950	23 884 050	214 174 000	214 174 000	193 966 246	20 207 754	90.56	101.93
Interest, Dividends and Rent on Land Earned	2 261 800.00	-	2 261 800	2 261 800	2 375 264.00	(113 464)	105.02	107.52
Revenue from Exchange Transactions	2 347 976	66 990 977	69 338 953	69 338 953	1 821 877.00	67 517 076	2.63	77.59
Licences and Permits	-	-	-	-	-	-	-	-
Service Charges	315 600	-	315 600	315 600	576 178.00	(260 578)	182.57	182.57
Sales of Goods and Rendering of Services	-	-	-	-	-	-	-	0.00
Income from Agency Services	-	-	-	-	-	-	-	-
Rental from Fixed Assets	1 506 883	-	1 506 883	1 506 883	859 033.00	737 850	53.79	53.79
Interest, Dividends and Rent on Land Earned	-	-	-	-	-	-	-	-
Operational Revenue	435 493	66 990 977	67 426 470	67 426 470	386 606.00	67 039 864	0.57	88.79
Gains on Other Operations	-	-	-	-	-	-	-	-
Total Revenue	206 365 269	90 875 027	297 240 295	297 721 827	209 480 829.00	88 261 007	111	3 117
Expenditure								
Employee Related Costs	60 560 516	71 701	60 632 217	60 632 217	60 355 117.00	277 100	99.54	99.66
Remuneration of Councillors	10 979 366	845 411	11 824 777	11 824 777	11 340 215.00	484 562	95.90	103.29
Depreciation and Amortisation	1 578 000	17 422 000	19 000 000	19 000 000	16 621 307.00	2 378 693	89.00	1 072.33
Impairment Losses	1 578 000	5 422 000	7 000 000	7 000 000	164 216.00	6 835 784	2.35	10.41
Contracted Services	27 550 977	(1 541 031)	26 009 946	26 009 946	25 221 473.00	788 473	96.87	91.54
Inventory Consumed	-	-	-	-	1 287 387.00	(1 287 387)	-	-
Transfers and Subsidies Paid	-	1 970 000	1 970 000	1 970 000	1 314 835.00	655 165	66.74	0.00
Operating Leases	-	-	-	-	583 662.00	(583 662)	-	-
Operational Costs	23 460 018	7 990 067	31 450 105	31 450 105	32 209 263.00	(759 158)	102.41	137.29
Loss on Disposal of Property, Plant and Equipment	-	300 000	300 000	300 000	653 142.00	(353 142)	217.71	-
Total Expenditure	125 706 877	32 480 188	158 187 045	158 187 045	150 650 647.00	8 136 398		
Surplus/(Deficit) for the Year	80 658 391	58 394 839	139 053 250	139 534 782	69 410 173.00	80 124 609		

Chapter 1

Financial Performance: Explanation of Variances between Approved Budget and Actual

Fines, Penalties and Forfeits

There was an underbudgeting and the collection trends did not change and resulted on collection vs budget having a huge difference

Licences and Permits

The budget was based on the collection trends and the amount budgeted was above the trends since the Municipality anticipated that the collection will increase. The increase was based on collection for drivers licences, but the collection took the current collection trends

Transfers and Subsidies

unused Grant funding that had to be included on adjustment budget. The additional grant funding and other capital funding was not not fully spent.

Service Charges

There was under budgeting of refuse which was based on anticipated billing

Rental of fixed assets

The was under-collection and under billing compared to budget due to leased and unrenowed leased rentals

Operational Revenue

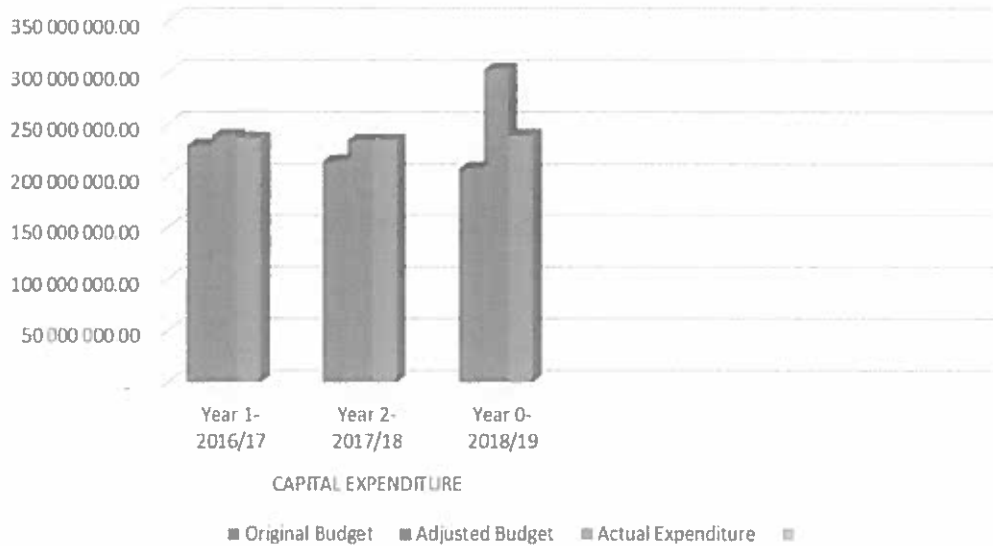
Depreciation & amortisation

The budget was anticipated as per the previous financial year actual. The actual depreciation calculation was less than 10% versus budget, but the amount calculated was reduced by change in depreciation of asset useful lives.

Transfers and subsidies

The actual expenditure is 99% of budget, but the amount is allocated as Interns salaries, Capex, and the remaining is disced. The allocation of this expenditure is as per MSCCA

BUDGET VS ACTUAL EXPENDITURE



T1.4.5

Chapter 1

COMMENT ON BUDGET PERFORMANCE DURING 2018/19 FINANCIAL YEAR

The Municipality has been under- budgeting for non-cash items, therefore the adjustment budget for year shows a significant increase. Also the Municipality was considered for additional funding as a result of well-spent grants during the year. There are no other significant changes on the budget other than this one.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

On Institutional Development and Organizational Transformation, the municipality has reviewed and adopted its 2018/2019 Organizational Structure that is commensurate to its resources to implement service delivery targets as outlined in the Integrated Development Plan.

The Organizational Structure is reviewed simultaneously with IDP to ensure that Human Resources capacity responds to the need for work. The Organizational structure has been reviewed for financial year 2018/2019 and the final Organizational structure has been submitted to council for approval on the 30 May 2018.

Employment Equity Plan

The Municipality has developed an employment equity plan for a period of 3 years, namely 2015-2018. The municipality has set three year objectives that are congruent with the duration of the plan. Specific objectives have been formulated based on the results gathered through employment equity survey results.

The municipality submits annual reports based on the numerical goals set and achieved in the plan. The Employment Equity Manager has been appointed. Employment Equity Committee has been established and sat quarterly for the financial year 2018/2019.

The EE Plan aimed at achieving 50% positions filled by males and the same distribution to position filled by females in Senior Management level. In 2018/2019 financial year, 66.66% of positions in this level were filled by females whereas 33.33% by males. Secondly, the municipality aimed at employing 3% of disabled employees in the semi-skilled level. When advertising positions; the NLM encourages people with disabilities to apply for positions even though there is poor to 'no' response to this call.

Workplace Skills Plan 2018/2019

Workplace Skills Plan for the financial year 2018/2019 has been developed to contribute to the achievement of organizational goals contained in the IDP which refers to the interventions needed to ensure the sustainable service delivery. The annual training implementation plan has been developed which outlines the Institutional, Departmental and individual prioritized training interventions for the financial year 2018/2019.

Workplace Skills Plan was submitted to and endorsed by the training committee and later submitted to LGSETA for approval and was approved. Training Committee has been established.

Critical and Scarce Skills

Ntabankulu Local Municipality is rural in nature and unable to attract critical and scarce skills. The Municipality has developed retention strategy which is not practically implemented due to insufficient funds.

Chapter 1

Performance Management System

Performance Management System Framework was developed; it was implemented to Directors. The Municipality embarked on cascading the framework to the lower levels since the financial year 2014/2015 it was implemented to Directors and Managers and was further cascaded to Officers from the financial year 2016/2017 to date.

Ntabankulu Local Municipality has reviewed its Performance Management System Framework in 2018/2019 financial year and Institutional Score card adopted by Council in May 2018, to integrate municipality's strategic objectives into the performance management process.

The institutional score card has been adopted by council in May 2018 which includes Integrated Development Plan priorities, service delivery and budget implementation plan (SDBIP) and individual performance contracts and plans.

Directorates develop their monthly plans and report monthly through management meetings. Quarterly performance reports and reviews have been done through Council Standing Committees. Mid- year performance reporting and reviews have been done through Council Standing Committees and annual reporting and review have been done through the MPAC and adopted by the Council. Performance agreements 2018/2019 have been signed by Directors, Managers and Officers.

1st Quarter performance evaluations 2018/2019, 2nd quarter evaluations 2018/2019 & 3rd quarter performance evaluations have been conducted. Performance Management System policy has been reviewed and adopted by Council in May 2019 for implementation in the next financial year. The Municipality compiled draft annual report 2017/2018, submitted to Auditor General on the 31 August 2018 and further submitted to MPAC for oversight. Audited annual report 2017/2018 was presented to Council on the 14th December 2018 and Annual report with oversight was presented to Council on the 29th March 2019.

Local Labour Forum

The Local Labour Forum is functioning composed of the 5 employer representatives and 5 employee representatives. The Local Labour Forum is guided by the Organizational Rights Agreement. The local Labour forum developed the annual schedule of sittings which is also inclusive in the Institutional Calendar of the Municipality. The Local Labour Forum is scheduled to sit monthly.

T1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT YEAR 1

Auditor General expressed an unqualified audit opinion for the 2016/17 financial year with no material qualification however the following matters of emphasis were raised:

- (1) Irregular expenditure
- (2) Unauthorised expenditure:
- (3) Fruitless and wasteful expenditure.

Chapter 1

1.7. STATUTORY ANNUAL REPORT PROCESS		
No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January
T1.7.1		

Chapter 1

COMMENT ON THE ANNUAL REPORT PROCESS:

In terms of the MFMA 56 of 2003, Chapter 12 Section 121 "Every municipality must for each financial year prepare an annual report in accordance with this Chapter. The Council of a municipality must within nine months after the end of the financial year deal with the annual report of the municipality.

In terms of MFMA Circular 63 of the draft annual report must be submitted to internal audit, audit committee and council before submission to Auditor General on the 31st August.

One of the advantages of compiling an unaudited Annual Report in August is that it can be used to influence the strategic objectives indicated in the IDP for the next financial year as well as the budgetary requirements related to each Vote. It further provides an opportunity to review the functional areas that received attention during the current financial year and take the necessary corrective actions to align the IDP and budget to other priority areas needing attention.

T1.7.1.1

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Governance within the Municipality has the following components:

- Legislative and compliance matters
- Performance Management
- Risk Analysis & mitigation
- Audit, Legal and Public Participation

The Municipality has an Executive Committee which is composed of 7 members of council inclusive of Mayor and has legislative authority with Speaker who chairs the Council meetings.

The Executive Committee which is constituted of seven members. Five members of the Executive committee are Portfolio heads who chair the standing committees.

The Municipality sits executive management meetings chaired by the Municipal Manager monthly, quarterly, half year and annually to evaluate performance of the Municipality in line with the approved Service Delivery and Budget Implementation Plan.

All performance reports are tabled to the governance structures quarterly for performance monitoring and oversight. All quarterly reports are tabled to the executive management, internal audit, Standing Committees, Executive Committee, Audit Committee, Council and MPAC.

In terms of compliance the Municipality has adopted the following documents in the beginning of the 2018/2019 financial year:

- 2019/2020 IDP Process Plan
- 2019/2022 Integrated Development Plan
- 2018/2021 MTREF Budget
- 2018/2019 Service Delivery and Budget Implementation Plan
- Sector Plans
- Audit Committee Charter and internal Audit Charter
- 2018/2019 Strategic & Operational Risk Register
- 2018/2019 Institutional Calendar
- 2017/2018 Audit Action Plan to address AGSA findings
- Budget Policies
- PMS Policy Framework

T2.0.1

Chapter 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The key element of governance is leadership which culminates into responsibility and accountability. The Ntabankulu Local Municipality upholds this element by ensuring that there is a strong leadership both politically and administratively to ensure that the Council is guided towards realisation of its vision, mission and overall strategic objectives.

The IDP identifies 5 values of accountability and thus political and administrative governance functions in line with 5 values such as:

Accountability

Transparency

Participatory Governance

Governance Education and

Social Responsibility

T2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Note: The MFMA Section 52(a) states that "the Mayor must provide general political guidance over the fiscal and financial affairs of the municipality".

SECTION 79 & SECTION 80 COMMITTEES

The Municipality has an Executive Committee which is composed of 7 members of council, including the Mayor. There are three (3) Section 79 committees (Municipal Public Accounts Committee, Rules, Ethics and Members Interests Committee and Petitions and Public Participation Committee). There are five (5) Section 80 Committees (Standing Committees) that have been established and they are as follows:

Corporate Services

Infrastructure Planning and Development

Local Economic Development

Budget and Treasury

Community Service

Committees (other than Mayoral / Executive Committee) and Purposes of Committees

Municipal Committees	Purpose of Committee	
Section 79 Committees		

Chapter 2

<p>1. Rules, Ethics and Members' Interests</p>	<p>To undertake review of the Rules of Order, procedures and regulations of council and its committees. It recommends changes to that effect to Council.</p> <p>To undertake a review and/or development of policies on councilors' welfare. It recommends changes to the Council by way of reporting through the Speaker of Council.</p> <p>To develop programmes and activities aimed to promote ethical practice and to combat corruption amongst councilors as public representatives.</p>
<p>2. Petitions and Public Participation</p>	<p>To monitor the process of receiving, addressing and responding to complaints from the community.</p> <p>To consider issues that may pose political risk pertaining to public participation.</p> <p>To monitor the update of the petitions register</p>
<p>3. Municipal Public Accounts Committee</p>	<p>To serve as an oversight committee and exercise oversight over the executive and administration on behalf of council.</p> <p>To assist the council and hold executive, administration and municipal entities to account.</p> <p>To serve as body to ensure the efficient and effective use of municipal resources.</p> <p>To increase council and public awareness on the financial and performance issues of the municipality and its entities including policy operation and implementation of local government.</p>
<p>Section 80 Committees</p>	
<p>1. Community Services Committee</p>	<p>The committee has the responsibility to:</p> <ul style="list-style-type: none"> Support the provision of Library Services Consider Solid Waste collection and disposal Regulate Landfill site and Environmental Management programmes Assist in the maintenance and management of Public Amenities e.g. Community Halls, Cemeteries, Pound, Parks & Sport fields Assist in the enforcement of Roads Traffic-laws and Municipal Traffic by-laws Promote safeguarding of Municipal Assets and Properties Assist in the coordination of Public Participation programs and Council Support Assist in coordination and development of Community Sport, Arts and Culture

Chapter 2

<p>2. Infrastructure Planning and Development Committee</p>	<p>The committee assists the Council to promote service delivery within the municipality, Monitor implementation of Human Settlement projects The Committee recommends the provision or approval of funds for unforeseen infrastructural development services. To report to the Council about the infrastructural projects that are planned for the development of the district municipality, To ensure that the municipality delivers the quality service delivery to the communities.</p> <p>Monitor progress on planning and the use of land after transfer, Revitalisation of town.</p>
<p>3. Local Economic Development Committee</p>	<p>To discuss and report about the programs of the local economic development, The committee works towards broadening advancement of Black Economic Empowerment, The committee develops strategies to promote tourism within the local municipality, Establishment of poverty alleviation initiatives, Acceleration of Radical Economic Transformation</p>
<p>4. Budget and Treasury Office Committee</p>	<p>To participate on the drafting of budget and adjusted budget, To participate on the formulation of the IDP and Budget, Assist the Council in the allocation if applicable, the distribution of grants made to the municipality, Assist the Council in the refuse removal, rental, trading tariffs and pound fees or related matters including the collection of revenue thereof</p>
<p>Corporate Services Committee</p>	<p>Receive reports and evaluate progress on Human Resources issues, Consider matters related to job evaluation and grading of staff, Consider performance management of the institutions, Make recommendations on Development of Human Resource Policy Manual and on continuous review of Human Resources policies, Deal with the Implementation of new Organisational structures and strategies, Consider labour relations matters and Human Resource and development,</p>

AUDIT COMMITTEE, INTERNAL AUDIT

The Municipality has a functioning Audit Committee appointed by Council as Section 79 committee and it is composed of three members. The Audit Committee has met the legislative requirements in terms of the number of sittings. There were six audit committee sittings for the 2018/2019 financial year. Furthermore, the audit committee has reported four times to the Council during the 2018/2019 financial year:-

- 31 October 2018, 25 January 2019, 30 May 2019 and 30 July 28.

The reports tabled to Council were the Audit Committee Charter and reports presented to the Audit Committee by Internal Audit during the audit committee meetings convened in 2018/2019 financial year. An assessment for the functionality of the Internal Audit and the Audit Committee was conducted by COGTA with the assistance by the panelist which was made up of MPAC Chairperson, BTO portfolio head, Municipal Manager. It was then found that the assessment was in agreement in all aspects of the assessment tool. The meeting unanimously agreed that based on these assessments both the Internal Audit and the Audit Committee were functional.

The municipality had co-sourced the internal audit unit with Nyalambisa Financial Services for the period of two years, with effect from 17 May 2018 to 17 May 2020 in order to capacitate the unit. The municipality has appointed

Chapter 2

an Internal Audit Manager with effect from 1st December 2015 and Risk and Compliance Officer with effect from 05 May 2017.

T2.1.1

POLITICAL STRUCTURE 2017/2018



MAYOR: Cllr. P.T Sobuthongo

SPEAKER: Cllr V. Matwasa

CHIEF WHIP: Cllr. S. Menziwa

EXECUTIVE COMMITTEE MEMBERS

- Cllr. M.P. Ndabeni: Portfolio head Strategic & Development Planning
- Cllr N.S. Pikwa: Portfolio head Community Services
- Cllr. N. Mbonmtsha: Portfolio head Budget & Treasury
- Cllr. S. Menziwa: Portfolio head Infrastructure Planning & Development
- Cllr. S.W. Sophaga: Portfolio head Corporate Services
- Cllr. N. Fundakubi-Ndoyisile

Chapter 2

T2.1.1

COUNCILLORS

The Ntabankulu Local Municipality is comprised of 17 wards. The Municipal Council is composed of 41 members, including 34 councillors and 7 traditional leaders. Councillors are constituted of 17 ward councillors and 17 councillors deployed as Party Representatives, inclusive of the Mayor and the Speaker.

Refer to **Appendix A** where a full list of Councillors can be found (including the attendance at each council meeting).

Refer to **Appendix B** which sets out list of both Sections 79 and 80 committees and their members. The purpose for each committee is listed at T2.1.1 above.

T2.1.2

POLITICAL DECISION-TAKING

The Municipal Council established the TROIKA (Political Management), which consists of the Mayor, Speaker and the Chief Whip. The Traika sits on a weekly basis and/or before the Council sittings in order to discuss the agenda items that would be tabled to the Council, including any pertinent institutional matters. The Municipal Managers attends to the TROIKA meetings to provide technical advice.

The Municipal Council is the highest decision-making body. It takes resolutions on matters of service delivery and community development. The Management has developed a Council resolution register, which is updated in each quarter after the Council meeting/s. The register is circulated monthly to all directorates in order to invite comments on progress in implementation of council resolutions. The Office of the Municipal Manager is responsible for monitoring the implementation of Council resolutions. There were 296 resolutions taken by the Municipal Council during the 2018/2019 financial year under consideration. The municipality managed to fully implement at least 253 resolutions with 85% in terms of implementation of Council resolutions.

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Note: MFMA s60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

Ntabankulu local Municipality has 6 Senior Managers which includes the Municipal Manager. 4 Senior Managers positions are filled 2 two are vacant The Executive Management sits every month for presentation of monthly plans and monthly reports in preparation of quarterly reports. The Executive management meetings are composed of Senior Management (Managers reporting direct to Municipal Manager) and middle Management (Managers reporting to Senior Managers)

Chapter 2

T2.2.

Chapter 2

MUNICIPAL MANAGER: MS. L. Nonyongo

To oversee the administration of and serve as Chief Executive and Accounting Officer of the Municipality

Functions

- Develop and lead an economical, effective, efficient and accountable municipal administration;
- Coordinate processes towards development of Municipal IDP
- Oversee the implementation of the municipality's IDP and Institutional PMS;
- Oversee the appointment of staff other than Section 57 appointees, subject to the Employment Equity Act (55) of 1998;
- Oversee the maintenance of discipline of municipal staff;
- Advise political structures and political office bearers of the municipality;
- Manage communications between the municipality's administration and its political structures and political office bearers;
- Account for the implementation of Council Resolutions;
- Oversee the administration and implementation of municipal by-laws, policies and other legislation;
- Account for municipal income, expenditure and assets; and
- Facilitate participation by the community in the affairs of the municipality

CORPORATE SERVICES DIRECTOR: MRS. S.N. NTLAHLA

To render Human Resources, Administrative and ICT Support Services.

Functions

- Manage and lead the Human Resources function
- Render Information and Communication Technology (ICT) service and support
- Coordinate Municipal Employee Wellness
- Coordinate records management and access to information in terms of the Promotion of Access to Information Act

CHIEF FINANCIAL OFFICER: MRS. X. VENN

To Manage Municipal Finances, Procurement and Assets

Functions

- Render Budget planning, Monitoring, Financial Statements and Reporting;
- Render Accounting functions relating to Expenditure
- Collect and manage income and revenue;
- Render provisioning, assets and fleet management services;
- Render and manage Financial Risk Management Services

Chapter 2

LOCAL ECONOMIC DEVELOPMENT DIRECTOR: MRS. N. NDLAKU

To coordinate and manage integrated sustainable economic development and planning

Functions

- To Stimulate local Economic Development
- To include PDI's into socio economy

- LED Agriculture, Crop Farming
- -LED Agriculture (AGRO HUB: Piggery and Moringa)
- -LED Agriculture/ SMME (Eyethu Youth, Aqua Culture, Zibambe Ziqine)
- -LED Business Support: LED Strategy
- -Tourism: (Arts and Culture)

COMMUNITY SERVICES DIRECTOR: MR. S. MATIWANE

To develop and provide sustainable, accessible and affordable services that meet the needs of the Community of Ntabankulu within the legal framework, standards and regulations

Functions

- Support the provision of Library Services
- Solid Waste collection and disposal
- Landfill site Management
- Environmental Management programmes
- Maintenance and Management of Public Amenities e.g. Community Halls, Cemeteries, Pound, Parks & Sport fields
- Traffic-law enforcement and bylaws
- Public Safety Education
- Safeguarding of Municipal Assets and Properties
- Provision of DLTC, MVL and eNatis Services
- Municipal Public Works programs e.g. EPWP/CWP
- Coordination of Public Participation programs and Council Support
- Coordination and Development of Community Sport, Arts and Culture

INFRASTRUCTURE PLANNING & DEVELOPMENT DIRECTOR: MR. P.L. MPENDULO

To plan, develop, operate and maintain infrastructure

Functions

- Provide, facilitate and maintain the following infrastructural services:
 - Building and Civil Works Services
 - Roads and Storm water Services
 - Electricity

- Coordinate Formulation and implementation of Spatial Development Framework (SDF).

T2.2.1

Chapter 2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Ntabankulu Local Municipality has established Intergovernmental Relations Forum in line with intergovernmental relations framework Act No 13 of 2005 and Regulations. Members of the IGR are members of the National, Provincial departments, Parastatals, District Municipality.

The Municipality has developed terms of reference for the intergovernmental relations forum. These procedures shall serve as Internal Procedures and processes of the Ntabankulu Local Municipality Intergovernmental Relations (IGR) Forum to ensure compliance with Section 33 of the Intergovernmental Relations Framework Act no 13 of 2005.

The objectives of the Intergovernmental Relations Forum are clearly outlined in the reviewed terms of reference adopted in 2018/2019. Objectives are as follows.

- Coherent Planning and development
- Coordination and alignment of the strategic and performance plans & priorities; objectives and strategies of the municipality
- Coordinating any matter of strategic importance which affects the interests of municipality's stakeholders

The Municipality sat three IGR meetings in the financial year 2018/2019 but challenges were experienced in terms of representation of Sector Departments. This has resulted on lack of information circulating between the Municipality and Sector Departments and between the government institutions and community.

Items included in the Agenda for the IGR Sessions:

- Matters submitted by members of Ntabankulu Local Municipality IGR Forum
- Reports by Ntabankulu Local Municipality on implementation of projects as per the IDP
- Reports by provincial, district sector departments on implementation of projects
- information sharing
- Matters raised on community outreach

-Local Economic Development Forum was established during the year 2015/16 and the purpose of this forum is to have a platform where all economic development matters, business and entrepreneurship issues are shared and discussed. It has also played a vital role in development of the LED Strategy which was done in-house. Number of consultation had to be made. Subsequently The LED strategy had been developed in collaboration with all identified stakeholders and adopted by the council

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

During the year under review the municipality has received funding of R1, 231m through Expanded Public Works Program which has created 144.33 FTE's

Chapter 2

Through engagements with the Department of Environmental Affairs, the municipality had been funded with seven Learnership Programs as outlined below:

- Environmental Education, Training and Development Practice NQF 5 with 20 participants
- Occupation – Plumber SAQA ID 642601 with 17 participants
- National Certificate: Professional Cookery NQF 4 SAQA ID 14111 with 25 participants
- Building and Civil Construction: Painting NQF 3 with 20 participants
- Driving Licence code C1 with 20 participants
- Carbon Steel Plate (Structural Welding) NQF 2 with 20 participants
- Dressmaking NQF 1 with 20 participants
- Building and Civil Construction: Masonry NQF 3 with 20 participants

-Cleaning of public walkways, litter picking and collection and transportation for the duration of 10 months

-Cleaning of illegal dumps and turning them into green open spaces

-The municipality had EPWP labour intensive project with 66 beneficiaries, 59 were at Environment and Culture Sector, 10 under Infrastructure sector and 04 under Social sector.

- EPWP standards applied to all the 66 project beneficiaries. The projects had been registered on the EPWP Integrated Reporting System to ensure that all reported work opportunities reflect at national level and are consequently fed into the National Strategic Goal of unemployment reduction.

-These had been done in line with EPWP Ministerial Determination that regulates the implementation of EPWP.

T2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

MUNIMEC Meetings:

The Municipality has participated in these meetings quarterly. In these meetings Municipalities are urged to improve expenditure on Capital budget and infrastructure grants,

District Mayors Forums:

The Municipality has participated in these meetings quarterly, where the Mayors of Alfred Nzo District Municipality share information on service delivery progress and challenges in implementing projects.

District Appraisal Committee:

The meetings are sitting monthly for approval of MIG projects plan to be implemented over the MTREF period in preparation for the Appraisal Committee.

DISTRICT INTERGOVERNMENTAL RELATIONS FORUM

The Municipality has participated to the above structures for integration of programs and inclusion in the Integrated Development Plan. The Municipality has participated in these forums for reporting and information sharing within government and between government and communities.

SPATIAL PLANNING

The introduction of Spatial Planning and Land Use Management Act (SPLUMA) in the Eastern Cape Province has been proposed as possible tool to effect spatial transformation. Ntabankulu Local Municipality has participated in the provincial workshops that were coordinated by the Province. An attendance of the municipality has afforded it to develop SPLUMA bylaw and to establish a partnership with Alfred Nzo Municipality towards effective

Chapter 2

implementation of the Act. The Ntabankulu council resolved on the 30 march 2017 to adopt the spluma bylaw and council further resolved to join the Alfred Nzo District Municipal Planning tribunal due to financial constraints and the volume of application submitted to council on an annual basis.

LOCAL ECONOMIC DEVELOPMENT

The Municipality has participated on the District Support Team (DST) which ensures the integrated approach on planning, implementation and monitoring of Local Economic Development Programs.

This structure has assisted the municipality in successful stimulation and strengthening of the local economic development programs of the area. The Municipality has benefited on programs that promote SME start-up and expansion, to build sustainable and competitive tourism, Agro-processing and manufacturing including training of cooperatives which are drivers for economic activity in the areas. The municipality has also explored the utilization of the Local Economic Development Forum which has contributed positively in the development of LED strategy.

MUNICIPAL COMMUNICATION

The municipality has participated in the Local government communicator's forum and IGCF which is coordinated by the Eastern Cape Province. The program has assisted the municipality to effectively implement the Communication Strategy and to use uniform approach in terms of marketing, branding and media relations. The Communications units update the information in the website quarterly and submit the information to the Information Technology unit for publishing in the Municipal website.

T2.3.2

DISTRICT INTERGOVERNMENTAL STRUCTURES

Alfred Nzo District Municipality has formalized intergovernmental structures such as but not limited:

- District Mayor's Forum
- Speaker's Forum
- DP/Budget and PMS Representative Forum
- District Communicators Forum

The municipality has participated in District communicators forum to coordinate planning of local events, local media platforms, Local Government Communicators forum: a platform that coordinates all communicators in the Eastern cape in order to report on the implementation of the Communication strategy and new innovations to be implemented in the entire province and Integrated Communicators Forum is called by Office of the Premier to plan the MEC Imbizo's and visits to Local Municipalities in order to have a uniform approach in terms of Branding, Marketing, Media Relations and Protocol. The Speaker, Councilor V. Mathwasa participates in the district's Speakers Forum to represent Ntabankulu Local Municipality. These structures assisted the Municipality in ensuring that there is integrated planning at national, provincial, district and local level.

T2.3.4

Chapter 2

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Ntabankulu Local Municipality inculcated a culture for accountability among its staff, councilors, and traditional leaders, participating in the council, for public accountability. In the staff establishment of the municipality, the Public Participation and Council Support Division is attached to the Office of the Speaker. Administratively, the unit reports to the Director: Community Services.

The municipality has established the Executive Committee in terms of section 50 of the Municipal Structures Act, which is chaired by the Mayor, Councilor P.T. Sobuthongo. The Executive Committee sits quarterly to consider the institutional compliance and reporting. The Municipal Council also established five section 80 committees. The committees are chaired by portfolio heads and are composed of councilors, Senior Managers, and Traditional Leaders.

The Municipal Council has established three section 79 committees such as (1) Municipal Public Accounts Committee, which is chaired by Councilor B.Z. Ndamase, (2) Petitions and Public Participation Committee, which is chaired by Councilor N. Ncekana, (3) Rules, Ethics and Members' Interests Committee, which is chaired by Councilor M. Nqwazi.

The Municipality has IDP, IGR & PMS unit under the Office of the Municipal Manager. There is an IDP & Budget technical Committee which is chaired by the Municipal Managers and IDP/IGR & Budget representative forum which is chaired by the Mayor.

These committees sit quarterly for municipal planning & reporting. The IDP/IGR & Budget representative forum is composed of Councilors, Senior Management, Ward committees, Sector Departments, NGO's, Parastatals, Religious leaders, Traditional Leaders, Alfred Nzo District Municipality. These forums share information within government and between government and community at large within the Municipality.

T2.4.0

Chapter 2

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Marketing and Communications Division within the Office of the Municipal Manager is responsible to communicate to the public all matters the municipality wishes and is compelled to communicate.

Two Bulletins of Kwakhanya Ntabankulu newsletter have been printed including articles that were sent to local newspaper. This is done through Local Newspapers, Formal Notices on Municipal buildings, Flyers, brochures, Municipal Website, Social media (Facebook), local community radios and through our Local Newsletter "Kwakhanya Ntabankulu".

The gap analysis was done and presented in the workshop where marketing and communication strategy were consolidated. The Communication Strategy Review Workshop was well attended by all stakeholders from the Sector Departments to the media houses. The communication strategy which incorporated the information from Sector Department was adopted by council for implementation.

- The LCF meetings were held quarterly to communicate the implementation of the strategy.
- The round table were held quarterly and were all well attended by different people representing various structures.
- Council outreach to traditional councils, Council of churches and sector departments was conducted in June 2018.
- The Facebook page created and all events were publicised.
- Handing over of electrification projects, roads, community halls and pre-schools was done.
- Four engagement meetings with rate payers, Business Forum, Youth formations and a panel discussion were held this financial year.
- Media briefings were done in a form of interviews in all events.
- Back to school campaign was done in January 2018.
- Roadshows and taxi rank activations and walk about was done in the urban area.
- Talent search grand finale was held to celebrate the June 2018

The Mayor as the person responsible for identification of the needs of the community also embarks on Mayoral outreach programs which are intended to reach out to communities to address their concerns on service delivery.

- For the financial year 2018/2019 The mayor had two mayoral outreach programs for all 17 wards in November 2018 for review of community based plans and May 2019 for communication of draft IDP projects of the next financial year 2019/2020 with turnout of +/- 3500 community members.
- The Mayor was providing progress on implementation of projects to the public, challenges and corrective measures to be put in place to complete those projects. The Municipality was also verifying ward based plans/priorities for inclusion in the Integrated Development Plan.
- The Mayor Champions the development of the Integrated Development Plan which requires involvement of communities.
- The IDP, Budget & PMS Representative forum chaired by the Mayor was convened 3 times for the financial year 2018/2019, only one IGR Steering Committee sat.

Chapter 2

T2.4.1

Chapter 2

WARD COMMITTEES

The Ntbankulu Local Municipality has established ward committees in all 17 wards with 170 ward committee members after the 2016 local government elections. The ward establishment process started in the first quarter, and completed in the second quarter of 2016/17 financial year. The ward committees were all inducted in the local government legislation including their roles and responsibilities. The Ward Committee Functioning Policy has been reviewed and approved by the Council. The primary role of ward committees is to link the municipal planning processes to the ward communities, their constituencies and / or wards.

The aim is to ensure that communities understand the purpose and key mechanisms of the IDP, Budget and Performance Management. Ward committees serve as structures that help to facilitate public consultation and participation for communities to be actively involved to government programs in their wards and they provide feedback to their communities on the IDP & Budget/Service Delivery programs.

T2.4.2

Public Meetings

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Conducted Four (04) community participation programs in the following manner: 1. Citizen engagement program was conducted in all 17 wards. The programme is meant to provide platform for community engagement with their ward committees.	03 September – 23 November 2018	40	02	2 461	Yes	Provided progress report on Prioritized projects for all wards
2. Moral Regeneration Movement programs conducted at ward 10, Mvenyane location. it is meant to promote high morals within the society	01 December 2018	05	02	305	Yes	Encouraged young girls to participate on Inkciyo programme
3. Moral Regeneration Movement program was also conducted in ward 14, Solomon Gagane village. 4. Know your rights programme was conducted in ward 16, Lunzwana Location. The	13 June 2019	06	02	298	Yes	Encouraged effective participation of relevant stakeholders during the process of initiation programmes

Chapter 2

purpose of the program was to conduct public education on constitutional rights and obligations to community members						
IDP outreach for all wards in November 2018 to present progress to date on implementation of projects and confirmation of community ward priorities	01 and 06-09 November 2018	41	10	1800	Yes	01 and 06-09 November 2018
Intergovernmental Relation Forum to prepare for IDP/Budget outreach program and establishment of the IGR Forum	27 September 2018	30	15	60	Yes	27 September 2018
Intergovernmental Relation Forum	27 November 2018	35	09	50	Yes	27 November 2018 during discussions session
Intergovernmental Relation Forum	26 June 2019	41	07	60	Yes	26 June 2019 during discussions session
IDP & Budget Outreach for all wards for presentation progress on projects implemented for the financial year 2018/2019 and planned projects for the next five years and 2019/2020	14-17 May 2019	24	7	1300	Yes	14-17 May 2019
State of the Municipal Address (Mayors Budget Speech)	31-May-2019	48	30	1700	Yes	31 May 2019 during discussion session

T2.4.3

Chapter 2

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

For ward conferences, the program was targeting to provide the progress report on ward committee performance and also to give a feedback on projects implemented in the last five years and projects prioritized for 2017/18. In essence, the program was effective and successful, because it provided a platform for community members to engage the municipality and state departments in various areas of concern regarding to service delivery in all 17 wards.

For Know your rights program, communities were taught about their constitutional rights and their responsibilities particularly when they are complaining /protesting for government services. The purpose of the programs incorporated the issues stipulated below:

- Information sharing between government and the members of public,
- Municipality had a platform to analyze public views and comments on service delivery,
- Interaction of government officials and community

Received real challenges affecting community on the implementation of government programs for service delivery.

For Moral Regeneration Movement, the program focused on practice traditional custom such as the initiation tradition. The main objective was to eliminate appalling loss of life from teenage boys during the transitional period to manhood. The programme involved different relevant sector departments, as key-role-players, namely: Departments; Health, Home Affairs, Justice, Education and Social Development to provide required support and services. The program was conducted in collaboration with the traditional authorities as the custodians of the traditional custom and it was successful.

T2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

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

Chapter 2

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate Governance within the Municipality resides in the Office of the Municipal Manager who has the responsibility to ensure adherence to municipal policies and by-laws. This function has been delegated to all directorates.

Municipal by Laws were last regazetted in 2010 and Municipal Policies were reviewed in 2017/2018 and approved by Council on the 30 May 2018. Municipal By-laws were reviewed; community consultations were last conducted in the financial year 2015/2016.

~~Delete Directive note once comment is complete~~ - Please explain in brief the scope of corporate governance.

T2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

The Municipality enhanced its risk management efforts in order to identify, respond and mitigate the risks that may impede its ability to achieve its objective. The municipality has performed its risk assessment on the 19 July 2018 for the 2018/2019 financial year and constantly monitors them throughout the financial year.

In doing this, the municipality must actively monitor its efforts and actions through risk management. In year monitoring includes periodic monitoring of its actions that are designed to mitigate the impact of the risks that are in the risk register developed at the beginning of the financial year. The Municipality has established risk management committee which is constituted of risks champions from each directorate.

The municipality has appointed a Risk and Compliance officer with effect from 05 May 2017, furthermore a risk management committee was established which constitutes of risks champions from each directorate.

Service Department Role:

- To identify threats that may prevent the department to achieve its objectives
- To ensure the safe guarding of municipal assets and proper management of municipal funds.

Top five risks of the Municipality

- Non-compliance with legislative prescripts
- Exposure to fraud
- Inadequate government structures
- Loss of institutional Memory
- Ineffective customer care processes

T2.6.1

Chapter 2

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

During the 2016/2017 and 2017/2018 audit by Auditor General, they have raised a finding on financial misconduct whereby one of the Senior Managers did not declare truthfully to his declaration form as a result there was irregular expenditure incurred as his spouse was trading with the municipality.

Furthermore, on page 5, paragraph 39, it was also stated in the 2016/2017 audit report by auditor general that the allegations of financial misconduct against senior managers were not always tabled before the Council, as required by disciplinary regulation for senior managers 5(2)

Another case for alleged paraffin was also reported to the municipality and South African Police Services (SAPS), however the case has since been handed over to the Hawks.

The Municipality has developed and adopted its Fraud and corruption prevention policy. The policy is established to facilitate the development of controls that will aid in the prevention and detection of fraud against the Municipality. It is the intent of NLM to promote consistent Organisational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigation.

The Fraud and anti-corruption policy was reviewed and approved by the Council on the 30 May 2019. The policy also entails processes to be followed in terms of reporting fraud and also incorporates the whistle blowing.

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Policy has been reviewed and adopted by the Council on 30 May 2018. The Supply chain unit is established and fully functional with all the Bid Committees functional. The Municipality complies with the SCM policy and with the legislations, circulars and gazette. The procurement plan has been developed and implemented for 2018/19 financial year

The irregular expenditure report for the year was audited by the internal audit and the management responded. The document management is being improved. Awards above R30 000 were reported to Council and Treasury on quarterly basis. The data base is updated timeously on an electronic supply data base system. The Municipality does not have any long term contract awarded during the current financial year. The supply chain officials together with the bid committee members were trained for the period under the review. The consequence management is also in place but was not effective. Staff compliment: supply chain management manager (Vacant from March 2018-June 2018), supply chain accountant, demand and acquisition clerk, logistics clerk, one intern and one trainee.

T2.8.1

Chapter 2

2.9 BY-LAWS

No	List of By Laws: Gazetted in 2010
1.	Unightly and Neglected Buildings and Premises By Law
2.	Pound By Law
3.	Fencing By Law
4.	Cemeteries, Funeral Undertakers and Crematoria By Law
5.	National Buildings Regulations and Building Standards By Law
6.	Control of temporary advertisement By Law
7.	Storm water Management By Law
8.	Policy and Street Naming and Awarding of Council Orders By Law
9.	Dumping, littering and Waste Collection By Law
10.	Disposal of Contaminated and/or Health Care Risk Waste By Law
11.	Control of Refuse Disposal Sites By Law
12.	Liquor Trading Hours By Law
13.	Tariffs By Law
14.	Advertising By Law
15.	Sale of food By Law
16.	Street Trading By Law
17.	Credit Control and Debt Collection By Law
18.	Roads and Traffic By Law

COMMENT ON BY-LAWS:

The municipality has By-laws that are in line with the National and Provincial legal framework. The municipal Bylaws were gazetted on the 15th January 2010 in the Provincial Gazette. The municipality is currently reviewing by-laws for council adoption and re-gazetting. The municipality is enforcing the by-laws as gazetted on the 15th January 2010. The municipality is also engaging with stakeholders in the process of by-law enforcement.

T2.9.1.1

Chapter 2

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	Annual budget : 3rd of July 2017
All current budget-related policies	No	Not posted as yet
The previous annual report (Year -1)	Yes	April 2017
The annual report (Year 0) published/to be published	Yes	September, December
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	No	NA
All service delivery agreements (Year 0)	No	Not Applicable
All long-term borrowing contracts (Year 0)	No	Not Applicable
All supply chain management contracts above a prescribed value (R30,000) for Year 0	Yes	Monthly (awards are published cumulative, the previous is replaced by the current)
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	Not Applicable
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	Not Applicable
Public-private partnership agreements referred to in section 120 made in Year 0	No	Not Applicable
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	Quarterly

T2.10.1.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

Municipal website is used to Inform, educate, brand and Market the municipality to keep the public informed about Municipal Programmes. All Municipal compliance documents are available. There is content and there is free Wi-fi which is limited only around Headquarters of the Municipality, the website is publicised in all Municipal publications (Letterhead, newsletter and Municipal business cards etc). It is accessible to everyone who has means in terms of data or internet.

T2.10.1.1

Chapter 2

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

Ntabankulu Local Municipality has 17 Wards, surveys were conducted in all 17 Ward, and the complaints received in these wards on slow service delivery. To address these service delivery complaints there were stakeholder engagements session's planned for continuous feedbacks.

The following systems are in place to deal with public relations:

- Communication strategy
- Customer services charter,
- Customer Care policy &
- Customer Care Unit to implement the Batho Pele principles.
- Petitions Management committee

T2.11.1

Satisfaction Surveys Undertaken during: Year -1 and Year 0				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
(a) Municipality	Questionnaires & Complaints book	July 2018-June 2019	350	87%
(b) Municipal Service Delivery	Questionnaires	Same as above	350	90%
(c) Mayor	Questionnaires	Same as above	05	95%
Satisfaction with:				
(a) Refuse Collection	Questionnaires (House to house)	July 2018-June 2019	210	60%
(b) Road Maintenance	Questionnaires	Same period	100	29%
(c) Electricity Supply	Questionnaires	Same period	50	14%
(d) Water Supply	Questionnaires	Same period	220	63%
(e) Information supplied by municipality to the public	Newsletter, Radio slots, Website			
	Local Newspapers	Same period	95	27%
(f) Opportunities for consultation on municipal affairs	Outreach			
	Public participation	Quarterly		
	Community meetings (Imbizo)		Community at large	80%

Chapter 2

	Walks-in			
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The customer care surveys were conducted in all wards as per the annual target; a questionnaire method was used to conduct those surveys and there are supporting documents. Also attended the queries that emanated from Presidential Hotline and percentage response were at 87%.

T2.11.2.1

COMMENT ON SATISFACTION LEVELS:

The Community is satisfied with the Municipality customer care as the community always states that the Municipal Employees treat them with respect and courtesy as they apply the Batho Pele principles in dealing and attending community issues and rendering services to the community.

In the survey questionnaires they have indicated that the service delivery has improved in Ntabankulu even the service delivery protests have reduced in Ntabankulu in the financial year 2018/19. The municipality provided all the serviced households with wheelie bins to ensure that the residential area is free of illegal dumping areas.

T2.11.2.2

Chapter 3

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

INTRODUCTION

The Summary of the IDP objectives for the 5 years is as follows:

- Ensure a responsible, functional, accountable and responsive administration by adhering to policies and prescripts by 2022
- To provide cost effective, quality and sustainable infrastructure that promotes economic and social development whilst creating and maximizing job opportunities by June 2022
- Increasing number of employment opportunities in the Ntabankulu Local Municipality by creating enabling environment for sustainable growing diversifying economy and to increase standard of living by June 2022
- Ensure optimal use of resources effectively and efficiently by June 2022
- To promote the values of good governance and human rights by June 2022

The Municipality has three service delivery directorates which are as follows:

- Local Economic Development Directorate
- Community Services Directorate
- Infrastructure Planning & Development

Infrastructure Planning and Development

The Municipality has a three year capital plan adapted by council and reviewed annually. During the financial year 2018/2019 the Municipality planned to electrify 1943 households and achieved to electrify 1943 households through Eskom program and Municipal Program (Schedule5 and Schedule6). On roads infrastructure the Municipality completed 38.5 km of roads and 0.4 km have overlapped to the 2019/2020 financial year. On community facilities the municipality has completed 1 community hall in ward 16 and two community halls in ward 10&15 still under construction and has overlapped to 2019/2020 financial year for completion. Phase 2 of Ntabankulu Sport Field completed.

13.0.

Chapter 3

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

Roads infrastructure in the municipality is classified as worse as most areas are inaccessible, more specially on rainy weather conditions. About 99.5% of our roads are gravel roads. Even the roads that are classified as district roads that link Niabankulu to Flagstaff through DR08019 and M1 Frere through DR080125 are gravel which have now deteriorated.

The municipality is in dire need for tarring of both major District Roads (DR08019 and DR 080125) notwithstanding those other district roads in the municipality are also in need of serious attention. Municipal Infrastructure Grant funding for the financial year 2018/2019 was R41 681 000. More funding is needed to better the status of roads infrastructure as the current backlog is about 566km of both Access Roads (Municipal) and District Roads.

The Municipality has constructed and completed the following projects for the financial year 2017/2018 through MIG Funding and Equitable Share.

- Construction of Niabankulu sports field phase 2 in ward 8& 13 with a total budget of R11 467 449.15
- Completion of 6.5km of Madwakazana gravel access road phase 2 in ward 7 with a total budget of R 5 295 043.74
- Construction of Caba community hall in Ward 10 with a total budget of R 3 673 943.67
- Completion of kwaNtuli community hall in ward 16 with a total budget of R 2 729 326.02
- Construction of 4km of Nalikini via Crech to Celshe gravel access road in Ward 15 with a total budget of R 2 388 805.46
- Construction of 12km of Matuka to Sihonyaneni gravel access road in ward 9 with a total budget of R 6 946 908.72
- Completion of 2km of Bhayi-Nilangano Gravel Access road in ward 1 with a total budget of R 973 444.05
- Construction of 6.5km of T107 via Mbangweni to T108 gravel access road in ward 9 with a total budget of R 4 480 628.62
- Construction of 4.6km of Lufata via Siyaya to School gravel access road in ward 11 with a total budget of R 3 500 893.29
- Construction of Mazeri community hall in ward 15 with a total budget of R 3 474 302.12
- Installation of 20 LED solar powered street lights in ward 8& 13 with a total budget of R 2 000 000.00

Chapter 3

Constructions of the following projects have overlapped to the 2019/2020 financial year as they were not completed in the financial year under review, 2018/2019.

- Ntabankulu MPCC in Ntabankulu town in ward B
- Madwaba Preschool in Ward 3
- Bulelani Preschool in Ward 8
- Construction of Ntabankulu Internal streets in ward 8&13
- Ntabankulu Sport field phase two in ward 8&13

The Municipality did not have sufficient budget for maintenance of its infrastructure, only 2% of the operational budget allocated for maintenance.

The following project was maintained in the financial year 2018/2019.

- Re-graveling of 4.3km of Tshongweni to Mpisini access road in ward 9

Alfred Nzo District Municipality is a water services Authority as per the Water Services Act. The estimated backlog for water is +/-50%. A water service in the municipality is largely bad with most of water schemes not functional, with faults ranging from malfunctioning boreholes to water purification. The municipality is largely not having access to water that fall within RDP Standards. The status of sanitation is no exception, with about 70% backlog. Only about 8,000 households have access to sanitation facilities in the area.

The municipality has 26 195 households with only about 23 928 households benefiting from grid electricity. The municipality managed to electrify 1 943 households during the 2018/2019 financial year. 1 112 households are planned to be electrified in 2019/2020 with 147km link line and 1 155 households remain as the municipal backlog. INEP allocation for the municipality for the 2017/2018 financial year was R40 000 000 as per DORA bills. CoGTA funded the municipality with R9 961 112.02 to complete electrification of 1 200 households from ward 3, 7, 16, 17.

The Municipality had 365 beneficiaries which were receiving free basic energy in the form of conventional electrification, 5580 beneficiaries for paraffin and 100 beneficiaries for solar.

For the financial year 2018/2019 there is additional services which are rates & refuse for the urban area beneficiaries. The list of free basic services for the financial year 2015/2016 shall be as follows:

Rates

Refuse

Electricity

Paraffin

Chapter 3

The municipality embarked on review of registration for the benefit of free basic services before the start of every financial year. The municipality then consolidates the indigent register for the qualifying applicants. The indigent register gets approved by the Council before the beginning of each financial year. The Municipality has employed two employees to execute indigent services which are, Indigent Coordinator and Indigent Administrator under the Budget & Treasury Office, Revenue Division.

The Indigent Steering Committee has been established and is functional. The committee was constituted of the Ward Councilors, Ward Committees, Community Development Workers, Traditional Leaders and Religious leaders. The committee is chaired by budget & treasury Portfolio Head.

The District Municipality supports the Ntabankulu Local Municipality through provision of indigent verification system called RUMAS.

COMMENT ON ACCESS TO BASIC SERVICES

The Municipality has managed to reduce community protests which were fuelled by the demand for electricity through the engagement of different stakeholders like Eskom, the Office of the Premier and CoGTA where in commitments were made to electricity 10958 households from different wards in Ntabankulu.

The municipality had made a tremendous improvement on electricity rollout; currently the municipality is at **23928** households benefiting from grid electricity. the achievement can be attributed from the following sector departments CoGTA, DBSA, Eskom Office of the Premier and National Treasury

The Municipality is still challenged by shortage of funding to provide other types of infrastructure like roads, community facilities (pre-schools, sporting facilities, community halls) and the LED infrastructure even though strides has been made to use the equitable share for the provision of the infrastructure. Huge backlogs are noticeable with pre-schools, roads, Sports fields. The community halls are in existence in many areas even though they require to be upgraded and the municipality has constructed three community halls and one was completed, two rolled over to the financial year 2019/2020.

73.1.0

Chapter 3

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Ntbankulu Local Municipality is not a water services authority. Below is a summary of water services projects implemented by the Alfred Nzo District Municipality in the Ntbankulu Area during the financial year 2018/2019

Project name	funding	Allocated budget 2018/2019 per project	Expenditure - December 2018
Nyokweni/Bomviri Regional Water Supply Scheme	MIG	R 30 000 000.00	1 143 571
Ntbankulu Town Sewer Reticulation and Waste Water Treatment works	MIG	R 10 000 000.00	261 545
Ntbankulu Sanitation to Ward 14 (VIP Toilets)	MIG	Finalising budget before contractor commences	
Ntbankulu Sanitation to Ward 5 & 6 (VIP Toilets)	MIG	Finalising budget before tender can be advertised for emerging contractors	
Ntbankulu Wards 12 Water Supply Scheme-Implementation Phase	MIG	R 10 000 000.00	3 541 336

Chapter 3

Ntabankulu Wards 14 Water Supply Scheme-Implementation Phase	MIG	R 10 000 000,00	4 319 930
Mawa 2 Village Water Scheme (Ward 14)	WSIG	R6 764 052,11	R4 123 326,94
Vuindlela Village Water Scheme (Ward 15)	WSIG	R4 141 824,85	R4 141 824,85
Gipu 2 Village Water Scheme (Ward 9)	WSIG	R3 582 671,79	R3 582 671,79
Vane 2 Village Water Scheme (Ward 1)	WSIG		
Xhopho 2 Village Water Scheme (Ward 2)	WSIG	R4 460 137,98	R4 460 137,98
Bongwent Village Water Scheme (Ward 16)	WSIG	R4 547 094,50	R4 547 094,50
Rehabilitation of Ntabankulu sewerage pond	EQS		
Rehabilitation of Ntabankulu sewerage pond	EQS		
Refurbishment of Mnceba Scheme covering Ward 11 & 12	EQS		
Refurbishment of Wards 8, 9 & 10 Water Schemes in Ntabankulu	WSIG		

Chapter 3

Alfred Nzo is a water services Authority as per the Water Services Act. Through the section 78 process of the Municipal Systems Act, Alfred Nzo took a decision to do an internal provision. This therefore means that the municipality is an Authority and a Provider. The municipality has given a key focus on Water services, as part of its implementation of the municipal turnaround strategy. The estimated backlog for water is 86, 6%. It is worth noting that there are schemes that are running smoothly despite the predicament of the area with regards to delivery of water services. A water service in the municipality is largely bad with most of water schemes not functional, with faults ranging from malfunctioning boreholes to water purification. The municipality is largely not having access to water that fall within RDP Standards.

13.1.1

Chapter 3

Employees: Water Services					
Job Level	Year -1	Year 0		Vacancies (as a % of total posts)	
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	%
No.	No.	No.	No.	No.	%
Not applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
This is not applicable to Ntabankulu Local Municipality as the Municipality do not carry out these services.					

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The status of sanitation is no exception, with about 70% backlog. Only about 8,000 households have access to sanitation facilities in the area. There are projects that are under construction, and some have been recently completed. The facilities in town need upgrading to water borne system. Ablution facilities in the town are currently inadequate (Ntabankulu Taxi Rank). Two sets of ablution facilities had been constructed at ERF 286 (Next to Ntabankulu Municipal Offices) and Shoprite shopping complex but more is still needed. The water borne sewer system in the urban area is being upgraded by the Alfred Nzo District Municipality but the progress for construction has been very slow. The tariff for honey sucker is R975.00 (incl. vat) but resistance to pay for the service is still seen even though the tariff was reduced.

Completion of construction of the waste water treatment works system will finally reduce effluent volumes caused by septic tanks. Bulk Water and Sanitation is planned by the Alfred Nzo District Municipality as outlined by Chapter seven of the IDP. Alfred Nzo District Municipality anticipates to be completing the project by June 2020.

T3.2.1

Chapter 3

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Ntabankulu Local Municipality does not carry out these services. T3.2.7					

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Electricity roll out within Ntabankulu jurisdiction has been improved tremendously from 80% to 91.3% at the end of the financial year 2018/2019. During financial year 2018/2019 financial year 3405 households were planned by the municipality and achieved 1943 and 1462 households were planned by Eskom and achieved 1462 households benefiting from grid electricity

T3.3.

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households			113	244	244	131
Households below minimum service level						
Proportion of households below minimum service level						
Informal Settlements						
Total households			1143	2247	2247	1104
Households below minimum service level						
Proportion of households below minimum service level						

T3.3.4

Chapter 3

Service Objectives	Outline Service Targets	Electricity Service Policy Objectives Taken From IDP									
		Year -1		Year 0		Year 1		Year 3		Year 5	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	(ix)	*Following Year (x)		
To increase the number of households with access to electricity to 27 481 household by June 2022	To electrify 1943 households by June 2019	6438	4702	1943	1943	1943	1112	1155	1155		
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. *'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>											

T.3.3.5

Chapter 3

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	0	0	0
4 - 6	1	1	0	0	0
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20	0	0	0	0	0%
Total	2	2	0	0	0

This unit is only for in-house electricity maintenance for capital projects the Municipality outsources the function.
T 3.3.6

Capital Projects	Year 0				
	Budget	Adjustment Budget/ variation	Actual Expenditure	Variance from original budget	Total Project Value
MIG Grant					
Lufafa via Siyaya to School Access road	2 833 081.36	0	2 730 479.17	0%	2 833 081.36
T107 via mbagweni to T108 access road	3 903 009.52	0	3 674 222.80	0%	3 903 009.52
Madwakazana phase 2 access Road	2 578 431.48	0	3 020 457.03	0%	2 578 431.48
Ndikini via crech to celshe access road	2 032 991.60	0	4 119 102.78	0%	2 032 991.60
Ntabankulu Sports Field phase 2	8 261 646.66	3 000 000	7 704 151.17	26%	11 261 646.66
Mofoka to sikhonyaneni access road	4 482 910.69	0	4 11 533.20	0%	4 482 910.69
Caba community Hall in ward 10	3 066 388.67	0	2 113 112.90	0%	3 066 388.67

Chapter 3

Mazeni community Hall in ward 15	2 112 844.31	0	881 699.07	0%	2 112 844.31
Provincial Treasury Grant					
Ntabankulu Internal Streets(Main road)	6 200,000.00	0			6 200,000
Equitable Share					
Kwantuli community hall	1 629 982.50	0	1 629 982.50	0%	1 629 982.50
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.7.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Ntabankulu Local Municipality has budgetted for electrification projects through schedule 5 and schedule 6.

T3.3.9

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

The municipality delivers waste management services that include waste removal, waste recycling and waste disposal. The waste management is done in a manner that does not conflict with section 7 or 8 of the National Environmental Management: Waste Act No. 59 of 2008 and the Integrated Waste Management Plan (IWMP). The IWMP was adopted by the council and had been approved by the MEC in the Department of Economic Development, Environmental Affairs and Tourism on the 07th April 2016.

The services are rendered within the urban area, including business and residential areas. The municipality has extended waste management services to cover 471 RDP households.

T3.4.1

Chapter 3

Waste Management Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3	
		Target	Actual	Target	Actual	*Current Year	Target	*Current Year	Target
Service Indicators		*Previous Year		*Previous Year		*Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Ensure the implementation of the Integrated Waste Management Plan (IWMP) by 2022	4 reports on the Landfill Site operations managed in line with IWMP by June 2019	Report on captured waste data to Waste information system, compaction and collected recyclable waste	Report on captured waste data to Waste information system, compaction and collected recyclable waste	Report on captured waste data to Waste information system, compaction of disposed waste; separation of recyclable waste	Report on captured waste data to Waste information system, compaction of disposed waste; separation of recyclable waste	Report on captured waste data to Waste information system, compaction of disposed waste; separation of recyclable waste	Report on captured waste data to Waste information system, compaction of disposed waste; separation of recyclable waste	Management of Landfill Site operations in line with IWMP by June 2021	Management of Landfill Site operations in line with IWMP by June 2020
Collect waste in 652 households and 10 government departments in line with IWMP by June 2019		IWMP implementation report	IWMP implementation report	IWMP implementation report	IWMP implementation report	IWMP implementation report	Report on cleaning services through collection and disposal	Report on waste collection services in line with IWMP by June 2021	Report on waste collection services in line with IWMP by June 2020
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *Current Year refers to the targets set in the Year 0 Budget/IDP round; *Following Year refers to the targets set in the</p>									

Chapter 3

Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

Chapter 3

Employees: Solid Waste Management Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	2	1	1	50%
7 - 9	2	2	2	0	0%
10 - 12					
13 - 15					
16 - 18	12	17	17	5	29%
19 - 20					
Total	15	21	20	6	30%

Over and above the number of employees, the municipality has created 34 temporary job opportunities for EPWP personnel to our work force in the waste management unit. The project has assisted in alleviation of unemployment rate and added more cleanliness around town which also helped with the healthy environment of Ntabankulu community.

T3.4.5

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	2	1	1	50%
7 - 9	2	2	2	0	0%
10 - 12					
13 - 15					
16 - 18	12	17	17	5	29%
19 - 20					
Total	15	21	20	6	30%

T3.4.6

Chapter 3

Details	Year -1	Year 0	Adjustment	Actual	Variance to Budget
	Actual	Original Budget	Budget		
Total Operational Revenue	300 000.00	315 600.00	0.00	576 178	260 576.00 -
Expenditure:					
Employees	616 000	616 000	0.00	616 000	-
Repairs and Maintenance	575 000	255 000	0.00	150000	105 000.00 -
Total Operational Expenditure	1 491 000	1 186 600	0.00	1 342 178	365 576.00 -

T.3.4.

There were no material variances on solid waste between budgeted and actual amounts

Capital Expenditure Year 0: Waste Management Services

R' 000

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A(Waste truck)	0.00	0.00	0.00		0.00
Fencing of landfill site	500 000.00	0.00	0.00		500 000.00
Construction of landfill site	0.00	0.00	0.00		0.00
Project A(Waste truck)	0.00	0.00	0.00		0.00

T.3.4.9

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The Municipality has budgeted for the operations of the landfill site including electrification and cleaning services. This is one of the requirements that the municipality must comply with as stipulated in the National Environmental Waste Act, No. 59 of 2008. The municipality is also required to manage the Landfill Site as per the landfill standards and guidelines. The operations of the landfill site are being done, including data capturing, recording and reporting of waste disposed in the cell. The recording of the waste data is done through an alternative solar energy. The Ntabankulu Landfill Site collected a total of 259.53 tons refuse for the 2018/19 financial year. Water reticulation and installation of sign boards at the site has been completed.

Chapter 3

The solid waste refuse truck is up and running with minor mechanical problems that are being attended to. The provision for rehabilitation of landfill site was also budgeted for which is a requirement for each and every financial year fluctuating considering the inflation rate.

The municipality renders waste management services within the urban area including the households of 471 RDP settlements in line with the Integrated Waste Management Plan. Refuse storage facilities in a form of wheelie bins have been distributed to households which were not part of the first batch.

Wheelie bins are collected every Tuesdays and Thursdays and refuse skips collection and disposal is rendered every Monday, Wednesday and Friday.

The municipal landfill site is classified as a general landfill site. The landfill site is constructed in line with the permit that was granted by the Department of Environmental Affairs and Tourism in March 2014. The Municipality has allocated funds for cleaning services and installation of electricity.

13.4.10

Chapter 3

3.5 HOUSING

INTRODUCTION TO HOUSING

The current housing backlog in Ntabankulu Local Municipality far exceeds the level of delivery of housing units. The municipality has embarked on a symbiotic partnership with the Department of Human Settlements where a plan is being established on how best to meet the current backlog. The municipality has resolved on finding ways of reducing this backlog by taking a council resolution that divides the current provision for housing by the Department of Human Settlements equally amongst wards that were initially not planned for. The number of informal settlements in the urban area of Ntabankulu is increasing exponentially at a rate where demand far exceeds supply. The municipality has plans to formalize the informal settlements in such a way that they afford residents the dignity that comes with formal housing and services. The municipality is making efforts to address the 113 units that were not constructed due to lack of services on the planned area. The construction of the remaining 113 units will commence in the 2019/20 financial year. The current demand for formal housing in Ntabankulu far exceeds supply and as such the municipality has availed land for 500 erven that will accommodate this demand. The municipality is currently seeking funding and assistance for the provision of services for the area which will ensure that there are no delays on the implementation of the housing projects in the area. The 500 erven will accommodate low, middle income and social housing demand.

The housing sector plan has identified a significant rise in the population which falls in the missing middle gap. The missing middle that does not qualify for low cost housing and are also not eligible for bond approvals. The municipality has engaged with the Department of Human Settlements on the possibility of Social Rental housing. The housing sector plan further clarifies the demand of housing in Ntabankulu and speaks to how the department plans to assist the municipality on solving the issue of housing in Ntabankulu. The municipality will conduct a housing demand survey to further.

The Department of Human Settlement is currently implementing 5 housing projects across Ntabankulu on both urban and rural areas. A housing survey conducted by the Department reveals that the estimated housing need for the municipality in 2001 was over fifteen thousand (15 000) units with ninety percent (90%) of that being in the rural areas.

The municipality has embarked on the transfer of ownership for 115 sites that were donated to beneficiaries of the 471 housing project. The beneficiaries will receive their title deeds during the 2019/20 financial year and further transfers will concluded upon completion of the remaining 113 units.

Seven Human Settlements projects are currently being implemented in Ntabankulu Local Municipality. the projects are implemented in the following areas: Bomvini 300, Ngqane 300, Ntabankulu 471, Sidakeni 43, Phunguleweni/Lubala 500, Ntabankulu destitute 604, and Silindini 500.

There are 1223 foundations, 1008 Wall plates, 915 roofs, 747 complete structures and 209 handed over to date. These projects are aimed at delivering 17040n units for rural and urban population. There are concerning delays with the progress of all Human settlements project except Ntabankulu 604 but there are currently being addressed.

Housing needs register

The Housing needs register is a national project that is designed to manage waiting list on Housing Applications. The municipality have rolled out questionnaires to all wards to solicit data on housing needs. This assists the municipality to find out a number of households who are in need of RDP houses or Rental housing and other form of housing. There are five municipal officials registered on the system to do capturing of the questionnaires and capturing is an ongoing process. The municipality has managed to capture 26 000 beneficiaries so far.

T3.5

Chapter 3

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	2	1	1	50%
7 - 9	1	1	1	0	0
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	2	3	2	2	50%

The Municipality still has to appoint the Housing officer; there is 50% vacancy rate due to budgetary constraints, the Municipality has requested dedicated funding from the Equitable share to employ EPWP personnel for data capturing, verifying applications and administration work.

T 3.5.4

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The indigent policy was reviewed and adopted by the Council in May 2017; the policy is at implementation stage. The Municipality has managed to reduce community protests, community members demanding electricity through the engagement of different stake holders like Eskom, the office of the premier and Cogta where in commitments were made to electrify 10958 households from different wards in Ntabankulu. Electricity challenges within Ntabankulu jurisdiction were aggravated by the fact that there was no sub-station to provide energy capacity of which that has been sorted through the engagements, construction of the sub-station is complete.

T3.6.1

Item Description	No of households	Quantity provided
Paraffin	2 883	10 litre bi- monthly
Electricity	1 492	50 kilo wats per household

Chapter 3

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered

Services Delivered	Year -1	Year 0-current			Variance to Budget
	Actual	Budget	Adjustment Budget	Actual	
Electricity	1 541 784.00	667 560.00	0.00	463 265.17	204 293.83
Total	1 541 784.00	667 560.00	0.00	463 265.17	204 293.83

Chapter 3

Service Objectives	Free Basic Service Policy Objectives Taken From IDP										
	Outline Service Targets		Year -1		Year 0		Year 1		Year 3		
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Service Indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	
Service Objective xxx To identify and support the approved indigent households within municipal jurisdiction by June 2017	Adopted indigent register 581 beneficiaries for alternative energy 365 for grid electricity	Adopted indigent register 581 beneficiaries for alternative energy 365 for grid electricity	Adopted indigent register 5581 beneficiaries for alternative energy 365 for grid electricity	Adopted indigent register 5475 beneficiaries for alternative energy and 1108 for grid electricity	Adopted indigent register 5475 beneficiaries for alternative energy and 1108 for grid electricity	Adopted indigent register 5475 beneficiaries for alternative energy and 1108 for grid electricity	Adopted indigent register 5475 beneficiaries for alternative energy and 1108 for grid electricity	Adopted indigent register 5475 beneficiaries for alternative energy and 1108 for grid electricity	Adopted indigent register 5475 beneficiaries for alternative energy and 1108 for grid electricity	Adopted indigent register 5475 beneficiaries for alternative energy and 1108 for grid electricity	Adopted indigent register 5475 beneficiaries for alternative energy and 1108 for grid electricity
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round; * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>											

T 3.6.5

Chapter 3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The Municipality has adopted its indigent policy and set a threshold of (one state pensioner) for year one. There were 9580 applicants but due to budgetary constraints the Municipality had to prioritise the most needy applicants hence only 2 883 for paraffin and 3 297 for electricity was approved for the support at amount of R8m

T3.6.6

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

3.7 ROADS

INTRODUCTION TO ROADS

The Municipality utilises Municipal Infrastructure Grant for construction of capital projects. The Infrastructure planning and development has a core responsibility of ensuring implementation of Capital projects and expenditure of Municipal Infrastructure Grant. The Municipality appoints Service providers such as consultants and contractors for implementation of capital projects. During the financial year 2018/2019 the Municipality constructed 38.5km. The Municipality continues to support communities living in poverty through employing local labour when constructing capital projects thereby implementing expanded public works program.

Roads maintenance plan was developed and projects that were to be maintained were prioritised and scope of work was developed as such.

T3.7.1

Gravel Road Infrastructure

Kilometers

	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -2	600.7	25	0	13.6
Year -1	581.5	19.2	0	23.5
Year 0	543.6	37.9	5	4.3

T 3.7.2

Chapter 3

Tared Road Infrastructure					
	Kilometers				
	Total tared roads	New tar roads	Existing tar roads re-tared	Existing tar roads re-sheeted	Tar roads maintained
Year -2	27.5	0	0	0	100
Year -1	27.5	0	0	0	120
Year 0	23.5	5	0	0	1.1
					T 3.7.3

Cost of Construction/Maintenance						
	R' 000					
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year -2	6 379,539.90	0	2 400 000.00	0	0	0
Year -1	12 435 323.53	0	Nil	0	R5 965 318.52	0
Year 0	12 633 461.34	0	1 750 000.00	0	R2 411 993.46	
					T 3.7.4	

						T3.7.5
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Chapter 3

Road Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target	Actual	Target			
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
<i>To improve accessibility and mobility of community members through Construction of 160km new access roads with Storm water and 2 bridges by June 2022</i>	131km of access roads constructed (5 access roads)	26.5 kms of access roads constructed (4 access roads)	20.4 kms of access roads constructed	20.4 kms of access roads constructed	29. kms of access roads constructed	38.5	7.4 km	17.9 km	17.9km

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	4	5	4	0	0
7 - 9	1	1	1	0	0
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	5	6	5	0	0

Chapter 3

Ntabankulu Local Municipality does not have a fully established roads construction unit it outsources the function even though the Municipality has 2 Civil Engineers that are in contract (The IPD Director & the PMU manager)
T3.7.7

Financial Performance Year 0: Road Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Budget		
Total Operational Revenue	1 198 458.69	1 608 050.00	1 334 050.00	135 591.31	-
Expenditure:					
Employees	1 198 458.69	1 634 050.00	1 634 050.00	435 591.31	-
Total Operational Expenditure	446 352.58	1 142 000.00	1 142 000.00	695 648.00	-
Total Operational Revenue	1 198 458.69	1 608 050.00	1 334 050.00	135 591.31	-
Expenditure:					
Employees	1 198 458.69	1 634 050.00	1 634 050.00	435 591.31	-

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The Municipality has prioritised construction of access roads and storm water facilities. We have used the funds from Municipal Infrastructure Grant at a total R 41 681 000 for the year and prioritised the roads as listed above. The above projects were prioritised and approved by Council.

Chapter 3

T3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

Local Integrated Transport Plan (LITP) has been prepared for the Ntabankulu Local Municipality (NLM) for the 5 year period from 2014/15 to 2017/18; this is the first LITP undertaken by the Ntabankulu Local Municipality and will form part of the future Ntabankulu Integrated Development Plan and Spatial Development Framework. It should be noted that this Local Integrated Transport Plan should be updated annually as per National Department of Transport guidelines. The transport elements were investigated as road network condition, local public transport, long distance public transport and non-motorised transport. The road network condition and public transport network were investigated to identify problems associated with travel demand and mitigation measures have been formulated to address these problems. A five-year implementation programme for the transportation projects identified was compiled. The programme includes planning, implementation and road maintenance projects.

T3.8.1

Chapter 3

Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	2	2	2	0	0%
7 - 9	7	7	7	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	9	9	9	0	0%

. This section has vacancies that need to be filled and it is fully functioning even though the DLTC is partially functioning awaiting licence and completion of internal street tarring and upgrading of main street.

T3.8.4

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

Roads maintenance plan was developed and project were prioritised in line with the budget and identified scope of work.

T3.9.1

Chapter 3

Storm water Infrastructure				Kilometres
	Total Storm water measures	New storm water measures	Storm water measures upgraded	Storm water measures maintained
Year -2				200
Year -1				205
Year 0				91
				T 3.9.2

Cost of Construction/Maintenance				R' 000
	Storm water Measures			
	New	Upgraded	Maintained	
Year -2				0
Year -1				0
Year 0				0
				T 3.9.3

Chapter 3

Service Objectives	Storm water Policy Objectives Taken From IDP												
	Outline Service Targets		Year -1		Year 0		Year 1		Year 3				
	Service Indicators (i)	(ii)	Target (iii)	Actual (iv)	Target (v)	Actual (vi)	Target (vii)	Actual (viii)	Target (ix)	Actual (x)	Target (xi)	Actual (xii)	
Service Objective xxx Development of fully integrated storm water management systems including wetlands and natural water courses		Phasing in of systems	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Completion (Yes/No); x yrs remaining
Sustain accessibility and optimise the design life through maintenance of roads and storm water facilities by June 2022.		Re-gravelling of 4,3 km of Tshongweni to Mpisini access roads and maintenance of 100m of Storm water facilities by June 2019	0	0	4,3	4,3	4,3	4,3	4,3	4,3	4,3	4,3	N/A
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangements by municipalities in which IDPs play a key role.</p>													

T.3.9.5

Chapter 3

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	1	1	1	0
7 - 9	0	0	0	0	
10 - 12					
13 - 15					
16 - 18	0		0		0
19 - 20					
Total	1	1	1	1	0

This section is also assisted by the EPWP personnel and is now functioning and continuing with roads maintenance.
7.3.9.6

Financial Performance Year 0: Storm water Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Budget		
Total Operational Revenue	50 000.00	100 000.00	70 000.00	20 000.00	
Expenditure:					
Employees	25 680.00	40 000.00	40 000.00	14 320.00	
Repairs and maintenance	450 000.00	700 000.00	700 000.00	250 000.00	
Total Operational Expenditure	15 000.00	15 000.00	20 000.00	0.00	

Chapter 3

Financial Performance Year 0: Storm water Services					
R'000					
	Details		Details		
Details					
Total Operational Revenue	Total Operational Revenue	Total Operational Revenue	Total Operational Revenue	Total Operational Revenue	Total Operational Revenue
Expenditure:	Expenditure:	Expenditure:	Expenditure:	Expenditure:	Expenditure:
Employees	Employees	Employees	Employees	Employees	Employees
Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance
Other	Other	Other	Other	Other	Other
Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure
Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

Opportunities

There is a large pool of unemployed semi-skilled workers to be employed or re-trained for employment (so called 'youth dividend')

The municipal area enjoys an array of natural resources that adequately contributes to its economy.

The area enjoys adequate rainfall to enable dry land farming

There is ample opportunity for value adding activities in grain, aloe and meat products.

Existing major forest activities surrounding the municipality – to tap into the regional knowledge in the cultivation of both forest and non-forest products and processing

Challenges

Low density dispersed rural settlement pattern which affects the cost of service provision; this also can lead to the loss of high potential productive agricultural land

The prevailing land tenure system practices hampers investment in agricultural production

Unplanned and un-surveyed rural settlements

Economies of scale in agricultural production (small scale subsistence practices) does not encourage investment in equipment and infrastructure

Poor/inadequate infrastructure including roads linking rural areas and local heritage sites

Inadequate basic services including water and electricity (or other sources of energy)

Low educational levels coupled with low skills

Low manufacturing activities as catalyst to economic development

Chapter 3

T3.10.0

3.10 PLANNING

INTRODUCTION TO PLANNING

Housing is one of the basic human needs that have a profound impact on the health, welfare, social attitudes and economic productivity of the individual. It is also one of the best indicators of a person's standard of living and of his or her place in society.

In achieving the Millennium Development Goals, South African Government Policy is to ensure that its citizens live within good housing conditions. In order to achieve this goal, the government wants to eliminate all informal dwellings, bucket type of toilets, and ensure that all citizens have access to electricity for lighting, and access to clean, safe water within a reasonable distances.

In 2001 the Municipality resolved to upgrade the informal settlement which is called 471 from shacks to decent housing. The Provincial Department of Human Settlement has commissioned a review of the Provincial Housing Sector Plan informed by individual municipal housing sector plans.

The current 471 housing project has beneficiaries that exceed the available units hence the Municipality had to identify a portion of land to accommodate additional 500 units. It has been identified within the housing sector plan that there is a significant number of the population which falls in the gap market, thus relying on rental property for social accommodation.

The municipality has planned 500 units project to address the issue of informal settlements in the urban area. The other project on planning stage is the Middle income housing in town.

The Housing sector plan 2012/2017 has more details of the projects planned from 2012-2017. The Department of Human Settlement is currently implementing 5 housing projects across Ntabankulu on both urban and rural areas.

A housing survey conducted by the Department reveals that the estimated housing need for the municipality as at 2018 was over twenty thousand (20 000) units with ninety percent (90%) of that being in the rural areas. The urban area project is one with 471 units which is on the implementation stage with a lot of irregularities that delayed the project from its inception. 221 houses have already been built. After the MEC's intervention 244 irregular structures were demolished, cleared and ready to be built. The department had planned for 113 units to be built to complete the 471 units, but due to unavailability of bulk infrastructure, the project is on hold and the funds have been temporarily redirected to a destitute project spanning the entire Ntabankulu wards.

There are seven Human settlements projects in Ntabankulu area. Bomvini 300 units, Ngqane 300 units, 471 housing project, Sidakeni 45, Phungulelweni/Lubala 500, Ntabankulu 604 and Silindini 500 units implemented. Sidakeni 45 and Ntabankulu 604 complete, Silindini 500 housing project 300 complete, 244 units complete at 471 housing projects,

Chapter 3

Middle income (extension six)

Proposals have been called from suitably qualified property developers to assist the Municipality in the installation of services and construction of middle income housing on a turnkey basis. Glad Pam Property developers was appointed as the implementing agent for the development, the developer has embarked on an alternative funding model due to the reluctance of financial institutions to commit to the process. Building plans have been approved by the municipality and are ready for implementation.

The site consist of 126 residential erven, comprising of 1 public open space and Roads subdivision, 38 sites are privately owned and 89 sites to be developed by the property developer. A site has been developed and is currently used for municipal purposes as a state house. 1 site is already developed utilized as a residential for municipal purposes. The service level agreement was signed between the municipality and the appointed service provider in April 2015. The municipality intends to terminate the contract due to nonperformance of the service provider and further devise other means to implement the project.

T3.10.1

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	0.00	0.00	1.00	2.00	14	06
Determination made in year of receipt	0.00	0.00	1.00	2.00	14	06
Determination made in following year	0.00	0.00	0.00	0.00	0	0
Applications withdrawn	0.00	0.00	0.00	0.00	0	0
Applications outstanding at year end	0.00	0.00	0.00	0.00	04	01

T 3.10.2

LAND USE DEVELOPMENT APPLICATION

Two Service Providers had been appointed for subdivision, surveying and rezoning of two erven Erf 87 and 906 & 907 with 110 and 120 sites respectively. These applications were approved and adopted by the council on the 30th March 2018.

Chapter 3

Local Economic Development Policy Objectives Taken from IDP										
Service Objectives	Outline Service Targets		Actual		Target		Actual		Target	
Service Indicators	*Previous Year	*Current Year	*Previous Year	*Current Year	*Previous Year	*Current Year	*Previous Year	*Current Year	*Previous Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)
Service Objective xxx										
Develop mixed use settlement, conduct land use management and housing administration by June 2022	Draft Development applications	Draft Development applications	NA	Draft Development applications	Development applications approved	NA	Development applications approved	Development applications approved	NA	Development applications approved

Chapter 3

Employees: Housing Services					
Job Level	Year -1	Posts	Year 0		
	Employees		Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.		No.	No.	%
0 - 3					
4 - 6	1	2	1	1	50%
7 - 9	1	1	1	1	0
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	2	3	2	1	50%

Planning Department has 50% vacancy rate.
T 3.5.4

Financial Performance Year 0: Planning Services					
R 000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	18 000.00	18 883.00	274 000.0140	14 679.00	259 321.00
Expenditure:					
Employees	493 259.00	493 259.00	493 259.00	293 259.00	0.00
General expenses	12 166.20.00	191 600.00	192 000.00	12 166.20	179 833.80
Total Operational Expenditure	505 435.00	684 859.00	685 259.00	422 424.20	262 835.00

Chapter 3

3.11 LOCAL ECONOMIC DEVELOPMENT

INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

AGRICULTURE

The following cooperatives were provided with infrastructure such as Ntabankulu Farm 10 (ten) hectors of land fenced , diesel pump to suck water, sprinkling system with 2 x 5lt of Jojo tanks as reservoirs and park home as a storage to suck water, sprinkling system with 2 x 5lt of Jojo tanks as reservoirs and park home as a storage. Mowa cooperative 05 (five) hectors of land fenced, deisil pump to suck water, sprinkling system .Abahlobo vegetable cooperative 3 hectors of land fenced diesel pump and sprinkling system.

Ncama Egg Laying project was initially supported with 101 chicks and only two chicks died which means the project has maintain a low mortality rate .Ncama Egg laying project are producing 2520 eggs per month with 99 chicks that are available in their holding pans. The project is showing signs of viability with the assistance of the farm co-coordinators as they are able to track /project monthly targets VS the number of chicks. It has indicated that in month of December the demand exceeded the supply as per the farm co-coordinators report.

Ntabankulu farm has been able to plant potato seeds on a two hectors land and currently they have 8740 plants with anticipated revenue of R17, 480.00 maximum incomes. To-date 28 bags @R40.00 each local retailers (fish &chips outlet).

Mowa farm has been able to plant 14, 000 spinach seedling on the on a one hector land and currently they produce 14.000 bunches on anticipated revenue on a 98000 .00 maximum income. To -date 60 bunches has been sold to Boxer Supermarket @R7.00 per bunch

This programme was intended to increase the quality of a live stock in the area while commercializing the livestock for wool and meat purposes. Farmers had been trained on basic farm production in preparation for this project.

QUARYING and SAND MINING

Facilitation have been made to position the community of Bhonxa Village in ward 13 to take community land resolution towards quarry mining. The interested investors are in consultation with Traditional council of the area for the purpose of investing. The private person has been awarded with mining permit for Bhonxa quarry, is now consolidating other legislative requirements and funding for operations.

The department for Human Settlement had been engaged to persuade their service providers responsible for rural housing to utilize local resources such as sand and quarry.

FOREST

The Municipality has been facilitating the Environment Impact Assessment for new afforestation which was target to take place in ward 16 and 17, however the EIAS could not be obtained due to funding constraints.

Water use license have been issued on behalf of Mazeni community in ward 15 to plant 182 hectors of the broad three group , Genus :Eucalyptus or Genus : Pinus. The license is valid for a period of 40 years in which it reviewed at intervals of not more than five years.

To date no funding has been approved by the funding institutions such as DAFF and DTI and the estimated cost for an EIA is about R400 .000.

A Furniture production corporative project has been established in wards 02 where five young members have been identified as project beneficiaries. The tools have been provided for 5 members of Eyethu furniture and training on wood manufacturing products conducted in Furntech. The cooperative had been trained in Business management orientation conducted with incubation by Furntech SEDA UMzimkhulu center. The municipality has a three year

Chapter 3

service agreement (2017-2020) with Eyethu wood cooperative for school furniture refurbishment and other services that may be determined by municipality when need arises. The municipality also supported the cooperative structure to operate their business and site to establish their light industrial business. The above said Co-operative successfully renovated 781 school desk and this was an initiative support by the Municipality. The Total value of the business was R180, 850.00 thus the income they have made through the Co-operative.

WHOLESALE AND RETAIL

Business awareness campaigns were conducted on forty seven (47) formal and ninety three (93) informal traders regarding renewal payments of permit 2019/2020. The objective of the information sharing day was as follows:-

- To empower and promote sustainability on SME's,
- To create a plat form for information sharing on services rendered and,
- To create partnership with relevant institutions for SMME development and to promote Local Economic growth.

The targeted groups were Local SME's, Co-operatives, Previously disadvantaged groups and the following institution provided support:-Alfred Nzo District Municipality, SARS DEDEA, SEDA and Bank services .Formal Trader were issued with a Formal Trading License and Informal Businesses were issued their Street Trading Licenses.

Business licensing awareness campaign have been successfully implemented in ward 08 where hawker and formal businesses were taken through the processes of registering a business up to its maintenance i.e. licensing and permits. Business Information sharing day was conducted where all the local suppliers formal and informal were invited. The objective of the information sharing day was as follows:-

- To empower and promote sustainability on SME's,
- To create a plat form for information sharing on services rendered,
- To create partnership with relevant institutions for SMME development and
- To promote Local Economic growth.

The targeted groups were Local SME's, Co-operatives, Previously disadvantaged groups and the following institution provided support:-Alfred Nzo District Municipality, SARS DEDEA, SEDA and Bank services

T3.11.1

Economic Activity by Sector				
R '000				
Sector	Year 2013	Year -2016	Year 2017	Year 2018
Agric, forestry and fishing	5	5	8	8
Mining and quarrying	3	3	3	3
Manufacturing	28	28	28	28
Wholesale and retail trade	38	38	85	85
Finance, property, etc.	2	2	0	21

Chapter 3

Govt, community and social services	8	8	19	
Infrastructure services	3	3	0	0
Total				85
	78	87	19	
Economic Employment by Sector				
			Jobs	
	Year 2014	Year 2015	Year 2017	Year 2018
Sector	No.	No.	No.	No.
Agric, forestry and fishing	12	25	74	74
Mining and quarrying	8	6	10	10
Manufacturing	71	73	50	50
Wholesale and retail trade	100	210	210	300
Finance, property, etc.	0	0	0	2
Govt, community and social services	0	0	0	2
Infrastructure services	21	21	21	660
Total	212	335	365	1 098

COMMENT ON LOCAL JOB OPPORTUNITIES:

The Municipality has 38 Agricultural cooperative and 23 arts and crafts cooperatives registered in the database. These are social enterprises that have contributed substantially in the job creation opportunities as the member of cooperative are self-employed in the businesses. Agriculture is one of the sectors that offer a massive job creation and a revival of the rural economy and it is being a sector for a catalyst for a job creation. This sector is able to exploit its linkages with the other sectors in the economy as facilitations are being made to move away from subsistence mode of production to large scale commercial agriculture to produce volumes to support for example agro-processing.

There are 5 job opportunities created for farm coordinators in a form of EPWP.

The following agricultural are being identified as priority areas:

Crop farming: 8 hectors of land was planted, 5 hectors from Mowa Cooperative and 3 hectors from Ntabankulu Farm with fresh crops such as spinach, Potato seed, Cabbage, Onion, Manure and LAN, Garden tools, and agreement was done with Boxer super store to supply the products.

T3.11.4

Jobs Created during Year 2015 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Year -2	58	12	58	Database form

Chapter 3

Year -1	40	22	40	Database form	
Year 0	72	49	72	Database form	
Initiative A (Year 0)	Arts and craft				
Initiative B (Year 0)	Livestock				
Initiative C (Year 0)	Crop Production				

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -2	03	106
Year -1	03	106
Year 0	09	198
* - Extended Public Works Programme		T 3.11.6

Chapter 3

Local Economic Development Policy Objectives Taken From IDP						
Service Objectives	Year 2016/2017		Year 2017/2018		Year 2018/2019	
	Target	Actual	Target	Actual	Target	Actual
A Service Indicators	Outline Service Targets					
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
To provide infrastructure support capacity building for hawkers and lobby for retail industries by June 2022	N/A	N/A	N/A	Review Niabankulu LED and Implement Three Prioritised Project from Niabankulu LED Strategy by June 2018	The strategy could not be finalized still on the draft stage due to additional inputs solicited to other stakeholders on consultation phases	Facilitate adoption of the LED Strategy and Four sitting of LED Forum convened by June 2019
						The LED Strategy was adopted on the 30 of May by the Council with resolution number (OCM/4/19/008.4). Four LED Forums convened on quarterly basis 11 September-2018, 30th November-2018, 27th February-2019 and 05th of June-2019 implementation report on LED Strategy compiled.

Chapter 3

<p>To provide support for production inputs and development of Nine commercialized agri-businesses by June 2022(Agro-hub, 3 piggyery farms, egg laying production,3 cropping farms and one fish farming</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Provide support of production inputs and infrastructure for Agro-Hub One SMME and four cooperatives by June 2018 (Poultry, Piggery and Moringa Plantation)</p>	<p>The SMME has been appointed to implement the Agro hub as a means of support. Support of production inputs and infrastructure was provided at Ncama Egg-laying project (110 egg-laying hen and feed, One Piggery site fenced and site established, Three piggyery site geo-techs done, EIA conducted and designs done with business plan submitted to funders.</p>	<p>Pre Planning processes Facilitated and business plan submitted to funder on Established Agro-Hub in ward 09 9(Mbangweni), 13 (Lucingweni) and 11 (Madamini) by June-2019</p>	<p>The delays are on the funding of the project by the DTI for funds to implement the initiative. Pre-planning studies conducted in all sites ,business plan submitted to DTI waiting for EIA approvals and release of funding thereafter</p>
<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>20 out of 400 Hectors of land for crop production identified by June 2019</p>	<p>Engagement meeting with stakeholder for 20 out of 400 hectors of land for crop production, was identified by organising meetings with beneficiaries</p>

Chapter 3

N/A	N/A	N/A	N/A	N/A	N/A	Engagement meeting with stakeholder for 200 out of 600 hectares of land Maize production was identified by organising meetings with beneficiaries
				Provide support of production inputs and infrastructure for Agro-Hub One SMME and four cooperatives by June 2018 (Poultry, Piggery and Moringa Plantation)	Increased egg production inputs for Egg laying hens at Ncama Egg laying Cooperative by June 2019	Procurement for 100 egg-laying chickens, feed, medication, egg containers was done and delivered on the 22 March 2019. And the second delivery for 100 egg-laying chickens, feed, medication, egg containers was delivered on the 07 June 2019
			Provide crop production inputs and infrastructure support to Mowa Farmers' cooperative by June 2018	Production inputs (seed and seedlings, preparation of soil for 5 hectares), Irrigation equipment Napsack sprayers(20lt x5, gloves and medication was provided at Mowa Farm vegetable cooperative	Provide crop production inputs 5 hectares to Mowa and 10 hectares to Nlabankulu Farmers cooperative	.Mowa farm cooperative with five hectares of land was provided for ploughing and disking of five hectares of land, 50kg x 20 bags of Potato seedlings, 400x2 bales of spinach, 400x2 bales of cabbage, 400x2 bales of tomatoes and 400x beefroot, 5kg x6 sugar beans, 10liters1 Roundup (medication), fertilizer (50kg x8bags) 2:3:4) and LAN(10KGx6) and also monitoring for project was done. Nlabankulu farm

Chapter 3

				Provide crop production inputs and infrastructure support to Nibankulu Farm cooperative by June 2018	Production inputs (seed and seedlings, preparation of soil for 5 hectars), irrigation equipment, Park home Napsack sprayers(2011 x5, gloves and medication was provided at Mowa Farm vegetable cooperative	cooperative Ploughing and disking of four hectars of land, planting of seedlings and boom spraying, supply seedlings for the cooperatives 400x 75 bales of spinach, 400x300 bales of cabbage and 400x75 bales of onion and the monitoring of cooperative was done
				Provide crop production inputs and infrastructure support to Bahlobo cooperative by June 2018	Production inputs (seed and seedlings), irrigation equipment Napsack sprayers(2011 x5, gloves and medication was provided at Abahlaba vegetable cooperative	Monitoring for Abahlaba crop production was done on quarterly bases and the cooperative has lost interest on the active participation of the business, hence the municipality decided not to fund them anymore just to monitor and give technical advices.
				Provide Crop production support to Abahlaba cooperatives by June 2017	Support for Crop production was done by providing fencing material, ploughing and disking of 2 of land seed and seedlings also supported by irrigation equipment except engine pump.	Service provider was appointed to purchase 3000 moringa seedlings and was delivered to the sites (Mkhomanzi 1500) and Dedelo (1500) Moringa projects ward 16) for plantation to one hector in each site . Moringa was planted to both sites that were identified only was one site that grow moringa
				Provide support of production inputs and infrastructure for Agro-Hub One SMME and four cooperatives by June 2018 (Poultry, Piggery and Moringa Plantation)	Two sites for Moringa fenced and seeds planted for seedlings, one with a tunnel supplied	Plantation of Moringa Plant in 2 Hectars (Mkhomanzi - one Hector, Dedelo- One Hactor) by June 2019

Chapter 3

<p>positively Mkhomanzi project. The production in Mkhomanzi site is satisfactory and harveising has been done.</p>							
<p>The target could not be achieved due the appointed service provider delays on the delivery and adhere ing to the service level agreement.</p>	<p>Provided 07 fish production tanks with 1000 tilapia fingers for Inkubeko Youth Cooperatives (Aqua culture) by June 2019</p>	<p>The infrastructure could not be provided due to delays in procurement processes.</p>	<p>Provided infrastructure for fish production Youth Cooperatives (Aqua culture) by June 2018</p>				<p>To Provide support to 4 Local Businesses for manufacturing and value adding initiatives by June 2022</p>
<p>The target could not be achieved due to decline of the appointed service at last moments after following BID processes provider by not delivering the services.</p>	<p>Provide Air Compressor, Stroke Sender and Panel Saw equipment for production of wood Cooperative by June 2019</p>	<p>The target could not be achieved due to delays on processes of procurement as it has been advertised for several times.</p>	<p>Renovate workshop and supply machinery for Eyethu youth cooperative June 2018</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	

Chapter 3

N/A	N/A	N/A	N/A	N/A	N/A	Facilitate source of funding for Eyethu Wood Cooperative with 3 private entities by June 2019.	On the 06 of February the resource mobilization on business Enrichment Session with stakeholders was held by the Department of Small Business, SEDA, and DEDEAT. On the 28th of February the resource mobilization on LRED screening was presented to stakeholders for funding awareness. On the 12 March the DEDEAT had been engaged to assist on business plan population for LRED funding on three business plans that is Eyethu wood cooperative, Amanci Adventure Tourism and Barefoot Agencies On the 11th of June 2019. SEDA and DEDEAT presented their criterion of funding to stakeholders as part of engagements sessions.
						1 Recycling machine provided for Zibambeziqine Cooperative by June 2019	The bailing machinery for the Zibambeziqine was delivered on 14th of October-2018 and it met the expectations of the beneficiaries. The machine has been installed at Land Fill site for recycling processes. The bailing straps were delivered on the 13th of March-2019,
						The target could not be achieved due to late procurement of services and procurement processes as it was advertised twice.	
						Provided Equipment for Zibambeziqine Recycling Cooperatives by June 2018	

Chapter 3

To Provide support to 4 Local Businesses for manufacturing and value adding initiatives by June 2022	N/A	N/A	N/A	Four Business Plan Developed for One SMME Tourism Facilities and submitted for funding by June 2018	Four business plans have been developed as follows Eyethu wood cooperative, Ntabankulu Cultural Village, Water Bottling, Piggery	Two Business plan developed for cropping and piggery by June-2019.	Business Plan for Piggery was presented to DTI on the 14 November 2018 and later delivered to DTI on the 27 November 2018 and confirmation of receipt was received. The business plan for crop production was presented to DRDAR the on 08 February 2019.
To increase revenue to 150% revenue of 33 882 543 by June 2022	Provide trading licenses and permits to formal and informal businesses	Provide 12 trading licenses and 12 permits to 12 formal and 12 informal businesses by June 2017	Licences and permits could not be issued due to none approval by Town Planning	Provide 12 trading licenses to formal and informal businesses by June 2018	26 applications have been received, 23 from informal and 3 from formal. Only 5 have been approved, 3 formal and 2 informal	12 trading licenses provided to formal and informal businesses by June 2018	There have been 14 licenses that have been signed which are made up of 4 informal trading licenses and 08 formal trading licenses.
To Identify and promote tourism unique selling product by June 2022	Facilitate and coordinate promotion of Pondo cultural festival to attract regional and national tourists.	Develop marketing document for the promotion of Pondo culture by June 2017	The concept document has been developed that incorporate both the celebration of Pondo Culture and the preservation of Pondo Culture and customs.	To host one Pondo Cultural festival and Developed DVD footage for heritage sites by June 2018	The Pondo cultural festival was hosted, DVD footage for heritage sites and tourist destinations with Mayor and Traditional leaders marketing our destinations.	Facilitated Pondo Cultural Exhibition by June 2019	The Pondo Cultural festival was held on the 15 of September and it was preceded by the career guidance, cultural exhibitions and SMME information day on the following dates 12, 13, 14 of September-2018. The cultural exhibition was held on the 23rd of November-2018

Chapter 3

To create 05 FTEs by June 2022	N/A	N/A	N/A	N/A	N/A	Coordinated and implemented EPWP programs to create 05 job opportunities and Farm Coordinator's Protective clothing purchased by June 2019	Five job opportunities were created for EPWP program as part of creating jobs as Farm coordinators for the following projects/cooperatives { Mowa Farm cooperative, Nlabankulu Farm, Abahlabo vegetable co-operative, Moringa project and agreements were signed by five farm coordinators, and Ncarma Egg-laying project}. Procurement of protective clothing for farm coordinators was done and the service provider was appointed, the service provider delivered the protective clothing as per specification on the 22 March 2019.
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Chapter 3

To increase revenue to 150% revenue of 33 882.543 by June 2022	Provide trading licenses and permits to formal and informal businesses	Provide 12 trading licenses and 12 permits to 12 formal and 12 informal businesses by June 2017	Licences and permits could not be issued due to none approval by Town Planning	Provide 12 trading licenses to formal and informal businesses by June 2018	26 applications have been received, 23 from informal and 3 from formal. Only 5 have been approved, 3 formal and 2 informal	12 trading licenses provided to formal and informal businesses by June 2018	There have been 14 licenses that have been signed which are made up of 4 informal trading licenses and 08 formal trading licenses.
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Chapter 3

Employees: Local Economic Development Services					
Job Level	Year -1	Year 2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	3	3	3	0	0
7 - 9	4	4	4	0	0
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	7	7	7	0	0

Ntabankulu Local Municipality LED staff establishment is not complete; there is a shortage of clerical level staff & office space due to insufficient budget.
T 3.11.8

Financial Performance Year 0: Local Economic Development Services R'000

Details	Year -1	Year 0	Adjustment	Actual	Variance to Budget
	Actual	Original Budget	Budget		
Total Operational Revenue	10 026 350	16 225 851	23 872 140	23 858 328.49	1 099 501.00
Expenditure:					
Employees	6 825 851	6 825 851	7 737 040.80	6 562 854.30	1 174 186.50
General expenses	3 200 499	9 400 000	4 560 250.00	2 018 633.90	1 099 501.00
Total Operational Expenditure	10 026 350	16 225 851	12 297 290.00	8 581 488.20	3 715 801.18

Chapter 3

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The municipality has implemented radical economic transformation programs in 2018/19 such as Agro-hub, Fish farming and SMME development support.

T3.11.11

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The municipality has focused on facilitating organised sports and recreation within the jurisdiction of Ntabankulu where thirteen football associations were established and capacitated on sports and recreation management.

The municipality engaged on signing up 20 contractual employees receiving a stipend on a monthly basis. This has been done with the intentions to maintain the community halls under the jurisdiction of Ntabankulu local municipality.

T3.52.0

3.52 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

The municipality has established two (2) modular libraries at ward 4 (Sipetu Modular Library) and ward 6 (Sukude Modular Library). These modular libraries are the extension of library services to communities in rural areas. The Siphethu Modular Library at ward 4 is the only modular library that is currently functioning and serving remote communities from town.

Currently the municipality has established 20 community halls with 20 hall caretakers employed under EPWP and placed in each community hall. The hall caretakers are received a stipend under the EPWP rating.

T3.52.1

Chapter 3

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP													
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3					
		Target	Actual	Target	Actual	Target	Actual	Target	Actual				
		*Previous Year	(iv)	*Previous Year	(v)	*Current Year	(vi)	*Current Year	(vii)	*Current Year	(viii)	*Current Year	(ix)
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)				
Service Objective xxx													
To reduce illiteracy rate through provision of relevant information services by 2022	Four library programs (Literacy Day, Holiday Program, Library Week and World Book Day) conducted by 30 June 2019	Conduct and report on 4 library programs by 30 June 2018	Conduct and report on 4 library programs by 30 June 2018	Four library programs (Literacy Day, Holiday Program, Library Week and World Book Day) conducted by 30 June 2019	Four library programs (Literacy Day, Holiday Program, International Library Week and National World Book Day) and 4 Book clubs conducted by 30 June 2020	Four library programs (Literacy Day, Holiday Program, International Library Week and National World Book Day) and 4 Book clubs conducted by 30 June 2020	Four library programs (Literacy Day, Holiday Program, International Library Week and National World Book Day) and 4 Book clubs conducted by 30 June 2021	Four library programs (Literacy Day, Holiday Program, International Library Week and National World Book Day) and 4 Book clubs conducted by 30 June 2021	Four library programs (Literacy Day, Holiday Program, International Library Week and National World Book Day) and 4 Book clubs conducted by 30 June 2021				
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>													
									T 3.12.3				

Chapter 3

Employees: Cemeteries and Crematoriums					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	2	2	2	0	0
7 - 9					
10 - 12					
13 - 15					
16 - 18	1	2	1	1	50%
19 - 20					
Total	3	4	3	1	25%

There are no vacancies. There is an office space challenge. T 3.13.4

Financial Performance Year 0: Libraries					
R 000					
Details	Year -1	Year 0			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	350 000	350 000	400 000	400 000	0.00
Expenditure:					
Other	323 710	350 000	400 000	378 140.00	21 860.00
Total Operational Expenditure	357 719		400000	378 140.00	21 860.00

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

The Municipality implements the library services as a funded mandate. The municipality receives budget allocation from the Department of Sports, Recreation, Arts and Culture (DSRAC) for the operations of library services. The municipality for the past three years, did not budget for capital projects prioritised from DSRAC, except for the maintenance programme.

T3.52.7

Chapter 3

3.55 CEMETORIES AND CREMATORIIUMS

INTRODUCTION TO CEMETORIES & CREMATORIIUMS

The Municipality sold 8 single grave and 4 double graves for the financial year 2018/2019 and total revenue collected was R5 329. The Municipality is performing cleaning of the cemetery.

T3.55.1.

Chapter 3

Cemeteries and Crematoriums Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3		
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Service Indicators	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx										
Ensure effective management of public amenities through implementation of regulatory framework by 2022	Greening of parks, cemeteries and public walkways	To manage, monitor and evaluate the implementation of applicable public amenities policy and by-laws	To manage, monitor and evaluate the implementation of applicable public amenities policy and by-laws	To manage, monitor and evaluate the implementation of applicable public amenities policy and by-laws	To manage, monitor and evaluate the implementation of applicable public amenities policy and by-laws	Coordinate cleaning services to all municipal sites and public walkways	Coordinate cleaning services to all municipal sites and public walkways	Coordinate cleaning services to all municipal sites and public walkways	Coordinate cleaning services to all municipal sites and public walkways	Coordinate cleaning services to all municipal sites and public walkways
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *Current Year' refers to the targets set in the Year 0 Budget/IDP round. *Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>										

T 3.13.3

Chapter 3

Financial Performance Year 0: Cemetery					
R'000					
Details	Year -1	Year 0		Actual	Variance to Budget
	Actual	Original Budget	Adjustment Budget		
Total Operational Revenue	686 720	132 517.70	132 517.70	123 857.00	8 660.07
Expenditure:					
Employees	604 465	604 645.00	604 645.00	604 645.00	0.00-
Repairs and Maintenance	-	-	-	-	-
Other	8 255	30 000	30 000	30 000.00	0.00
Total Operational Expenditure	686 720	634 645.00	634 645.00	634 645.00	0.00
Net Operational Expenditure	686 720	502 127.30	502 127.00	621 788.00	- 119 661.00

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

There was no capital expenditure incurred by the Municipality for the past three years.

T3.55.7

Chapter 3

3.56 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

AGED CARE

The elderly sector plan was reviewed whose purpose is to provide technical support to elderly people by facilitating sporting activities, skills audit, project needs analysis as well as awareness campaign on government grants, human rights day and violence against elderly. Golden games were hosted on the ...June 2018 and the match was organized between Elderly Projects from various wards of Ntabankulu Municipality and it was hosted at Ward 08. Update of sporting activities per ward by August 2018 was done with an action Plan for the upcoming year.

The Municipality successfully hosted golden games and developed a data for elderly people in the Municipal area. Mandela day was successfully hosted in 26 July 2018 through contribution to Previously Disadvantaged families of Ntabankulu area in ward 12 where Municipality constructed Two Roomed flat for destitute family. The Mandela Day was hosted on the 26 July 2018 and assessment was conducted to identified OVC's in 17 wards.

SOCIAL PROGRAMMES

Ntabankulu local municipality developed a multi-sectoral HIV and AIDS strategic plan which was a product of engagements of the local stakeholders and role-players. This multi-sectoral plan recognised the local initiatives and programmes from locally based organisations and seeks to enhance them for maximum outcomes and impact.

This multi-sectoral HIV and AIDS strategic plan identified number of activities that covered separate but inter-related aspects of the strategic process. Amongst the activities the increase of HIV and AIDS awareness campaigns among sexually active members of the community especially young people was successfully implemented.

World Aids program were implemented and the LAC meeting was successfully held in 24 July 2018, 18 September 2018 .

The second quarter was held in 13 November 2018 in preparation for the Aids awareness day, Provision of first aid kit for support group was done at ward 13 . The World AIDS Day was hosted on the 11th December 2018 in ward 13 and Quarterly LAC's

A woman sector plan was also reviewed with the objective to launch ward woman forum, capacity building skills audit, development of database and leadership programmes relating to women. 16 Days of Activism was held on the 30th November 2018 at Ntabankulu Town Hall.

Youth sector plan which aimed at meaningful participation of youth designated sector group in all developmental programme and as well as educational programmes that will encourage young people was successfully reviewed. Apply in Time Campaign conducted to all High Schools of Ntabankulu in June 2018,407 Students were assisted to apply in various Universities .Career Exhibition hosted on the 13 October 2018 ,Institution were available to share opportunities offered. Back to School program and Living dream for Youth structure was implemented. The Back to School Achiever's Awards was held on the 23 February 2018 and the Living Dream Talent Search Grand Finale was held on 07 June 2018. As a result of this plan a Mayoral achiever's awards held, whose objective was to promote the culture of long life learning and education Excellency amongst grade 12, encouragee young people to instill the culture of long life learning and education to be regarded as a catalyst of development change and awardin schools, educators and to support circuit managers who have done extremely well in their leaning areas was successfully coordinated.

This event awarded the top overall achiever, second and third runner ups towards study fees, Top towards Tuition fees. High schools were visited for a follow up on career guidance to Grade 12 learners and facilitate application to

Chapter 3

learners. Achievers were profiled. Invitations were sent to all identified stakeholders and the event was well organized well attended and the achievers were awarded with certificate detailing the kind of support received.

The Youth was mobilized from 09th July to 31 July 2018 where members of the youth council were in five ward clusters to select the ward forum and screen for talent and winners were identified. This even was collaboratively done with Vovee Music production (VMP). The participation from wards was very remarkable as participants from all wards were registered and actively participated in the programme. On the day of the grand finale ten groups made it to the final.

A disability sector plan was also reviewed whose objectives were to ensure maximum participation and mainstreaming of disability persons into developmental programs of the municipality. This plan led to a well-coordinated disability workshop which was successfully conducted. The training on Autism was conducted by the Office of the Premier at Ntabankulu Town Hall; all the disabled persons from all wards were invited.

T3.56.1

SERVICE STATISTICS FOR CHILD CARE

OPHARNS AND VULNERABLE CHILDREN (OVC)

The Municipality reviewed the OVC's sector plan where it facilitated the purchasing of School Uniform which was distributed to 30 need learners (Jersey, shirts & shoes) in ward 14. The programme was set to give support to the vulnerable and orphaned children while promoting a holistic supportive environment that were subsequent to prevalence of HIV and AIDS.

During Mandela Day which occurred On 26 /07/ 2018 a Memorial Lecture of Nelson Mandela and Albertina Sisulu hosted, Municipality provided food parcels for Child Headed Homes in all wards of Ntabankulu.

T3.56.2

Chapter 3

Service Objectives	Child Care, Aged Care Social Programs Policy Objectives from IDP							
	Year -2017		Year 2017/2018		Year 2018/2019			
	Target	Actual	Target	Actual	Target	Actual		
Service Indicators	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
Service Objective xxx Provide support to Youth, Women, Elderly, Disabled OVC and HIV and Aids Structures by June 2022	One back to school program conducted for youth structure by June 2018	One back to school program conducted for youth structure by June 2018	One back to school program conducted for youth structure by June 2018	N/A	One back to school program conducted for youth structure by June 2018	One back to school program conducted for youth structure by June 2018	One back to school program conducted for youth structure by June 2018	One back to school program conducted for youth structure by June 2019
	One Living dream program for Youth structure, by June 2018	One Living dream program for Youth structure, by June 2018	One Living dream program for Youth structure, by June 2018		One Living dream program for Youth structure, by June 2018	One Living dream program for Youth structure, by June 2018	One Living dream program for Youth structure, by June 2018	One Living dream program for Youth structure, by June 2019
	One Women's day and One 16 Days of Activism program in Women structures conducted by June 2018	One Women's day and One 16 Days of Activism program in Women structures conducted by June 2018	One Women's day and One 16 Days of Activism program in Women structures conducted by June 2018		One Women's day and One 16 Days of Activism program in Women structures conducted by June 2018	One Women's day and One 16 Days of Activism program in Women structures conducted by June 2018	One Women's day and One 16 Days of Activism program in Women structures conducted by June 2018	One Women's day and One 16 Days of Activism program in Women structures conducted by June 2019

Chapter 3

	by June 2018								
Two training programs for disabled structures conducted by June 2018	Two training programs for disabled structures conducted by June 2018	Two training programs for disabled structures conducted by June 2018	Two training programs for disabled structures conducted by June 2018	Two training programs for disabled structures conducted by June 2018	Two training programs for disabled structures conducted by June 2018	Two training programs for disabled structures conducted by June 2018	Two training programs for disabled structures conducted by June 2018	Two training programs for disabled structures conducted by June 2018	Two training programs for disabled structures conducted by June 2018
One Mandela day program conducted and One Ovc Project supported by June 2018	One Mandela day program conducted and One Ovc Project supported by June 2018	One Mandela day program conducted and One Ovc Project supported by June 2018	One Mandela day program conducted and One Ovc Project supported by June 2018	One Mandela day program conducted and One Ovc Project supported by June 2018	One Mandela day program conducted and One Ovc Project supported by June 2018	One Mandela day program conducted and One Ovc Project supported by June 2018	One Mandela day program conducted and One Ovc Project supported by June 2018	One Mandela day program conducted and One Ovc Project supported by June 2018	One Mandela day program conducted and One Ovc Project supported by June 2018
One Golden Game sporting program for Elderly People structures conducted by June 2018	One Golden Game sporting program for Elderly People structures conducted by June 2018	One Golden Game sporting program for Elderly People structures conducted by June 2018	One Golden Game sporting program for Elderly People structures conducted by June 2018	One Golden Game sporting program for Elderly People structures conducted by June 2018	One Golden Game sporting program for Elderly People structures conducted by June 2018	One Golden Game sporting program for Elderly People structures conducted by June 2018	One Golden Game sporting program for Elderly People structures conducted by June 2018	One Golden Game sporting program for Elderly People structures conducted by June 2018	One Golden Game sporting program for Elderly People structures conducted by June 2018

Chapter 3

One World Aids program conducted by June 2018	One World Aids program conducted by June 2018	One World Aids program conducted by June 2018	One World Aids program conducted by June 2018	One World Aids program conducted by June 2018	One World Aids program conducted by June 2018	One World Aids program conducted by June 2018	One World Aids program conducted by June 2018	One World Aids program conducted by June 2018	One World Aids program conducted by June 2018
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Chapter 3

Employees: Child Care; Aged Care; Social Programmes					
Job Level	Year -1	Posts	Year 0		
	Employees		Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.		No.	No.	%
0 - 3					
4 - 6	1	1	1	0	0
7 - 9	2	2	2	0	0
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	3	3	3	0	0

The manager position was dissolved and officer level position was created at post level six and two co-ordinators at post level 8. Co-ordinator one: deals with OVC, youth & HIV & AIDS, the other one deals with elderly, disabled & women affairs.
T 3.56.4

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and coastal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

The Ntabankulu Local Municipality has engaged on Umzimvubu catchment partnership program with the aim to coordinate and respond to climate change issues. The Alfred Nzo district municipality in partnership with other local municipalities under the district and Ntabankulu local municipality reviewed the ANDM climate change response strategy. The Ntabankulu Local Municipality conducted a Climate Change Summit in partnership with the Walter Sisulu University of Technology for the purpose of developing a Climate Change Strategy. The Climate Change Strategy has been developed. The municipality has a huge backlog on water provision for communities, thus the continuous growth of the alien species may lead to total disappearance of the limited water sources.

The Alfred Nzo District Municipality is battling to find sources of water for various communities. The backlog in water provisioning has led to conflicts in some villages with people cutting bypassing water pipes going to other villages sitting water shortages in their own village.

These invasive alien species also temper with the limited grazing areas for the local livestock. It is of great concern that the continuous growth of these alien species, if not taken care of, might take over the entire land area of Ntabankulu Municipality. It is imperative that clearing of alien invasive plants must be prioritised if water resource is to be protected

T3.59.0

Chapter 3

Employees: Pollution Control					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total					

Ntabankulu Local Municipality is not responsible for water pollution, except the function of air pollution. The operations of the landfill site respond to the regulations of air pollution.

T 3.15.4

3.60 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

Chapter 3

Bio-Diversity: Landscape and Other Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets (ii)	Year -1		Year 0		Year 1		Year 3		
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	*Current Year (vii)	*Current Year (ix)	*Following Year (x)		
Service Objective xxx Ensure effective management of public amenities through implementation of regulatory framework by 2022	Cleaning and maintenance of public walkways and municipal sites in line with public amenities management plan by June 2018	Conduct cleaning services through landscaping and grass cutting by June 2018	Implement, monitor, report and review the implementation of the public amenities plan	Conduct cleaning services through landscaping and grass cutting by June 2019	Cleaning and maintenance of public walkways and municipal amenities in line with public amenities management plan by June 2019	Cleaning and maintenance of public walkways and municipal sites in line with public amenities management plan by June 2019	Cleaning and maintenance of public walkways and municipal sites in line with public amenities management plan by June 2019	Conduct cleaning services through landscaping and grass cutting	Conduct cleaning services through landscaping and grass cutting	Conduct cleaning services through landscaping and grass cutting
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (ii) and (iii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>										

T 3.16.3

The municipality is maintaining the Department of Environmental Affairs funded projects on street cleaning and beautification that had been completed during the previous 2014/15 financial year. The municipality is utilizing project participants from the project funded by the Department of Economic Development, Environmental Affairs and Tourism.

13.60.7

Chapter 3

COMPONENT F: HEALTH

3.64 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

The municipality has a Traffic Unit, which undertakes the Driving Licence Testing services, roads and traffic by-law enforcement and the municipal By-law enforcement services. The DLTC is fully operational conducting applications for Professional Driving Permits, renewal of driving licences, applications and issuing of learners licences to enhance municipal revenue. The traffic speed camera is available in good working condition and is calibrated on an annual basis. The municipality has completed the Driving licence testing grounds except for the finalisation of the testing ground markings and pre-established route.

T3.65

3.65

Chapter 3

3.66 FIRE

INTRODUCTION TO FIRE SERVICES

Ntabankulu Local Municipality does not perform the function of fire services; this function is for the Alfred Nzo District Municipality. There is a satellite office in Ntabankulu.

T3.66

Chapter 3

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

The municipality has focused on facilitating organised sports and recreation within the jurisdiction of Ntbankulu where thirteen football associations were established and capacitated on sports and recreation management DSRAC.

The municipality further facilitated the sport and recreation session with the objective of developing an integrated sports and recreation plan, guidelines on provision of support to associations. The municipality facilitated the establishment of netball associations and further facilitated the implementation of an annual sport plan.

T3.68.0

3.68 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

T3.68.1

Chapter 3

Sport and Recreation Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 0		Year 1		Year 2		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	(vi)	*Current Year (vii)	(viii)	*Current Year (ix)	*Following Year (x)
Service Indicators									
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To promote community sport development and participation in organised sports and recreation, targeting youth by 2022	Develop and implement integrated annual local sport plan by 30 June 2019	Develop and implement integrated local annual sports and recreation plan by June 2019	Develop and implement integrated local annual sports and recreation plan by June 2019	Develop and implement integrated local annual sports and recreation plan by June 2019	Develop and implement integrated local annual sports and recreation plan by June 2020	Develop and implement integrated local annual sports and recreation plan by June 2020	Develop and implement integrated local annual sports and recreation plan	Develop and implement integrated local annual sports and recreation plan	Develop and implement integrated local annual sports and recreation plan

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management by municipalities in which IDPs play a key role.

T 3.23.2

Chapter 3

Employees: Sport and Recreation					
Job Level	Year -1	Posts	Year 0		
	Employees		Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Not Applicable		T 3.23.3			

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

The municipality has conducted the program as outlined below:

- Fun run program

The municipality reviewed the integrated annual sport plan.

T3.68.6

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

The Municipality has Budget and Treasury Office is responsible for municipal financial management in terms of revenue and expenditure management, procurements of goods & services and safeguarding of Municipal assets. The Municipal Council approved both the draft and annual budget in terms of the National Treasury guideline, circulars and the MFMA. The Municipality has been spending in line with approved budget and adjustment budget is submitted to the Council when there is overspending to avoid the authorised expenditure. The Financial monthly, quarterly and annual reports were prepared and submitted to the Council, Provincial and National Treasury and to the office of the Auditor General. The Municipality prepared quarterly financial statements and the half year financials were submitted to AG for auditing. The Municipal asset register is updated and maintained monthly.

Chapter 3

3.69 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

The Ntabankulu Municipal Council has 34 councilors and 07 traditional leaders. Out of 34 councilors, 17 councilors are elected as Ward Councilors and represent wards. Then, 17 councilors are elected as PR Councilors from the party lists of parties of Political Parties participating in the Municipal Council. There are 07 traditional leaders gazetted in the Provincial Gazette to participate in the municipal council and represent the traditional leadership. The municipality also established the Executive Committee with seven (7) members, including the Mayor Councilor, P.T.Sobuthongo who is also the chairperson of the committee.

The Municipal Council also established five section 80 committees. The committees are chaired by portfolio heads and are composed of councilors, Senior Managers, and Traditional Leaders.

The Municipal Council has established three section 79 committees such as (1) Municipal Public Accounts Committee, which is chaired by Councilor B.Z. Ndamase, (2) Petitions and Public Participation Committee, which is chaired by Councilor N. Ncekana, (3) Rules, Ethics and Members' Interests Committee, which is chaired by Councilor M. Ngwazi.

The municipality inculcated a culture for accountability among its political structures, traditional leaders and staff to the public. In the staff establishment of the Municipality, the Public Participation and Council Support Division attached to the Office of the Speaker and administratively the unit reports to the Director: Community Services.

T3.69.1

Chapter 3

The Executive and Council Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3		
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Service Indicators	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx										
To strengthen the oversight functioning of the Council by 2022	Coordinate five ordinary Council sittings adhering to legislative prescripts by 30 June 2019	Co-ordinate 05 Council sittings adhering to legislative prescripts	Co-ordinate 05 Council sittings adhering to legislative prescripts	Co-ordinate 05 Council sittings adhering to legislative prescripts	Co-ordinate 05 Council sittings adhering to legislative prescripts	Coordinate five ordinary Council sittings adhering to legislative prescripts by 30 June 2019	Coordinate five ordinary Council sittings adhering to legislative prescripts by 30 June 2019	Coordinate five ordinary Council sittings adhering to legislative prescripts by 30 June 2019	Coordinate five ordinary Council sittings adhering to legislative prescripts by 30 June 2019	
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round; * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>										

T 3.24.3

Chapter 3

Employees: The Executive and Council					
Job Level	Year -1	Posts	Year 0		
	Employees		Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.		No.	No.	%
0 - 3					
4 - 6	2	3	2	1	33.33%
7 - 9	4	4	4	0	0
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	6	7	6	1	33.33%
The position of the Manager: Public Participation & Council Support is vacant.					T 3.24.4

3.70 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The Municipality has Budget and Treasury Office which is responsible for rendering the budget planning, monitoring, and financial statements and reporting. The Departments is also responsible to render accounting functions relating to procurement and expenditure, to collect accounting and manage income and revenue, render provisioning, assets and fleet management services, render and manage financial risk management services. The Municipal Council approved both the draft and annual budget in terms of the National Treasury guidelines and the MFMA. The Municipality has been spending in line with approved budget.

The Financial monthly, quarterly and annual reports were prepared and submitted to the Council, Provincial and National Treasury, Audit Committee and to the office of the Auditor General. The Municipal asset register is adequately updated and maintained monthly. The risk register has been developed and updated on a monthly basis. The progress report on risk is a standing item on Audit Committee meetings.

T3.70.1

The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues.

T3.70.2.1

Chapter 3

Employees: Financial Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0
4 - 6	10	11	10	1	9%
7 - 9	6	8	5	1	12.5%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	18	21	17	2	9.5%

There are 4 Intems that are employed by the National Treasury, four trainees by LGSETA and one by Services SETA. the T3.25.4

Financial Performance Year 0: Financial Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	41 057 414.00	34 294 912.36	107 634 538.00	48 634 538	59 000 000.00
Expenditure:					
Employees	10 010 945.00	10 431 533.85	11 495 550.30	10 669 132.01	827 418.30
Repairs and Maintenance	447 450	549 696.30	549 696.30	330 419.48	219 276.82
General expenses	12 315 149.00	15 341 494.70	23 925 677.00	13 131 818.49	10 793 858.60
Non-cash items	17 711 058.00	3 156 000.00	60 337 265.00	36 281 150.12	24 056 114.90
Capital expenditure	572 812.00	1 489 443.00	2 550 220.00	608 467.67	1 941 752.33
Total Operational Expenditure	41 057 414.00	30 968 167.91	98 858 188.60	42 434 904.30	56 423 284.30

Chapter 3

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

The Finance Department has prioritized indigent subsidy as one of the Major projects, of which the Council approved 3 500 beneficiaries to benefit an electricity and paraffin and/or solar depending beneficiary village. Furthermore financial improvement project was also prioritized by the Department as the Municipality's objective is to improve its audit opinion to clean audit. The mScoa project was one of the prioritized project nationally the Department has also invested lot of resources to the project with the intention to transact live on mscoa.

T3.70.7

3.71 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resourced is the division within the Corporate Services Directorate responsible to provide strategic support to the Municipality through coordination and provisions of the functions enshrined in the Municipal Systems Act No 32 of 2000 as amended, Labour Relations Act No 66 of 1995, Employment Equity Act No 55 of 1998 and Basic Conditions of Act 75 of 1997 & Occupational Health and Safety Act 85 of 1993.

Brief Overview of the Human Resource Function are as follows:

Organisational Design, Recruitment and Selection

This function deals with analysis and identification of functions to be executed by employees (Job descriptions) and development and review of the organogram. This division coordinate the recruitment, selection, appointment process and induction process. The purpose of this function is to ensure that the Municipality has human capital to perform tasks in order to achieve strategic goals of the Municipality and provide services to the Communities.

Labour Relations Function

Promote employee discipline, health and sound working environment. Local Labour Forums are coordinated in this unit to give a platform both employer and employee to discuss employee relations. Monitoring implementation of code of conduct and conditions of service.

Training & Development

Provides skills and education to impact knowledge to the workforce, thus enhance competencies and allow career path in order to increase productivity of Councillors and employees.

Individual Performance Management System

Responsible to monitor and evaluate individual performance

Occupational Health and safety

Responsible to ensure sound working environment

Employee Wellness and Employee Assistance Programs

Coordinate employee wellness programs and assistance programs.

Chapter 3

Employment Equity

It promotes opportunities and fair treatment in employment through elimination of unfair discrimination in the workplace. Ensure fair representation of the designated groups in all occupational categories.

Measures Taken to Improve Performance

The Municipality develops training plan for each financial year to capacitate employees. On job trainings are conducted. During the quarterly assessments employees develop their personal development plan to focus on areas that needs attention in terms of their skills so as to improve performance. Other neighbouring Municipalities are engaged to do skills transfer e.g. implementation of PMS to all employees. CoGTA is also engaged to assist in our planning sessions so as to be able to develop SMART targets.

T3.71.1

Chapter 3

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year		*Previous Year		*Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<p>Service Objective xxx</p> <p>Ensure an accountable administration by adhering to legislative prescripts & policies by June 2022</p>	<p>Gap analysis was done. Consultation through LLF and Strategic sessions were done, inputs were consolidated. Draft documents presented to Exco and to Council for adoption.</p>	<p>Development, review, and implementation of policies by June 2019</p>	<p>HR policies were reviewed and submitted to the Council for approval.</p>	<p>HR policies in the HR Manual reviewed and 1 new policy developed by June 2019.</p>	<p>Two workshops conducted by end June 2019. (Disciplinary code and Collective Agreements)</p> <p>HR Manual reviewed and 2 new policies developed.</p>	<p>HR policies reviewed & 2 new policies were developed and adopted by council on the 30 May 2019. New policies are: Employee Disciplinary code and Mayor/Spaker vehicle policies</p>	<p>Two workshops conducted by end June 2019.</p>	<p>Two workshops conducted by end June 2019.</p>	<p>HR Manual reviewed and 2 new policies developed by June 2019</p> <p>Two workshops conducted by end June 2019.</p>
<p>HR policies Manual is reviewed and new policies are developed when necessary. Consultation through LLF is done. Draft documents are presented to Exco then to council for adoption/approval.</p>									
									T 3.71.3

Chapter 3

Employees: Human Resource Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0
4 - 6	4	4	4	1	25%
7 - 9	2	2	2	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	8	8	8	1	12.5%
T3.26.4					

Financial Performance Year 0: Human Resource Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2 262 351	1 578 000	1 578 000	841 064	2 419 064
Expenditure:					
Employees	1 565 211	2 335 000	2 035 000	1 205 193	1 099 807
Repairs and Maintenance					
Other	697 140	780 000.00	780 000.00	697 000.00	83 000
Total Operational Expenditure	2 262 351	3 115 000.00	2 815 000.00	1 902 193.00	016 807.00

Chapter 3

3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Render and co-ordinate Management Information Systems (MIS) and Information Communication Technology (ICT)

-Provide centralised data-processing services;

-Co-ordinate Information -Management Systems, data management & ICT requirements and maintenance;

-Facilitate implementation of the municipality's MIS Strategy.

-ICT infrastructure and information security: ICT infrastructure upgrade has already been done i.e server room upgrade, cabling upgrade, Wi-fi installation and configuration, switches supply and installation, UPS has been installed in the server room and active directory server was installed and configured.

-Website management: Municipality website was redesigned and is currently functioning.

-Telephone Management: Telephone monitoring system is installed, reports produced on a monthly basis.

-ICT governance: ICT policy, ICT procedure manual, Draft risk framework, DRP and BCP plan, change management document are available and in use.

-Challenges: Lack of budget, office space& incapacitation of staff.

-More budgets for ICT section, the Municipality has requested funding from DPSA, COGTA & Department of Communications.

T3.72.1

Chapter 3

ICT Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3	
		Target	Actual	Target	Actual	*Current Year	Target	*Current Year	Target
Service Indicators	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	(vi)	(vii)	(viii)	(ix)	(x)
<p>Service Objective xxx</p> <p>To provide centrally coordinated ICT services in line with ICT Governance framework by 2022.</p>	Operationalized systems.	Acquisition of One operationalized system and report (Network monitoring system and EDMS system) by June 2019	None	Acquisition of two operationalized systems and report (Network monitoring system and EDMS system) by June 2018	One Operationalized system (EDMS) by June 2017.	The process is still on SCM for appointment of service provider	No targets set for the financial year	No targets set for the financial year	No targets set for the financial year
Annual development & review of ICT policies when necessary. They are tabled to council for adoption/approval.									

T 3.27.3

Chapter 3

Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	1	1	0	0%
7 - 9	2	2	2	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	3	3	3	0	0

There is also one trainee appointed by the LGSETA, there is a lack of office space.
T3.27.4

Financial Performance Year 0: ICT					
R000					
	Details	Details			
Details					
Total Operational Revenue	Total Operational Revenue	Total Operational Revenue	Total Operational Revenue	Total Operational Revenue	Total Operational Revenue
Expenditure:	Expenditure:	Expenditure:	Expenditure:	Expenditure:	Expenditure:
Employees	Employees	Employees	Employees	Employees	Employees
Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance
Other	Other	Other	Other	Other	Other
Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure
Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure

ICT Infrastructure has been improved: Server room upgraded, all the switches have been changed, cabinets replaced, 42 network points installed, Wi-Fi technology installed and configured, active directory server installed and configured, UPS supplied and installed in the server room and cabling standards upgraded from CAT 5 to CAT 6.

Systems in place: Cibecs backup systems, municipal website, VIP Payroll systems, Pastel financial system, Bulk sms system, Electronic Documents Management System.

T3.72.7

Chapter 3

3.73 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

In the Ntabankulu Local Municipality staff establishment, the municipality has a legal services unit under the office of the Municipal Manager. There was One Official responsible management of legal services functionality through the provision of legal advice on strategic pro-active and reactive basis through the application of knowledge of relevant legislation, statutes, and ordinances and by laws. Furthermore, there is private law firm (Mbabane&Sokutu Incorporated) which was appointed by the Municipality on a three year contract to assist the Municipality with all legal issues, with effect from the 17th day of November 2015 and the contract ended on the 16th day of November 2018, subsequently to that an addendum was concluded, which addendum commenced effectively from the 16th of November 2018 and ended on the on the 15th day of January 2019. Then Municipality has since appointed a panel of three law firms with different areas of speciality to assist with all legal matters of the municipality. The panel of the appointed law firms is as follows: Vuba Inc. Attorneys, L.Guzana Inc. Attorneys and Madlanga&Partners. The panel is on a three year contract commencing on the 24th of May 2019 to the 23rd of May 2021.

The Legal Services Unit is providing practical recommendations and solutions, examining and reviewing current legal strategies to address awareness and relationships. Coordinating and implementing legal interventions and initiatives, providing advice and guidance on the development of effective professional and sustainable legal approaches.

Conducting research on legal case studies and legal precedents to manage legal implications and risks. He was also assisting the Municipality in attending all litigations for and against the Municipality and assign lawyers on the approval by the Municipal Manager to represent the Institution on matters that needs to be attended to.

The risk and compliance officer has been appointed with effect from the 05 May 2017. The Strategic & Operational Risk Register for the financial year 2018/2019 was developed. Each directorate has a risk champion which liaises with the Internal Audit Manager and the risk and compliance officer. The risk registers are monitored through monthly reports and reviewed by Internal Audit on a quarterly basis who then reports to the Audit Committee on the progress.

The procurement services function is attached to the Budget and Treasury Office. The head of the SCM unit is reporting directly to the CFO. Staff turnover, supply chain management manager, supply chain accountant, acquisition clerk, logistics clerk, one intern and one trainee.

T3.73.1

Chapter 3

Property, Legal, Risk Management; and Procurement Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year		*Previous Year		*Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To ensure compliance with Municipal legislative prescriptions, policies, by-laws and sector plans by June 2022	Develop, review and implement policies, by-laws.	Policies, By-laws and Sector Plans in place. Six Policies reviewed and 1 Developed and Six Municipal By-laws reviewed in 2016/2017.	Reviewed, enforced and monitored policies	Facilitate Provision of legal assistance on development and review of municipal policies and Municipal by-laws when the need arises in line with the relevant legislations by June 2018.	Facilitate Provision of legal assistance on development and review of municipal policies and Municipal by-laws when the need arises in line with the relevant legislations by June 2018.	12 reviewed and 1 developed policies. 12 reviewed by laws	Facilitate Provision of legal assistance on development and review of municipal policies and Municipal by-laws when the need arises in line with the relevant legislations by June 2019	NA	NA
To ensure clean and accountable administration by June 2022	Development, implement and review of strategic and operational risk register	To develop strategic risk, operational risk register and mitigate risk by 80% by	Strategic risk register and operational risk registers have been developed.	To develop strategic risk, operational risk register and mitigate risk by 80% by	To develop strategic risk, operational risk register and mitigate risk by 80% by	Strategic risk register and operational risk register	To develop strategic risk, operational risk register and	NA	NA

Chapter 3

	June 2017	June 2018	June 2018	June 2018	registers have been developed, and 83% risks have been mitigated	mitigate risk by 80% by June 2019	
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 1 Budget/IDP round. ** 'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangements in which IDPs play a key role.</p>							
T 3.28.3							

Chapter 3

Job Level	Year -1		Posts	Employees	Vacancies (fulltime equivalents)
	Employees	No.			
0 - 3		2	2	2	0
4 - 6		4	1	1	0
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total		6	3	3	0

Chapter 3

Financial Performance Year 0: Legal and Procurement Services						
R'000		Year -1		Year 0		
Details		Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Revenue	1 224 933.00		500 000.00	500 000.00	750 000.00	250 000
Expenditure:						
Employees	342 762.00		350 762.00	350 762.00	250 000.00	100 000.00
Other	882 171.00		550 000.00	550 000.00	180 000.00	370 000.00
Total Operational Expenditure	1 224 933.00		900 762.00	900 762.00	190 000.00	710 762.00
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.28.5

Chapter 3

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS

The Municipality does not have airports and abattoirs and forestry is covered under Local Economic Development.

13.74.0

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD 2018/2019

This component includes: Annual Performance Scorecard Report for the current year.

Ntabankulu Local Municipality Annual Performance Report for the financial year 2018/2019(ATTACHED AS ANNEXURE:" A "

Chapter 3

ANNUAL PERFORMANCE PER DIRECTORATE 2018/2019

Annual Performance Report financial year 2018/2019				
Directorate	Planned Targets	Achieved Targets	Not Achieved Targets	Percentage
IPD	45	24	21	53%
LED	22	16	6	73%
Community Services	28	26	2	93%
Municipal Managers	30	18	12	60%
Budget & Treasury	24	18	6	75%
Corporate Services	29	28	1	97%

INSTITUTIONAL PERFORMANCE 2018/2019

Annual Institutional Performance Report 2018/2019			
Performance analysis	Planned Targets	Achieved Targets	Not Achieved Targets
Institutional performance:	178	130	48
			Percentage
			73%

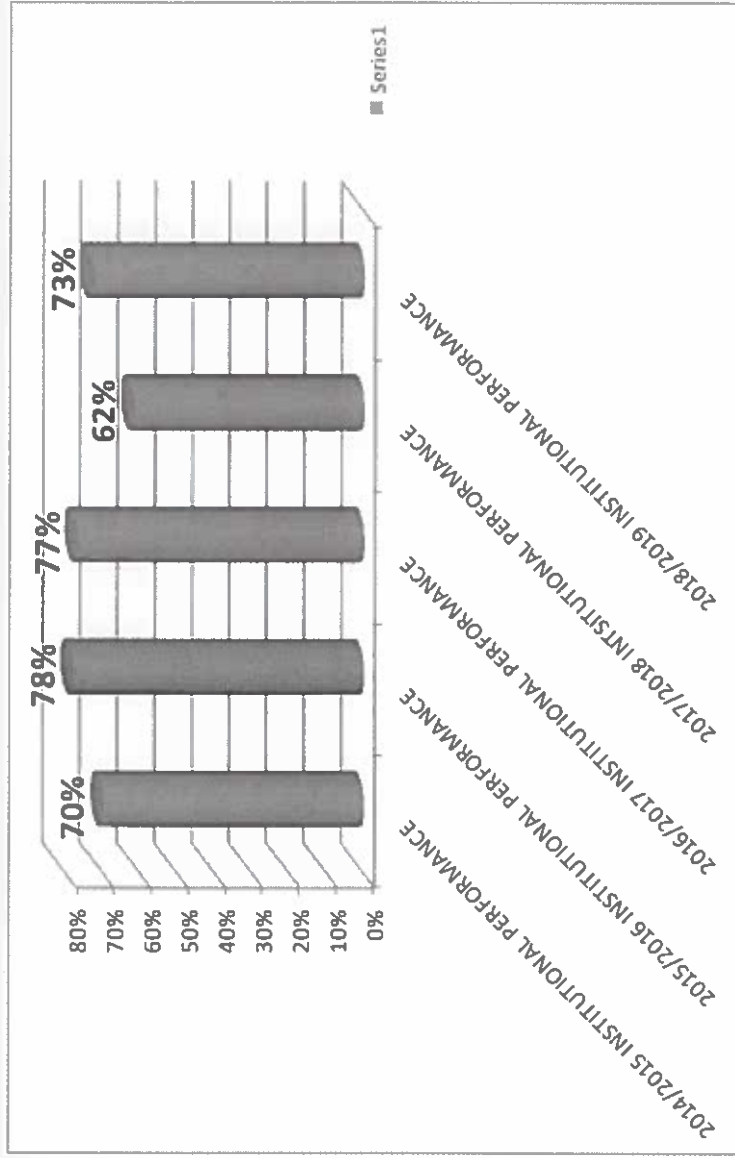
Chapter 3

COMPARISON OF PERFORMANCE BETWEEN 2017/2018 & 2018/2019

Annual Performance Report financial year 2017/2018					Annual Performance Report financial year 2018/2019				
Directorate	Planned Targets	Achieved Targets	Not Achieved Targets	Percent tage	Directorate	Planned Targets	Achieved Targets	Not Achieved Targets	Percent tage
IPD	43	21	22	49%	IPD	45	24	21	53%
LED	16	8	8	50%	LED	22	16	6	73%
Community Services	26	20	6	77%	Community Services	28	26	2	93%
Municipal Managers	33	24	9	73%	Municipal Managers	30	18	12	60%
Budget & Treasury	23	16	7	70%	Budget & Treasury	24	18	6	75%
Corporate Services	28	15	13	54%	Corporate Services	29	28	1	97%

Chapter 3

COMPARISON OF INSTITUTIONAL PERFORMANCE SINCE THE PAST 4 YEARS



Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

Ntabankulu Local Municipality develops organogram in alignment with IDP and it is reviewed annually together with IDP by the Municipal Manager but approved by the Council. It has been developed in such a way that there are fewer vacancies, budgeted and prioritized positions.

Consultations with all the relevant stakeholders (Labour & Council) are key.

T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees				
	Year -1	Year 2017/2018			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	N/a	N/a	N/a	N/a	N/a
Waste Water (Sanitation)	N/a	N/a	N/a	N/a	N/a
Electricity	2	2	2	0	0
Waste Management	22	28	22	6	21%
Housing	2	3	2	1	33.3%
Waste Water (Storm water Drainage)	1	1	1	0	0
Roads	2	2	2	0	0%
Transport	7	7	7	0	0
Planning	2	2	2	1	50%
Local Economic Development	9	9	9	0	0%
Community & Social Services	54	69	54	15	22%
Environmental Protection	0	0	0	0	0
					N/a

Chapter 4

Health	N/a	N/a	N/a	N/a	
Security and Safety	3	3	3	0	0%
Sport and Recreation	N/a	N/a	N/a	N/a	N/a
Corporate Policy Offices and Other					
Totals	-	-	-	-	-

T 4.1.1

Vacancy Rate: Year 0			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0.272	27.2%
CFO	1	0.252	25.2%
Other S57 Managers (excluding Finance Posts)	4	0.264	6.6%
Other S57 Managers (Finance posts)	0	0	0
Police officers	13	0	0
Fire fighters	0	0	0
Senior management: Levels 13-15 (excluding Finance Posts)	12	2.352	19.6
Senior management: Levels 13-15 (Finance posts)	6	0.352	6%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	28	0	0
Highly skilled supervision: levels 9-12 (Finance posts)	7	0	0
Total	72	3.14	4.36%

Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

1x CFO = 164 days/250 = 0.66
 1 x Director = 225 days/250 = 0.9
 1 x Manager = 225 days/250 = 0.9
 1 x Officer = 225 days/250 = 0.9

T 4.1.2

Chapter 4

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -2	N/A	N/A	
Year -1	9	7	0.41%
Year 0	15	6	0.33%

* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year

T4.1.3

COMMENT ON VACANCIES AND TURNOVER:

Turn-over rate at 2016/2017 was 6.31% and vacancy rate was 10%.
 Turn-over is caused by 4 resignations, 1 retirements, 1 contract expired and 1 deceased employee.
 Turn-over rate for 2017/2018 was 4.32% caused by 1 resignation, 4 contracts expired and 2 deaths, and vacancy rate was 10.5%.
 Turn-over rate for 2018/2019 1 retirement, 5 resignations and the vacancy rate is 3.47%

T4.1.4

Chapter 4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

The Human Resource manual, Human Resource Plan, Employment Equity, Exit Management, Human Resource & Development, performance Management & Development, Recruitment, Selection and appointments, skills development, Attraction & retention & affirmative action have been reviewed and enforced. Employees have been work shopped about these policies. Delegation framework was last reviewed in 2016/2017.

T4.2.0

Chapter 4

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	Yes	Yes	29-May-16
2	Attraction and Retention	Yes	Yes	29-May-16
3	Code of Conduct for employees			30-May-2017
4	Delegations, Authorisation & Responsibility	Yes	Yes	29 May 2016
5	Disciplinary Code and Procedures			30-May-2017
6	Essential Services	Yes	Yes	29-May-16
7	Employee Assistance / Wellness	Yes	No	22-Feb-2015
8	Employment Equity	Yes	Yes	May 2016
9	Exit Management	Yes	Yes	Exit interviews are conducted.
10	Grievance Procedures	Yes	Yes	We use SALGBC signed agreement.
11	HIV/Aids	Yes	No	30-May-2017
12	Human Resource and Development	Yes	Yes	30-May-2017
13	Information Technology	Yes	No	30-May-2017
14	Job Evaluation	Yes	No	30-May-2017
15	Leave	Yes	Yes	30-May-2017
16	Occupational Health and Safety	Yes	Yes	30-May-2017
17	Official Housing	Yes	Yes	30-May-2017
18	Official Journeys	Yes	Yes	30-May-2017
19	Official transport to attend Funerals	Yes	Yes	30-May-2017
20	Official Working Hours and Overtime	Yes	Yes	30-May-2017
21	Organisational Rights	Yes	N/A	We use SALGBC signed agreement.
22	Payroll Deductions	Yes	Yes	30-May-2017
23	Performance Management and Development	Yes	No	30-May-2017
24	Recruitment, Selection and Appointments	Yes	Yes	30-May-2019
25	Remuneration Scales and Allowances	Yes	Yes	30-May-2017
26	Resettlement	N/a	N/a	N/a
27	Sexual Harassment	Yes	Yes	30-May-2017
28	Skills Development	Yes	Yes	30-May-2017
29	Smoking	Yes	Yes	29-May-2017
30	Special Skills	N/a	N/a	N/a
31	Work Organisation	N/a	N/a	N/a
32	Uniforms and Protective Clothing	Yes	Yes	30-May-2017
33	Customer Care Policy	Yes	Yes	30-May-2017
34	In-service Training policy	Yes	Yes	30 May 2019
35	Internship policy	Yes	Yes	30 May 2019
36	Induction & Orientation policy	Yes	Yes	30 May 2019

Chapter 4

37	Car Allowance policy	Yes	Yes	30 May 2019
T 4.2.1				

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The policies are developed and reviewed yearly as and when there is a need. 2018/2019 Policies have been reviewed in conjunction with the IDP and Budget & PMS processes, adopted by Council on the 30 May 2018.

T4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Type of injury	Number and Cost of Injuries on Duty				
	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only – None	0	0	0%	0	0
Temporary total disablement- None	0	0	0%	0	0
Permanent disablement- None	0	0	0%	0	0
Fatal- None	0	0	0%	0	0
Total Not applicable	0	0		0	0
T 4.3.1					

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification %	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	40	0	16	44	0.90	0
Skilled (Levels 3-5)	120	0	45	58	2.06	0

Chapter 4

Highly skilled production (levels 6-8)						
Highly skilled supervision (levels 9-12)	127	0	8	44	2.88	0
Senior management (Levels 13-15)	13	0	0	27	0.48	0
MM and S57		0				
Total	300	0	69	173	1.73	0

* - Number of employees in post at the beginning of the year

*Average is calculated by taking sick leave in column 2 divided by total employees in column 5

T 4.3.2

COMMENT ON INJURY AND SICK LEAVE:

No injuries reported, 50% of sick leaves.

T4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

T 4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
NA	NA	NA	NA

T 4.3.6

Chapter 4

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

T4.3.7

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled	Female	18	0	0	0%
	Male	29	0	0	0%
Skilled	Female	23	0	0	0%
	Male	21	0	0	0%
Highly skilled production	Female	30	0	0	0%
	Male	26	0	0	0%
Highly skilled supervision	Female	2	0	0	0%
	Male	2	0	0	0%
Senior management	Female	11	0	0	0%
	Male	7	0	0	0%
MM and S57	Female	3	0	0	0%
	Male	2	0	0	0%
Total					
Has the statutory municipal calculator been used as part of the evaluation process?					Yes
<p>Performance evaluations were conducted for the annual performance 2014/2015 and Section 54A, Section 57 and one Manager directly reporting to the Municipal Managers were paid their performance bonuses as per the adopted performance management system policy. Performance evaluations for the financial year 2015/2016 were conducted to Section 54A, 57 Managers, Managers and Officer. For the financial year 2015/2016 Municipal Manager, 2 X Directors reporting to Municipal Managers and 3x Managers employed on contract qualified for performance bonuses. 4 full time managers qualified for Mayors merit award/non-financial reward. The Municipality is still finalising Officers performance.</p>					T 4.4.1

Chapter 4

COMMENT ON PERFORMANCE REWARDS:

The Municipality has adopted the Performance Management System Policy for 2017/2018 financial year. The Performance Management has been implemented to Senior Managers/Section 54 & 56/57 Managers, Managers reporting to Senior Managers and Officers for the financial year 2017/2018.

Performance evaluations for the financial year 2015/2016 were conducted to Senior Managers, Managers and Officers. Some of the employees were entitled for performance bonuses and for Mayors merit awards, The Council did not approve to pay awards due to budgetary constraints. Performance evaluations for the mid-term performance were conducted to Managers and Officers for the financial year 2018/2019.

T4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

The Municipality believes that its employees and Councilors form the cornerstone of service delivery to the communities within the Municipality. It is governed by a policy of giving priority to the training and development of its councilors, within parameters of what is feasible and sensible in the context of the municipality's resources development requirements.

It will identify and assess the training needs and potential, improve their performance within the Municipality. The Municipality is committed to the structured and systematic training and development of its councilors on an ongoing basis to enable them to perform their duties effectively and efficiently. This plan aims at providing training and development programmes to enable councilors to acquire the skills, knowledge and other attributes and develop their potential to meet the municipality's and individual needs.

T4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Management level	Gender	Employees in post as at 30 June Year 0	Skills Matrix													
			Learner ships			Skills programmes & other short courses			Other forms of training			Total				
			Actual: End of Year - 1	Actual: End of Year 0	Year 0 Target	Actual: End of Year - 1	Actual: End of Year 0	Year 0 Target	Actual: End of Year - 1	Actual: End of Year 0	Year 0 Target	Actual: End of Year - 1	Actual: End of Year 0	Year 0 Target		
MM and s57	Female	4	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Male	2	0	0	0	0	0	0	0	0	0	0	0	0	0	
Councillors, senior officials and managers	Female	35	3	4	2	1	0	1	0	1	0	0	0	4	3	
	Male	24	0	1	0	0	0	0	0	0	0	0	0	0	1	0
Technicians and associate professionals*	Female	26	2	0	15	6	13	13	0	0	0	0	0	8	13	38
	Male	10	6	1	1	0	1	2	0	0	0	0	0	6	2	3
Professionals	Female	18	0	0	0	5	1	1	0	0	0	0	0	0	6	1
	Male	13	1	0	0	3	4	7	0	0	0	0	0	4	4	7

Chapter 4

Sub total	Female	83	5	4	15	12	14	15	0	0	0	0	12	23	42
	Male	49	7	2		1	5	9	0	0	0	10	7	10	
Total		132	12	6	16	17	19	24	0	0	0	22	30	52	
Elementary staff not included because there is no column allocated.															
T 4.5.1															

Chapter 4

Skills Development Expenditure										
R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Leamer ships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S57	Female	4	R0	R0	R0	R0	R0	R0	R0	R0
	Male	2	R0	R0	R0	R0	R0	R0	R0	R0
Legislators, senior officials and managers	Female	35	R116000	R116000	R50 000	R50 000	R0	R0	R0	R0
	Male	24	R0	R0	R0	R0	R0	R0	R0	R0
Professionals	Female	18	R0	R0	R 200 000	R200 000	R0	R0	R0	R0
	Male	13	R0	R 0	R 300 000	R150 000	R0	R0	R0	R0
Technicians and associate professionals	Female	26	R0	R0	R50 000	R30000	R0	R0	R0	R0
	Male	10	R0	R0	R50000	R50 000	0	0	0	0
Clerks	Female	36	R0		R30 000	R30 000	0	0	0	0
	Male	10	R 0	R0	R 20 000	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0	0	0	0	0
	Male	0		0	0	0	0	0	0	0

Chapter 4

Plant and machine operators and assemblers	Female	0	0	0	0	0	0	0	0	0
	Male	1	0	0	R 0	R 0	0	0	0	0
Elementary occupations	Female	14	0	0	R 0	R 0	0	0	0	0
	Male	19	0	0	R 0	R 0	0	0	0	0
Sub total	Female	51	R116 000	R116 000	R330 000	R310000	0	0	0	0
	Male	54	R 0	R 0	R 370 000	R 200 000	0	0	0	0
Total										
These numbers include interns and section 57 managers.									%*	.

T4.5.3

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

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

In the year 2018/2019 the budget allocation was R700 000 and the total expenditure is **R611 107.86**.

The training interventions done are as follows:

- Examiner of driving licences for 3 traffic officials
- Law Enforcement for 4 VIP Protection unit personnel
- Plumbing for Handyman
- Excel for Assets Officer
- Office Administration and Records Keeping for Personal Assistants and Council Support
- Computer Literacy for Elementary Staff
- Construction Regulations for Building Inspector and Building Control Officer
- Hygienic Services for General Assistants
- CPMD for Manager Fleets & Assets and Senior Accountant Budget & Reporting

NB: There were 9 planned trainings, 5 achieved and 4 not achieved, it is 55.56 % implemented. The trainings that were not undertaken in the 2017/2018 are to be implemented in the current financial year 2018/2019

5.4

Chapter 4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The wage increase on personnel is based on percentage increase as determined by the bargaining Council, CPI as per the Budget circular. The salary increase for the Councillors is determined by the gazette. The percentage increase for both Staff was 7% and contracted employees was 6% ; furthermore the 2.5% was added to the personnel that they have not yet reached the ceiling. The Councillors have increased by **5%** as indicated on the gazette.

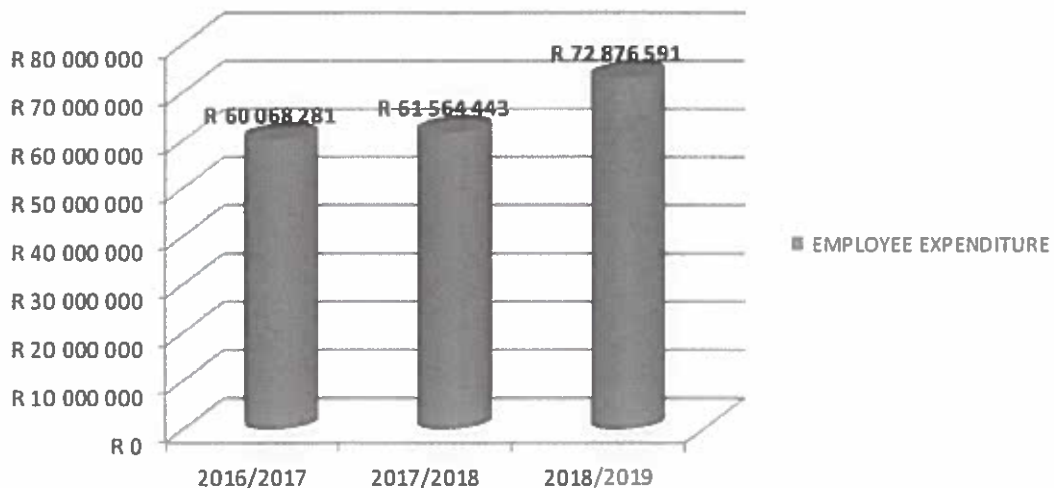
T4.6.1

4.6 EMPLOYEE EXPENDITURE

YEAR	EMPLOYEE EXPENDITURE
2016/2017	R 60 068 281
2017/2018	R 61 564 443
2018/2019	R 72 876 591

T4.6.1

EMPLOYEE EXPENDITURE



COMMENT ON WORKFORCE EXPENDITURE:

The wage increase on personnel is based on percentage increase as determined by the bargaining Council, CPI as per the Budget circular. The salary increase for the Councillors is determined by the gazette. The percentage

Chapter 4

increase for Staff was 7% and contracted employees was 5% . furthermore the 2.5% was added to the permanent personnel that have not yet reached the ceiling. The Councillors have increased by 5% as indicated on the gazette.

T4.6.1.1

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a

T 4.6.3

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded

Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior management (Levels 13-16)	Female	3
	Male	2
MM and S 57	Female	0
	Male	0
Total		5

Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).

T 4.6.2

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded

Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0

Chapter 4

	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior management (Levels 13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0
<p><i>Those with disability are shown in brackets '[x]' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i></p>		

T 4.6.2

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a

T 4.6.4

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

No positions upgraded during the financial year 2018/2019. TASK Grade system was implemented in appointing the prioritised permanent posts in 2018/2019.

T 4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

Chapter 4

There are 34 Councillors and there are a few of them involved in the business and they have all declared their interests yearly. 6 Executive managers have declared accordingly. The Municipality has gone further by including all staff members and declarations are done annually.

T4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters
-

The Municipality has a low revenue base as a result the Municipality is 96% dependents upon the government grants, that means the expenditure is mainly funded by the government grants. The Municipality considers the historical cost (prior year) when budgeting, and alignment with the IDP

Grant spending

Important to note that 100% expenditure for both MIG and INEP could not be realized as the households were not yet energized by year end. The Municipality benefitted an additional R15 000 (Fifteen Million rand) from the regazetting of Municipal Infrastructure Grant, Gazette no 42318 of the 18th of March 2019, and 100 % expenditure has not been realized by year end.

T5.0.1

Chapter 5

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

EC444 Ntabankulu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

R thousands	Ref	Budget Year 2018/19						YTD variance	YTD variance %	Full Year Forecast			
		2017/18 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget						
Revenue By Source													
Property rates	096	9	487	9	771	523	8	119	9	(596)	-7%	310	8
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	73	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	409	-	316	316	55	546	-	316	316	230	73%	333	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	10	-	597	1	51	872	1	597	1	(725)	-45%	198	1
Interest earned - external investments	-	-	894	1	142	416	1	894	1	(477)	-25%	420	1
Interest earned - outstanding debtors	683	(3)	-	368	-	-	-	368	368	(368)	-100%	194	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	52	2	137	2	-	54	1	137	2	(83)	-60%	114	1
Licences and permits	005	8	209	209	94	204	1	209	209	005	-46%	920	-
Agency services	353	103	-	113	-	-	113	-	113	-	-	-	84
Transfers and subsidies	822	1	211	211	-	261	15	211	67	50	0%	905	-
Other revenue	277	-	435	426	37	442	-	426	426	(51)	-77%	448	-
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-

Chapter 5

Total Revenue (excluding capital transfers and contributions)	415	121	286	129	196	277	196	1	319	141	277	196	(54 959)	-20%	842	98
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COMMENT ON FINANCIAL PERFORMANCE:

All the grants were received as per DORA and the budget, and also the collection rate on rates was at 87%, however there was under collection refuse removal, below 35%. Revenue on rentals amounted to 79%. A policy for the writing off and the several engagements were done. On rentals, there were two government departments renting the Municipal properties, Department of Home Affairs and Department of Social Development, but the Department of Social Development moved to their own premises from 01 December 2019.

T5.1.3

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The division is responsible for the development and implementation of asset management strategy, policy and procedures. It is also responsible for managing the development updating and maintenance of asset register, operating and finance lease as well as maintenance of municipal assets and fleet in order to provide a high quality of service to the community while ensuring that municipal assets are maintained to allow optimal utilization while minimizing costs.

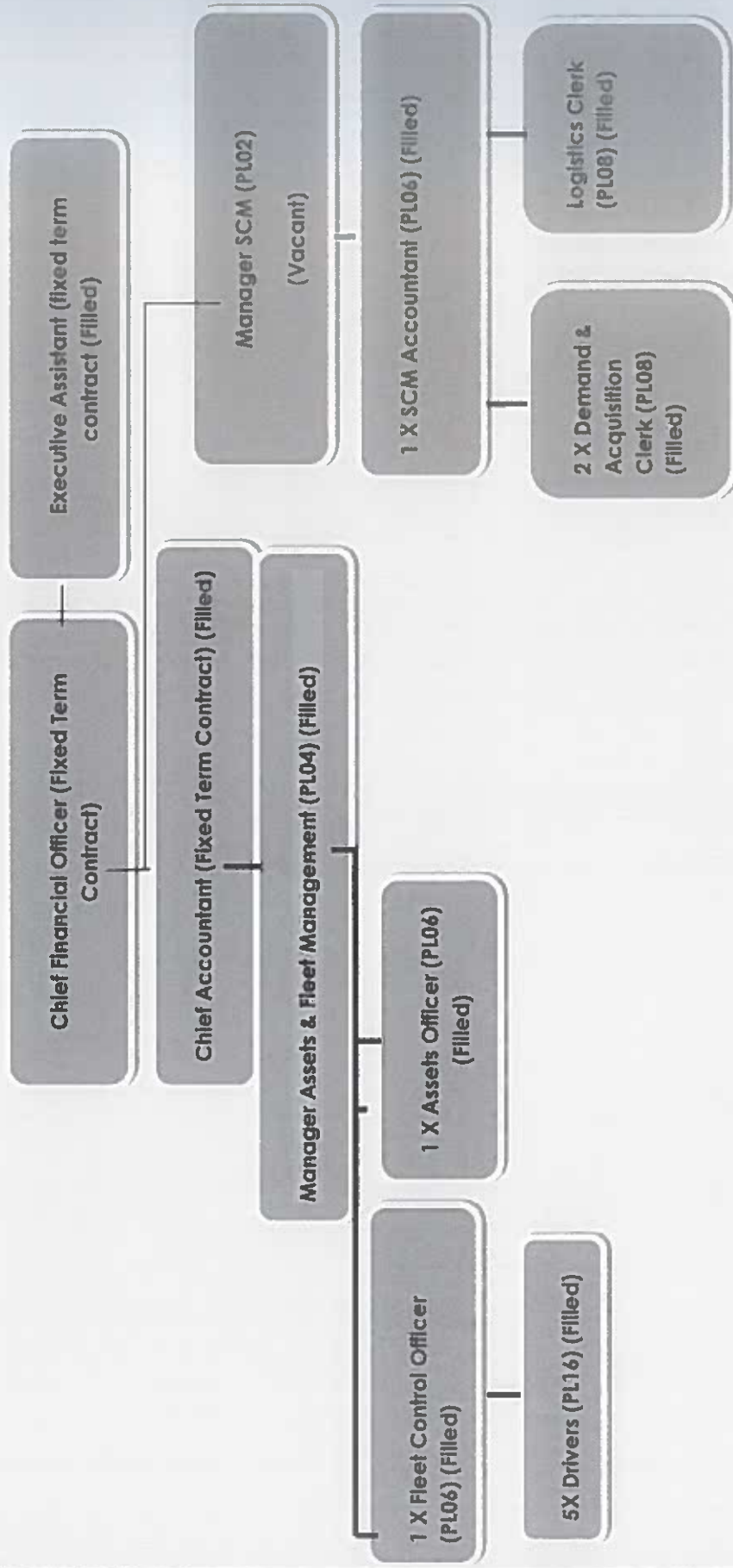
The registration and Inventory Management, management of the utilization and lease of municipal assets is also managed in this section. The Disposal of Municipal Assets and budgeting for municipal assets are the responsibilities of this section

The structure below indicates the number of filled and vacant posts within the asset management unit. The Municipal assets are insured with Indwe Risk Services.

T5.3.1

Chapter 5

Supply Chain Management, Assets & Fleet Management



Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0						
Asset 1						
Name	Construction of Mafaka –Sihlonyaneni access road					
Description	Construction					
Asset Type	Road					
Key Staff Involved	PMU					
Staff Responsibilities						
Asset Value	Year -3	Year -2	Year -1	Year 0		
				R6 273 352.50		
Capital Implications	Improved accessibility					
Future Purpose of Asset	Accessibility					
Describe Key Issues						
Policies in Place to Manage Asset	Yes, Ntbankulu Maintenance plan					
Asset 2						
Name	Construction of T107 via Mbangweni to T108 access road					
Description	Access Road					
Asset Type	Access road					
Key Staff Involved	PMU					
Staff Responsibilities						
Asset Value	Year -3	Year -2	Year -1	Year 0		
				R4 480 628,62		
Capital Implications	Access road					
Future Purpose of Asset	Improve accessibility					
Describe Key Issues						
Policies in Place to Manage Asset	Yes, Community facilities Maintenance Policy					
Asset 3						
Name	Community Facility					

Chapter 5

Description	Ntobankulu Sport Field phase 2			
Asset Type	Community Facility			
Key Staff Involved				
Staff Responsibilities	Year -3	Year -2	Year -1	Year 0
Asset Value				R14 000 000
Capital Implications	Community access to social infrastructure			
Future Purpose of Asset	Improve the standard of sport facility			
Describe Key Issues				
Policies in Place to Manage Asset	Yes, Community facilities Maintenance Policy			

T5.3.4 Repair and Maintenance Expenditure: Year 0

R' 000	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	4 049 696	3 099 696.00	3 931 292.00	831 596 00
				T 5.3.4

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The norm and standards is 8% of the total capital budget, however due to financial constraints and the fact that the Municipality is still addressing the infrastructure backlog we are still behind the requirements of the norms. The spending is at 100%.

T5.3.4.1

Chapter 5

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMMENT ON FINANCIAL RATIOS:

The financial ratios clearly indicates that the Municipality has been financial viable. The Municipality has been able to fund both its operational and capital activities. The plan is to build reserves for capital replacement. During the year the controls on expenditure management were put in place and the spending was as per the approved budget with limited unauthorized expenditure.

T5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants by National and Provincial Treasury, together with COGTA. The spending for MIG for the financial year 2018/2019 is at 64% at year end and for INEP is at 94% at year end. Ntabankulu Local Municipality received MIG additional funding of R15M in March 2019 and the Municipality could not manage to fully spend during the 2018/19 financial year because the planned completion dates fall in the 2019/20 financial year. Furthermore in INEP, the balance of funds was to be released after Eskom had energized the projects. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the 5 largest projects (see T5.7.1) and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to **Appendices M** (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

T5.5.0

Chapter 5

5.5 CAPITAL EXPENDITURE



Chapter 5

5.6 SOURCES OF FINANCE

	Year -0(2017)	Year 1(2018)	
	Actual	Original Budget (0s)	Adjustment Budget
Grants and subsidies - Operational	97 903 387	99 613 000	99 613 000
Electricity(INEP)	40 000 000	40 000 000	40 000 000
Small town revitalization		13 332 000	8 102 726
COGTA	0	9 961 112	9 961 112
Roads and storm water	35 960 000	27 581 000	37 581 000
Provincial treasury/Internal street	10 000 000	2 530 257	2 530 257
Total capital grants	85 960 000	193 017 369	197 788 095

COMMENT ON SOURCES OF FUNDING:

Chapter 5

The above table indicates the budget on capital grants, and the Municipality has utilized the grants except for the CoGTA grant.

15.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*

Name of Project	Current Year 0		Actual Expenditure	Variances: Current Year 0	
	Original Budget	Adjustment Budget		Original Variance (%)	Adjustment Variance (%)
Electrification project	R51 732 000 000	R51 732 000 000	R 48 585 086,14	0	NA
Niabankulu sport field phase 2 of Mafaka –Sihonyaneni access road	R5 261 646,66	R8 261 646,66	R7 704 151,17	36%	NA
Construction of T107 via Mbangweni to T108 access road	R4 773 352,50	R6 273 352,50	R4 116 533,20	24%	NA
Lufafa to Siyoyya access road	R4 480 628,62	R4 480 628,62	R3 674 222,80	0%	NA
	R2 974 572,25	R2 974 572,25	R2 730 479,17	0%	NA

Chapter 5

* Projects with the highest capital expenditure in Year 0	
Name of Project - Construction of Mafoka -Sihloyaneni access road	Provision of access
Objective of Project	To improve accessibility to the residential areas
Delays	The project progress is in line with the program
Future Challenges	None
Anticipated citizen benefits	
Name of Project - Construction of T107 via Mbangweni to T108 access road	Provision of access
Objective of Project	to improve accessibility to the residential areas
Delays	The project progressed well in line with the program
Future Challenges	None
Anticipated citizen benefits	
Name of Project - Nlabankulu Sport Field phase 2	Provision of sporting facility in the urban area
Objective of Project	to improve sport facility
Delays	Additional scope of works
Future Challenges	None
Anticipated citizen benefits	26 195

COMMENT ON CAPITAL PROJECTS:

Electrification projects are funded by the Integrated National Electrification programme, and the other projects are funded by Municipal Infrastructure Grant. The projects are implemented as per approved three year capital plan and the conditions of the grants.

T5.7.1.1

Chapter 5

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

15.8.1

The Overview on basic service delivery is covered in Chapter 3 above

Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
Roads, Pavements & Bridges	13 651 730,89	18 651 730,89	15 046 476,90	29%	NA
Solid waste	350 000	150 000	450 000	-0.15	0.07
Total	35 960 274	35 960 274	35 908 614	0	0

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Chapter 5

5.9 CASH FLOW
EC444 Ntabankulu - Table C7 Monthly Budget Statement - Cash Flow - M12 June

EC444 Ntabankulu - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	2016/17	Budget Year 2017/18	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget							
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		226 432	429	(9 601)	(892)	(27 300)	429	(27 729)	-6463%	(209 541)
Service charges		355	850	300	34	657	850	(193)	-23%	308
Other revenue		4 910	16 284	8 614	2	233	16 284	(16 051)	-99%	1 255
Government - operating		96 373	101 794	100 586	-	102 155	101 794	361	0%	17 393

Chapter 5

Government - capital	96 676	48 103	30 483	9 775	98 414	48 103	50 311	105%	31 168
Interest	394	353	2 150	94	1 102	353	749	212%	1 075
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(83 835)	(86 725)	(97 081)	(16 574)	(83 962)	(119 725)	(35 762)	30%	(161 998)
Finance charges	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	(1 900)	(1 900)	-	(1 522)	(1 900)	(378)	20%	(1 830)
NET CASH FROM/(USED) OPERATING ACTIVITIES	341 306	79 188	33 551	(7 561)	89 778	46 188	(43 590)	-94%	(322 170)
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-

Chapter 5

NET CASH FROM/(USED) FINANCING ACTIVITIES	(215)	400	400	-	2	318	400	82	20%	411
NET INCREASE/(DECREASE) IN CASH HELD	101 857	(347 225)	(383 580)	(1 169)	(366 836)	(427 676)	(428 570)			
Cash/cash equivalents at beginning:	-	-	-	-	327	-	327			
Cash/cash equivalents at month/year end:	101 857	(347 225)	(383 580)		(366 509)	(427 676)	(428 243)			

EC444 Ntabankulu - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Chapter 5

EC444 Ntabankulu - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	2016/17				Budget Year 2017/18				Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		226 432	429	(9 601)	(892)	(27 300)	429	(27 729)	-6463%	(209 541)
Service charges		355	850	300	34	657	850	(193)	-23%	308
Other revenue		4 910	16 284	8 614	2	233	16 284	(16 051)	-99%	1 255
Government - operating		96 373	101 794	100 566	-	102 155	101 794	361	0%	17 393
Government - capital		96 676	48 103	30 483	9 775	98 414	48 103	50 311	105%	31 168
Interest		394	353	2 150	94	1 102	353	749	212%	1 075
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(83 835)	(86 725)	(97 081)	(16 574)	(83 952)	(119 725)	(35 762)	30%	(161 998)
Finance charges		-	(1 900)	(1 900)	-	-	(1 900)	(376)	20%	(1 830)
Transfers and Grants		-	79 188	33 551	(7 561)	89 776	46 188	(43 590)	-94%	(322 170)
NET CASH FROM/(USED) OPERATING ACTIVITIES		341 306	79 188	33 551	(7 561)	89 776	46 188	(43 590)		(322 170)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		455	(2 436)	-	15 326	17 332	-	17 332	#DIV/0!	(5 688)
Payments										
Capital assets		(239 689)	(424 377)	(417 131)	(8 936)	(474 265)	(474 265)	-	-	(101 123)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(239 234)	(428 813)	(417 131)	6 390	(456 932)	(474 265)	(17 332)	4%	(106 811)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	400	-	2	318	400	(82)	-20%	411
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		(215)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(215)	400	-	2	318	400	82	20%	411
NET INCREASE/ (DECREASE) IN CASH HELD		101 857	(347 225)	(383 580)	(1 169)	(366 836)	(427 676)			(428 570)
Cash/cash equivalents at beginning		-	-	-	-	327	-	-	-	327
Cash/cash equivalents at monthly year end:		101 857	(347 225)	(383 580)	(1 169)	(366 836)	(427 676)			(428 570)

Chapter 5

COMMENT ON CASH FLOW OUTCOMES:

The cash flows indicate that the Municipality has been financially sound for the year under consideration.

TS.9.1.1

5.10 BORROWING AND INVESTMENTS

None

T 5.10.2 Actual Borrowings: Year -2 to Year 0				
R' 000	Year -2	Year -1	Year 0	Year 0
Instrument				
Municipality				
Long-Term Loans (annuity/reducing balance)	-	-	-	-
Long-Term Loans (non-annuity)				
Municipality Total	-	-	-	-

Chapter 5

Municipal and Entity Investments						
R' 000						
Investment* type	Year -2		Year -1		Year 0	
	Actual		Actual		Actual	
Deposits - Bank	105 878 299.00		177 027 451.00		209 061 354	
Municipality sub-total	105 878 299.00		177 027 451.00		209 061 354	

Chapter 5

S.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

During the year the Municipality did not enter into public private partnership

T5.11.1

Chapter 5

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Supply Chain Policy has been reviewed and adopted by the Council on 30th of May 2018. The Supply chain unit is established and fully functional with all the Bid Committees also functional. The municipality complies with the SCM policy and with the legislations, circulars and gazette. The procurement plan has been developed for 2017/2018 and all bid documents exist.

The document management is being improved. Report on the implementation of supply chain is tabled to Council and forwarded National Treasury on quarterly basis. The data base is updated timeously on an electric supplier data base system. The Municipality have no long term contract awarded during the current financial year. The training for the Supply Chain practitioners and bid committees was carried out on August 2017. The irregular expenditure reports were investigated and written off by the Council on quarterly basis. The consequence management is also in place and implemented.

The Supply Chain Manager has attended the CPMD through Fort Hare University; Supply Chain Accountant is currently attending CPMD through Wits University. Staff turnover, supply chain management manager, supply chain accountant, acquisition clerk, logistics clerk, one intern and one trainee.

TS.12.1

Chapter 5

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

The Municipality has prepared the Annual Financial Statements that are GRAP compliant including any interpretation, guidelines and directives issued by the Accounting Standards Board. The AFS are in compliance with the prescribed standards.

15.13.1

GLOSSARY

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 0

6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

Auditor-General Report on Service Delivery Performance: Year 2017/2018	
Audit Report Status:	Audit report is attached
Non-Compliance Issues	Remedial Action Taken
Limits on budget exceeded	Action plan was developed and implemented and budget is first confirmed by the Manager Budget Accountant before the procurement is carried out
Monthly budget statements and the quarterly reports not placed on municipal website	Reports were placed on municipal website as from January 2017

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 1

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 1

The municipality achieved an unqualified opinion in 2017/18 with no material findings however the following matters of emphasis were raised, irregular expenditure, unauthorized and fruitless and wasteful expenditure. The audit action plan was developed and implemented for the period 2016/2017 financial year. The financial statements are being prepared for submission on 31st of August 2018.

T6.2.3

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give "full and regular" reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.

GLOSSARY

Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</p> <p>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</p>

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Service Backlogs as at 30 June Year 0				
	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management	26 195	75%		%
Housing		%		%

*% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.*

T 5.8.2

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
1.Clr. V. Matwasa (Speaker)	Full-time	Council Chairperson	ANC	92%	8%
2.Clr. P.T. Sobuthongo (Mayor)	Full-time	EXCO Chairperson	ANC	67%	33%
4. Clr. S. Menziwa (Chief Whip)	Part - time	EXCO Member; and chairperson of Standing Committee on Infra Planning Development	ANC (Ward Clr-Ward 07)	100%	0%
3.Clr. S.W. Sopaqa	Part - time	EXCO Member and chairperson of Standing Committee on Corporate Services	ANC (Ward Clr-Ward 14)	92%	8%
5. Clr. N.S. Pikwa	Part - time	EXCO Member and chairperson of Standing Committee on Community Services.	ANC (Ward Clr-Ward 09)	92%	8%
6. Clr. N. Mbonamisha	Part - time	EXCO Member and Chairperson of Standing Committee on Budget and	ANC	100%	0

APPENDICES

		Treasury Office			
7. Cllr. N. Ndooyisile-Fundakubi	Part-time	EXCO Member	DA	67%	33%
8. Cllr. M.P. Ndabeni		EXCO member and chairperson Standing Committee on Strategic & Planning	ANC	100%	0%
9. Cllr. N. Daniel	Part-time	Standing Committee Member Strategic & Development Planning	ANC	75%	25%
10. Cllr. N. Ncekana	Part-time	Chairperson of Petitions and Public Participation Committee	ANC	92%	8%
11. Cllr. M. Nqwazi	Part-time	Standing Committee Member Community Services and Rules, Ethics & Members' Interests Committee	ANC Ward 05	83 %	17%
12. Cllr. M. Gweqani	Part-time	Standing Committee Member Community Services	ANC	92%	8%
13. Cllr. M. Madadasa	Part-time	Standing Committee Member Strategic and Planning Development	ANC Ward 02	100%	0%
14. Cllr. V. M. Ndlebe	Part-time	Standing Committee member Community Services and Rules, Ethics and Members' Interests	ANC Ward 11	100%	0%
15. Cllr. F. Ntshela	Part-time	Standing Committee Member Corporate Services and Rules, Ethics & Members' Interests	ANC Ward 03	92%	8%
16. Cllr. M.B. Mkhizwana	Part-time	Standing Committee member Corporate Services	ANC Ward 15	92%	8%
17. Cllr. B. Bethwayo	Part-time	Standing Committee Member Community Services	ANC Ward 01	92%	8%
18. Cllr. N. Sobuthongo	Part-time	Standing Committee Member Community Services	ANC	100%	8%
19. Cllr. T. Msuthu	Part-time	Standing Committee Member Infrastructure and Planning Development and Rules, Ethics & Members' Interests	ANC	92%	8%
20. Cllr. Z. Makhosonke	Part-time	Standing Committee Member Infrastructure & Planning Development and Petitions	ANC Ward 04	62%	38%

APPENDICES

		and Public Participation			
21. Cllr. N. Njiva	Part-time	Standing Committee Member Infrastructure and Planning Development	ANC Ward 16	92%	8%
22. Cllr. Z. Mtyāphi	Part-time	Standing Committee Member Infrastructure and Planning Development	D.A	58%	42%
23. Cllr.K. Nomanzoyiya	Part-time	Standing Committee Member Strategic & Development Planning	ANC	100%	0%
24. Cllr. S. Sicwayi	Part-time	Standing Committee Member BTO and Rules, Ethics & Members' Interests	ANC Ward 13	58%	42%
25. Cllr. M. Dinwayo	Part-time	Standing Committee member BTO, Petitions & Public Participation	ANC Ward 08	92%	8%
26. Cllr. M. Maflika	Part-Time	Petitions & Public Participation Committee Member	ANC Ward 10	83%	17%
27. Cllr M. Tshaka	Part time	Standing Committee Member Corporate Services	ANC Ward 06	100%	0%
28. Cllr N.L. Ndamase	Part-time	Standing Committee Member BTO	ANC	75%	25%
29. Cllr. N..Pezisa	Part-time	Standing Committee Member BTO	EFF	92%	8%
30. Cllr. B.Z. Ndamase	Part-Time	MPAC Chairperson	ANC Ward 12	92%	8%
31. Cllr. E.N. Diko	Part-time	MPAC	ANC	75%	25%
32. Cllr. T. Lubisi	Part-Time	MPAC	ANC	100%	0%
33. Cllr. M. Mkhandaniso	Part-Time	MPAC	ANC Ward 17	92%	8%
34. Cllr. N. Sithunzi	Part-Time	MPAC	EFF	67%	33%
35. Tr. M. Diko	Part-Time	Traditional Leader	Traditional Leader	92%	8%
36. Tr. Z. Zoko	Part time	Traditional Leader	Traditional Leader	92%	8%
37. Tr. S. Diko	Part time	Traditional Leader	Traditional Leader	75%	25%
38. Tr. A. Sigwiji	Part time	Traditional Leader	Traditional Leader	83%	17%
39. Tr. Siyoyo	Part time	Traditional Leader	Traditional Leader	100%	0%
40. Tr. M. Nompokhwe	Part Time	Traditional Leader	Traditional Leader	92%	8%

APPENDICES

41. Tr. N. Mkhomazi	Part time	Traditional Leader	Traditional Leader	92%	8%
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CONCERNING TA

A spreadsheet exists to compile attendance data

TA.1

APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Section 79 Committees	
1. Ethics, Rules and Members Interests	To undertake review of the Rules of Order, procedures and regulations of the council committees and recommend changes to that effect to Council. To undertake a review and/or develop policies on councilor's welfare and recommend changes to the Council, by way of reporting to the Speaker of Council. To develop programmes and activities to promote ethical practice and to combat corruption
2. Public Participation and Petitions	To monitor the process of receiving, addressing and responding to complaints from the community. To consider issues that may pose political risk pertaining to public participation. To monitor the update of the petitions register
3. Municipal Public Accounts Committee	The objective of the committee is to serve as an oversight committee to exercise oversight over the executive obligations of council. To assist council to hold executive and municipal entities to account and to ensure the efficient and effective use of municipal resources. To increase council and public awareness of the financial and performance issues of the municipality and its entities including policy operation and implementation of local government.
Section 80 Committees	
1. Community Services Committee	The committee has the responsibility to: Support the provision of Library Services Consider Solid Waste collection and disposal Regulate Landfill site and Environmental Management programmes Assist in the maintenance and management of Public Amenities e.g. Community Halls, Cemeteries, Pound, Parks & Sport fields Assist in the enforcement of Roads Traffic-laws and Municipal Traffic by-laws Promote safeguarding of Municipal Assets and Properties Assist in the coordination of Public Participation programs and Council Support Assist in coordination and development of Community Sport, Arts and Culture
2. Infrastructure Planning and Development Committee	The committee assists the Council to promote service delivery within the municipality, Encouragement of liveable and sustainable human settlements, The Committee must recommend the provision or approval of funds for unforeseen infrastructural development services, To report to the Council about the infrastructural projects that are planned for the development of the district municipality, To ensure that the municipality delivers the quality service delivery to the communities.

APPENDICES

<p>3. Local Economic Development</p>	<p>To discuss and report about the programs of the local economic development, The committee works towards broadening advancement of Black Economic Empowerment, The committee develops strategies to promote tourism within the local municipality, Establishment of poverty alleviation initiatives, Acceleration of Radical Economic Transformation</p>
<p>4. Budget and Treasury Office Committee</p>	<p>To participate on the drafting of budget and adjusted budget, To participate on the formulation of the IDP and Budget, Assist the Council in the allocation if applicable, the distribution of grants made to the municipality, Assist the Council in the refuse removal, rental, trading tariffs and pound fees or related matters including the collection of revenue thereof</p>
<p>Corporate Services Committee</p>	<p>Receive reports and evaluate progress on Human Resources issues, Consider matters related to job evaluation and grading of staff, Consider performance management of the institutions, Make recommendations on Development of Human Resource Policy Manual and on continuous review of Human Resources policies, Deal with the Implementation of new organisational structures and strategies, Consider labour relations matters and Human Resource and development,</p>

APPENDICES

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager	Municipal Manager: Ms. L. Nonyongo
Corporate Services Directorate	Corporate Services Director: Ms. S. Ntshahla
Community Services Directorate	Community Services Director: Mr. S. Matiwane
Infrastructure Planning & Development Directorate	Infrastructure Planning & Development Director: Mr. P. Mpendulo
Budget & Treasury Directorate	Chief Financial Officer: Mrs X. Venn
Local Economic Development Directorate	Local Economic Development Director: Mrs. N. Ndlaku
Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).	

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APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No	No
Building regulations	Yes	No
Child care facilities	No	No
Electricity and gas reticulation	Yes	Yes
Firefighting services	No	No
Local tourism	Yes	Yes
Municipal airports	No	No
Municipal planning	Yes	Yes
Municipal health services	No	No
Municipal public transport	No	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No	No
Pontoons, ferries, jetties, piers and harbors, excluding the regulation of international and national shipping and matters related thereto	No	No
Storm water management systems in built-up areas	Yes	Yes
Trading regulations	Yes	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	No
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	Yes	Yes
Cemeteries, funeral parlours and crematoria	Yes	Yes
Cleansing	Yes	Yes
Control of public nuisances	No	No
Control of undertakings that sell liquor to the public	Yes	Yes
Facilities for the accommodation, care and burial of animals	Yes	Yes

APPENDICES

Fencing and fences	Yes	Yes
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	Yes	Yes
Local amenities	Yes	Yes
Local sport facilities	Yes	Yes
Markets	Yes	Yes
Municipal abattoirs	Yes	Yes
Municipal parks and recreation	Yes	Yes
Municipal roads	Yes	Yes
Noise pollution	No	No
Pounds	Yes	Yes
Public places	Yes	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes	Yes
Street trading	Yes	Yes
Street lighting	Yes	Yes
Traffic and parking	Yes	Yes
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

APPENDICES

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 01	<p>Cllr. B. Bethwayo</p> <p>Ward committee Members: S.J. Madwakasi N. Maxonyana N. Gqalubanzana A. James N. Mkhumbeni T. Magidele M. Mazinywentaka S. Nofaya N. Wali Z. Macingwana</p>	Yes	24	12	2
Ward 02	<p>Cllr M. Madadasa</p> <p>Ward committee Members: F. Nofayile N. Madikizela M.N. Siyoyo N. Mbhadla B.R. Xokwa V. J. Mthenjwa S. Zwelonke F. Mxaba T. Mtiza P. C. Mbetheni</p>	Yes	24	12	2

APPENDICES

Ward 03	<p>Clr F. Ntshela Ward committee Members: C. Mngqinjana A. Boyce Z. Ngidi N. Makhaba N. Lidwi M.G. Xokwa X. Xukula N. Qondo C. Ngqunjana</p>	Yes	24	12	2
Ward 04	<p>Clr Z. Makhosonke Ward committee Members: N. Tshaka N.Dyosi N. Nomdlomboyi T. Ntlobo S. Malundane S. Tshikithwa D. Noziphiwo M. Tshobodiyane N.N. Sotshangane Z. Soyoyo</p>	Yes	24	12	2
Ward 05	<p>Clr M. Nqwazi Ward committee Member: N. Tantsi</p> <p>L. Gebhu</p> <p>N. Nqetho</p> <p>N. Tayi</p> <p>N. Hlengani</p> <p>A. Lawana</p> <p>T. Nogaya</p> <p>N. Mkholiswa</p> <p>S. Mapholoba</p> <p>N. Mtuke</p>	Yes	24	12	2

APPENDICES

Ward 06	<p>Cllr. M. Tshaka Ward committee Members: T. Makala N. Sigango M. Tshaka Z. Mkhenge M. Siphonyela N. Ntlabathi N.Z. Jojo N. Xhaphazela N.B. Ngxokotwana</p>	Yes	24	12	2
Ward 07	<p>Cllr S. Menziwa Ward committee Members: N. Zenzile N. Diele M. Manqathe S.D. Zono M. Mhlakuthi M. Ndziba N. Bayilana F. Jeme S. Ntsulelo</p>	Yes	24	12	2
Ward 08	<p>Cllr M. Dinwayo Ward committee Members: F. Tshaka Z. Maziyane L. Mkhombe K. Nombanda K. Nosenga Z. Diko T. Funzo K. Mveku T. Meligana S. Jubele</p>	Yes	24	12	3
Ward 09	<p>Cllr. N. Pikwa Ward committee Member: N. Ntakana A. Tala-lala N. Faye N. Vezi N. Taphu N. Mayaphi N. Diko V. Novazi N. Mangala M. Lutholi</p>	Yes	24	12	2

APPENDICES

Ward 10	<p>Clr. M. Maflika Ward committee Member: U. Hlaziya K. Zweni D. Nkwempe N. M. Gumbeka B. Soga N.M Tshutshane N.F. Chita M. Nxhonywa F.A. Mnyani L. Zikizela</p>	Yes	24	12	2
Ward 11	<p>Clr M. Ndiebe Ward committee Members: S. E. Ntsie N. M. Ngqele N. Marhanjana S. Kono S. Tshetsha K. S. Nkayinkayi P. P. Nose N. Maliwa N. T.Daniel P. Cetywayo</p>	Yes	24	12	2
Ward 12	<p>Clr B. Z. Ndamase Ward committees C. Mdietye N. Naniso T. Fumba Z. Masangwane T. Mbulawa Z. Mongo S.D. Mashwayi N. J. Mako N. Fumba K. Lonji</p>	Yes	24	12	2
Ward 13	<p>Clr S. Sicwayi Ward committee Members: T. Mkhunkula V. G. Marhawu P.M Matubatuba M. Manyangaza N. Sikhundla Z. P. Rhafana Z. Ntlangula S. Nomdiomboyi N. P. Bangani A. Tongwana</p>	Yes	24	12	2

APPENDICES

Ward 14	<p>Cllr S. Sopaqa Ward committee Members: P. Mbangwa S. Zoko E. Rhodolo N. Nwelana K. Ngcobo Z. Mahlezana N. Diko T. Qubula S. Bonakele L. Ganyaza</p>	Yes	24	12	2
Ward 15	<p>Cllr N. B. Mkhizwana Ward committee Members: T. Magawana A. Mndela V. Yalezo M. Mcunukelwa M. Mbi E. Mahonga N. Ntetha E. N. Mkhizwana N. R. Msutu K. Jamsi</p>	Yes	24	12	2
Ward 16	<p>Cllr N. Njiva Ward committee Members: S. Mhlanjwa N. Mamfengu N.M. Phikwa L. Ndzelu B. Maxhakana N. B. Bisolo N. Njiva B. Mdiedle T. Tomisa B. Mzamane</p>	Yes	24	12	2
Ward 17	<p>Cllr M. Mkhandaniso Ward committee Membes: S. Waka N. Mvenya B. Vungayi B. Notshakela N. Ndamse G. Gangile M. Mnkala M. Mbuzeli N. Mcunza N. Qusha</p>	Yes	24	12	2

APPENDICES

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in Year 1 (Full List at Appendix O)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
Ward 8 & 13	Ntabankulu Sport Field Phase 2	May-18	June -19	R 14 000 000
Ward 09	Mafoka to Sihlonyaneni access road	Aug-18	June- 19	R 5 900 000
Ward 09	T107 via Mbangweni to T108 access road	Aug-18	Nov-19	R 4 203 180
Ward 10	Construction of Caba community Hall	Aug-18	Oct-19	R 3 500 000
Ward 15	Construction of Mazeni community hall	Aug-18	Oct-19	R 3 100 000
				TF.1

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During Year 0
	Water & Sanitation	13.4 % Water and Sanitation 30%
	Housing	820
	Roads infrastructure	37.9km
	Electricity	25 903
		TF.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)

All 18 wards have established ward committees that are fully functional. The average of meetings attended by ward committees is ranging between an average of 29 – 31 meetings.

TF.3

APPENDICES

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) if not adopted (provide explanation)
31 July 2018	1	1
24 October 2018	3	1
21 January 10'9	6	3
25 April 2019	7	3
21 June 2019	9	5

APPENDICES

APPENDIX 1 – MUNICIPAL ENTITY / SERVICE PROVIDER PERFORMANCE SCHEDULE

MUNICIPAL MANAGER'S OFFICE

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	PROJECT SATISFACTORY	Reasons on satisfactory /not satisfactory
Internal Audit Unit				
Outsourcing of Internal Audit projects	Nyatambisa Financial Services	17 May 2018 – 17 May 2020	Satisfactory	The service provider has commenced its deliverables as per Risk Based Plan on July 2018 to date. Furthermore their performance is still satisfactory up-to-date.
Legal Services Unit				
Outsourcing of legal services	Mbabane & Soku Inc	November 2016 – November 2018 and further extended to 28 February 2019	Satisfactory	Based on the set deliverables as per Service Level Agreement. The Service Provider acted on the instruction given to them by the municipality, however there are still cases that were not finalised due to delays on court appearances.
Outsourcing of legal services				
Outsourcing of legal services	L.Guzana Inc. Attorneys	24 May 2019 – 23 May 2022	Satisfactory	Based on the set deliverables as per Service Level Agreement. The Service Provider acted on the instruction given to them by the municipality, however there are still cases that were not finalised due to delays on court appearances.
Outsourcing of legal services				
Outsourcing of legal services	Madlanga And Partners	24 May 2019 – 23 May 2022	Satisfactory	Based on the set deliverables as per Service Level Agreement. The Service Provider acted on the instruction given to them by the municipality, however there are still cases that were not finalised due to delays on court appearances.
Outsourcing of legal services	Nt Vuba Inc. Attorneys	24 May 2019 – 23 May 2022	Satisfactory	Based on the set deliverables as per Service Level Agreement. The Service Provider acted on the instruction

Contents

					given to them by the municipality , however there are still cases that were not finalised due to delays on court appearances .
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CORPORATE SERVICES DIRECTORATE

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	SATISFACTORY / NOT SATISFACTORY	REASONS FOR SATISFACTORY/ NOT SATISFACTORY
Heavy duty printing	Xerox Aloe	12 months	Satisfactory	There were glitches at the beginning of the contract, we managed to address challenges we faced before to an extent that every time we raise a complaint they come immediately
Printing services	Asanda Enterprise	12 months (31 December 2019)	Satisfactory	They deliver according specification
Hygiene Services	Mjoli AAA Contruction	12 months (31 August 2019)	Satisfactory	They deliver according to a specification
Back up toilets services	Mjoli AAA Construction	12 months (31 August 2019)	Satisfactory	The period our main system was undergoing construction, we used their services and we were happy
Cleaning material	Nomafusi Trading	24 months	Satisfactory	Cleaning material was never a challenge for the municipality
Stationary Supply	Nomfusi Trading	24 months	Satisfactory	Stationary is delivered immediately we make an order
Electronic clocking services	Uniclox	On-going but reviewed annually	Satisfactory	Whenever we experience a problem they are just a phone call away, if the challenge is beyond our capacity they do come
Provision of cell phones, 3G cards, and laptops	Vodacom	5 Years	Satisfactory	Their lead time after having received our order they delivered within a period of 5 days, which made us happy with their service and in terms of repairs communication is always continuous regarding updates.
Internet services, installation and rental charges	Telkom	5 Years	Satisfactory	Internet services is functional even though sometimes when we experience a challenge their turnaround time leaves much to be desired but on average we are satisfactory
Website maintenance	Raque Interactive	2 Years	Satisfactory	Maintenance of the website is done satisfactorily
EDMS Provision	Khanya Africa Networks	2 Years	Satisfactory	Documents are still being uploaded to the EDMS system, services and turn-around times have been

Contents

					satisfactory.
Cibecs back-up system	Lwanik Group	2 years	Satisfactory		Installation of Cibecs back-up system is under way.

COMMUNITY SERVICES DIRECTORATE

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	SATISFACTORY/ NOT SATISFACTORY	Reasons for satisfactory/ not satisfactory
Outsourced Security Services	Phiko Security Services	06 August 2018- 06 August 2019	Satisfactory	The performance of the service provider is satisfactory. Guarding services has been rendered and losses or theft has been minimized.
Integrated Traffic management	Shayela Campaign group		Satisfactory	The performance of the service provider is not satisfactory. The Service provider has not yet deployed personnel to the site, except the development of the data capturing system, which is used by our staff.

INFRASTRUCTURE PLANNING AND DEVELOPMENT DIRECTORATE

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	SATISFACTORY/ NOT SATISFACTORY	Reason for satisfactory/ not satisfactory
Supply and Delivery of billboards	Ncedumzi Construction and other services	1 month	Satisfactory	The project was completed within a month and the boards supplied were according to specification.
Bhayi-Ntlangano Access Road	Sivest Civils and earthworks	8 Months	Not Satisfactory	The contract was terminated due to poor performance and the project will be roll over to 2019/20 financial year for completion of the remaining works.
Madwakazana Access Road- Phase 2	Noxingwa Construction	6 Months	Satisfactory	The project has reached completion by end June 2019 and currently on defects liability period.
Nalikini via creche to celshe	Mshakeni Trading JV	4 months	Satisfactory	The project was completed on time.

Contents

Access Road.							
Maifaka to Sihonyameni access road	Sira Trading JV	8 months	Satisfactory	Satisfactory	The project has reached completion stage by June 2019.		
Lufafa via Siyaya to School Access Road	MYOZA MYOZA TRADING CC	4 Months	Satisfactory	Satisfactory	The project has been completed on time and managed to overcome the challenges.		
T107 via Mbangweni to T108 access road	Nomafusi Project PTY LTD	3 Months	Satisfactory	Satisfactory	The project was completed before time.		
Ntabankulu Internal Streets	QUMBISO JV BEST THOUGHT TRADING & PROJECTS 108	30 Months	Not satisfactory	Not satisfactory	The project not yet completed due to poor performance by service provider and resulted to appoint a sub-contractor to complete the remaining of the works. The project will be roll over to 2019/20 financial year for completion.		
LED Solar Powered Streetlights	Mazocorp Pty LTD	3 Months	Satisfactory	Satisfactory	The project has been completed on time.		
Ntabankulu MPCC	Inyameko Trading	18 Months	Not satisfactory	Not satisfactory	The project not yet completed, still under construction due to challenges such as scope variations, Eskom delay to connect and energize the installed transformer. Last but not least it's the poor performance of the service providers. The contract has been terminated and new service provider appointed by end June 2019, the project will roll over to 2019/20 F/Y for completion.		
Caba Community Hall I	Jokazi Civils JV	13 Months	Not Satisfactory	Not Satisfactory	Contractor delayed the project by not resumed with works January 2019 after December 2018 shutdown. The contractor has resumed with the works after budget adjustment and the project now will roll over to 2019/20 F/Y for completion.		
Mazeni Community Hall I	Hlubi Engineering	13 Months	Not Satisfactory	Not Satisfactory	Poor performance by service provider and cash flow problems delayed the project to be completed by June 2019. The project will be roll over to 2019/20 F/Y for completion.		
KwaNlufi Community Hall	Mvumeza Construction	4 Months	Satisfactory	Satisfactory	The project has been completed as planned.		
Ntabankulu Sport field Phase 2	Tengal Construction	6 Months	Satisfactory	Satisfactory	The project has reached completion stage by June 2019 currently on defects liability period.		
Tshongweni via Mpisini access road	LG Construction JV	5 Months	Satisfactory	Satisfactory	The project has reached completion stage by June 2019		
Professional Services for Civil and Building works	S.zoko Consulting, Kaazi Group and BM Infrastructure services	24 Months	Satisfactory	Satisfactory	The service standards for professional services and Monitoring of contractors are progressing well although on some of their projects there are challenges but they deliver.		
Ntabankulu Electrification programme	Thake Electrical	2018/2019 Financial Year [12]	Satisfactory	Satisfactory	All planned household are connected and awaiting for Eskom to Energized.		

Contents

	Months)		
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LOCAL ECONOMIC DEVELOPMENT DIRECTORATE

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	SATISFACTORY/ NOT SATISFACTORY	Reasons for satisfactory/ not satisfactory
Local Economic Development				
Agro Hub	BCM	Three Years	Satisfactory	The service provider is progressing well although there is a challenge of receiving funding to implement the project but business plan submitted to DTI and to other sources of funding by the Service Provider
Supply and delivery of egg laying hens and feed in Ward 14 Ncarma	Mjoliwushe (PTY) LTD	01\02\2019 Three month	Satisfactory	The service provider delivered accordingly to the expectations although there were delays due to out of stock of egg laying hens from suppliers
The supply and delivery of seedlings for Ntabankulu Farm	Mgcinimafa (PTY)LTD	16\07\2018 Three months	Satisfactory	
Supply and delivery of Recycling machine for recycling cooperative	Conqua Group (PTY)LTD	06/08/2018 Four Months	Satisfactory	The service provider deliver as expected
Supply of 07 fish production tanks with 1000 tilapia fingers for Inkubeko Youth Cooperatives (Aqua culture	Rydawi (PTY)LTD	Six Months	Satisfactory	The service provider delivered the quality product that met the expectations of the beneficiaries although there delays due to the manufacture.
			Not Satisfactory	The service provider delivered on only two tanks, after changing the scope of work to it with the available budget, He showed dissatisfactions and never comply with the new agreements threatening to break the deal in our communications. The service provider never responded to our communication, didn't sign the new adjustment agreement.

Contents

BUDGET AND TREASURY OFFICE

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	SATISFACTORY / NOT SATISFACTORY	REASONS FOR SATISFACTORY / NOT SATISFACTORY
Financial Accounting System	Camelsa Consultant	25 January 2017 – 24 January 2021	Not Satisfactory	The service provider has performed well in other areas of except for: <ul style="list-style-type: none"> • Budget Capturing and Management controls • SCM Management (CSD Integration) for M-SCOA Compliance • Late response on issues like asset register management on the system
Travelling Services	Mlakhloza Travelling Agent	February 2017 – February 2019	Satisfactory	The performance is satisfactory however there was one instance whereby they failed to provide the services as per our request. The provider was invited into a meeting and the matter was resolved. The contract expired on 28 February 2019 and an extension for 3 months has been provided to allow the Municipality to finalize procurement processes for a travel agency.
Vat recovery	Bona Consultant	November 2016 – November 2019	Satisfactory	The performance is satisfactory. The Provider has submitted all the returns to SARS bi-monthly. There were no penalties charged to the Municipality for the period 2018/2019 for the nine months period starting from July 2018-March 2019 due to late or non-submission of the returns. The Municipality recovered more R15 million from SARS for the period between July 2018 – June 2019 and that assisted in the Municipality's cash flow-problems.
Appointment General Valuation For Period Of 05 Years And First Supplementary Valuation Roll.	SIZANANE CONSULTING CC	July 2018- July 2023	Not Satisfactory	The service provider met the initial deadlines that are legislated. The quality of the valuation roll is satisfactory but there is a challenge of a reduced revenue due to overstated values in the past. The valuation roll has been approved by Council properly rates by-law was gazetted for implementation. The Valuer responded late to objections of both the Municipality and the individual ratepayers.

Contents

<p>Financial Statements process plan for the period 2018/2019 was developed and presented to the Management. The draft six months financial statements for the period 2018/2019 were developed and presented to the Management. The company has been advised to review the standard operating procedures in line with the reviewed policies to ensure that all internal controls are documented.</p> <p>9 months financial statements were compiled and the quality was satisfactory.</p> <p>There is a bit of instability with the project team and that has been addressed with the director.</p>		<p>May 2018– May 2020</p>	<p>Cingco Advisory</p>	<p>Satisfactory</p>
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APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2018 to 30 June 2019 of Year 0 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Pricilla Tsileng Sobuthongo	Nil
Speaker	Vuyokazi Mathwasa	Member of a close corporation
Member of MayCo / Exco		
	Ncebakazi Pikwa	Nil
	Sesulo Sopaga	Nil
	Noma-India Mbonomsha	Nil
	Siyabonga Menziwa	Nil
	Madlamini Ndabeni	Nil
	Nomfumaneko Fundakumbi	Other salary from Dept of Education, Interest in property (plot in town)
Councillors		
	Bongiswa Bethwayo	Nil
	Msindiswa Madadasa	Nil
	Fundiswa Ntshela	Nil
	Zwelixolile Makhosonke	Director of Amanamba Trading enterprise, Taxi Owner
	Mziwothando Ngwazi	BEE certificate for Spouse (indirect interest)
	Mzikayise Tshaka	Nil
	Mlungisi Dinwayo	Shares with Trading Enterprise, Congolose Trading Enterprise, interest in property (flats)
	Phikiwe Maflika	Nil
	Mbuyiselo Ndalebe	Nil
	Bongolam Ndamase	Nil
	Sifiso Sicwayi	Nil
	Mafaku Ndamase	Nil

APPENDICES

	Boniwe Mkhizwana	Child Support grant for 2 children
	Nosindiso Njiva	Nil
	Mkhanyisi Mkhandanisi	Director of Indlulamthi Investment & Mining, Partner of Intlosane Primary Co-operative
	Nonzwakazi Ndamase	Nil
	Mathembinkosi Gwegani	Nil
	Thembakazi Msuthu	Nil
	Nonkululo Sobuthongo	Nil
	Nozamile Ncekana	Nil
	Kholeka Nomanzoyiya	Nil
	Eunice Diko	Nil
	Thabisa Lubisi	Nil
	Nosikhumbuzo Daniel	Nil
	Zolani Mtyaphi	Nil
	Monde Mdolo	Nil
	Nontsikelelo Sithunzi	Nil
Municipal Manager	Luleka Nonyongo	Nil
Chief Financial Officer	Ms. N. Gixane	Nil
Deputy MM and (Executive) Directors	Sindiswa Norah Ntshahla	Acco-Deco Trading Enterprise Sapho Funeral Parlour for Spouse AALE Trading Pty Ltd
	Piwe Luvo Mpendulo	Inkqubela Phambili Farm Coop PLM INVESTMENTS
	Nontsikelelo Ndlaku	Nil
	Solomon Matiwane	Residential site, Retirement Annuity
	Xoliswa Noluthando Venn	Member of Close Corporation : Bakers House CC, Aluta Holidays, Heels for sustainable growth

APPENDICES

Other S57 Official	N/a	
	N/a	
	N/a	
	N/a	
	N/a	
	N/a	
<i>* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A</i>		
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APPENDICES

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Department	Budget Amount	Actual Expenditure	Variance
Municipal Manager	20 650 519.45	20 740 354.73	(89 835.28)
Finance	30 772 558.26	50 006 960.20	(19 234 401.94)
Corporate Services & Adim	21 247 797.86	21 554 222.08	(306 424.22)
Community	22 473 074.94	21 308 591.16	1 164 483.78
LED	14 633 133.21	13 433 915.57	1 199 217.64
Infrastructure	2 860 034.12	3 389 105.56	(529 071.44)
PMU	105 423 068.41	113 255 689.73	(7 832 621.32)
Public Safety	2 133 279.40	2 164 429.40	(31 150.00)
Refuse	460 742.53	460 224.53	518.00
Council	10 745 879.62	11 528 956.04	(783 076.42)
	231 400 087.80	257 842 449.00	

Vote Description	Year -1	Current: Year 0		Actual
	Actual	Original Budget	Adjusted Budget	
Vote 1-Council	805 366	10 769 843	9 902 877	9 902 877
Vote 2-Municipal Manager	7 595 260	120 962 498	20 650 519.45	109 062 626
Vote 3- Finance	26 550 848	38 248 131	50 006 960.20	43 044 809
Vote 4-Corporate Service	7 624 442	7 072 000	21 554 222.08	9 179 602
Vote 6-Community	5 288 682	21 609 948	21 308 591.16	23 627 655
Vote 7-Strategic	2 888 722.	10 421 021	10 163 168	10 163 168
Vote 8-Refuse		550 000	1 406 312	1 406 312
Vote 9-Public Safety		2 150 000	1 750 989	1 750 989
Vote 10-Infrastructure	1 990 747	3 500 000	2 260 890	2 260 890
Total Revenue by Vote	52 744 067	228 626 226	208 929 473	208 929 473

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3

APPENDICES

Revenue Collection Performance by Source				
R '000 REVENUE COLLECTION FINANCIAL PERFORMANCE				
Description	Year -1 Audited	Year 0 Current		Actual
	Actual	Original Budget	Adjustments Budget	
Property rates	5 208 754	10 360 447	8 478 040	8 478 171
Service Charges - refuse revenue	354 687	550 000	408 853	408 853
Rentals of facilities and equipment	1 089 991	1 517 949	1 107 475	1 107 475
Interest earned/ received	1 673 656	3 000 000	2 329 732	2 349 922
Licence and permits		3 500 000	1 550 824	1 311 922
Traffic fines	1 077 226	0		644 750
Transfers recognised - operational	97 135 627	104 074 000	105 107 800	105 107 800
Other revenue	410 117	9 344 544	635 524	635 524
Total Revenue (excluding capital transfers and contributions)	107 600 003	132 696 940	119 618 248	120 262 998

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG				
R' 000				
Details	Budget	Adjustments Budget	Actual	Major conditions applied by donor (continue below if necessary)
Provincial treasury internal streets	-	3 086 595	3 086 595	Construction of internal street
INEP electrification	40 000 000	40 000 000	39 952 441	Electrification programme
Finance Management grant	1 900 000	1 900 000	1 900 000	Financial management
Expanded public works programme	2 311 000	2 311 000	2 311 000	Job Creation and Community Empowerment.
DSRAC	250 000	350 000	350 000	Library Services
DEDEA	-	957 378	957 378	Waste Management
Cogta	-	9 961 112	9 961 112	Electrification Programme
OTP	13 332 000	8 102 726	8 102 726	Town Revitalisation
MIG	37 581 000	37 581 000	37 581 000	Infrastructure assets
Small town revitalisation	13 000 000	8 102 726	8 029 556	Urban beautification

APPENDICES

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

The grants above were received as per the DORA, the gazetted grants were fully spent except for CoGTA

TL.1

APPENDICES

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

APPENDIX M (i): CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME

APPENDICES

EC444 Ntbankulu - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		84 175	79 615	85 652	83 379	79 961	79 961	71 023	57 130	60 803
Roads Infrastructure		14 742	78 985	85 652	41 279	27 661	27 661	19 171	9 547	10 603
Roads		14 742	78 985	85 652	41 279	27 661	27 661	13 028	9 547	10 603
Road Structures		-	-	-	-	-	-	6 142	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		89 358	-	-	42 100	52 300	52 300	51 732	47 456	50 066
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	10 200	10 200	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	16 013	10 300	10 866
MV Networks		89 358	-	-	42 100	42 100	42 100	35 719	37 156	39 200
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	120	127	134
Dams and Weirs		-	-	-	-	-	-	120	127	134
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		75	630	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		75	630	-	-	-	-	-	-	-
Community Assets		-	7 130	-	12 587	15 674	15 674	6 163	(169)	3 783
Community Facilities		-	7 130	-	5 287	5 975	5 975	5 446	(122)	2 988
Halls		-	7 130	-	3 487	4 475	4 475	5 446	(122)	2 988
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	1 800	1 500	1 500	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Unemployment Centres		-	-	-	-	-	-	-	-	-

APPENDICES

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 1

Capital Programme by Project by Ward: Year 0		
Capital Project	Ward(s) affected	R' 000 Works completed (Yes/No)
Water		
"Project A"		
"Project B"		
Sanitation/Sewerage		
Electricity	Wards: 9,01,05,04,11,02 with 1 943 households	Yes
Housing		
Refuse removal		
Stormwater		
Economic development		
Sports, Arts & Culture		
Environment		
Health		
Safety and Security		

APPENDICES

ICT and Other		
		TO

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	Water & Sanitation:	
	Housing:	
	Roads infrastructure: 37.9 km's kms of access roads constructed in the financial year 2018/2019	51 km's
	Electricity: 1 943 households electrified in the financial year 2018/2019	1 943
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.		

TS

VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.



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Cell:

Date 072 781 8942

30 August 2019

COUNCIL RESOLUTION EXTRACT: OCM/2/20/007.2.1

Extract 30 August 2019

Time: 10H00

Venue: Ntabankulu Municipal Hall.

Draft Annual Report 2018/19

In an Ordinary Council Meeting held on the 30 August 2019, Councilor Mbonomtsha the acting Mayor, presented in terms of MFMA Circular 63 of the Municipal Finance Management Act 56 of 2003 which states that "Every municipality and municipal entity must prepare an annual performance report which must form part of the Annual Report for each financial year in accordance with the Municipal Systems Act 2000 (MSA) section 46, and the Municipal Finance Management Act 2003 (MFMA) section 121".

She presented an Annual Performance Report for 2018/19 stating that the performance of the institution was based to the SDBIP. She reported that the best performed directorates in the annual performance 2018/2019 were in the following order; Corporate Services Directorate at 97%, Community Services Directorate at 93%, Budget & Treasury Directorate at 75%, Local Economic Development Directorate 73%, Municipal Managers Office at 60%, , & Infrastructure Planning & Development Directorate 53%. The total overall performance of the institution for 2017/2018 was standing at 73%

Thereafter, the Council **RESOLVED**

1. That the Council be and hereby notes the draft annual report 2018/2019 and further submits same to MPAC for oversight
2. That the Oversight report be tabled to Council by December 2019.

Signed

matwasa

V. Matwasa

30/08/2019

Date

Reported on	Priority Area	GP Objectives	Objective number	Key Objectives	Indicator	Measurement System	Target Bandwidth	Reporting Period	Actual or not achieved	Comments for achievement	Notes for achievement	Responsible
0000	GOVERNANCE	Public Participation	06.05	Commission of GP to review the GP's performance in 2015/16. The GP will be required to submit a report to the Commission of GP by June 2017. There is a need to commission GP to review the GP's performance in 2015/16.	Number of GP's performance reports submitted to the Commission of GP	Quarterly reports on GP performance	0.1 000 000	06.05	Not achieved	The GP Budget & P&L Review for 2015/16 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2016/17 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2017/18 was submitted to the Commission of GP on 12th April 2017.	GP Budget & P&L Review for 2015/16, 2016/17 and 2017/18. The GP Budget & P&L Review for 2015/16 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2016/17 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2017/18 was submitted to the Commission of GP on 12th April 2017.	GP
		GP Objectives	06.06	GP to review the GP's performance in 2015/16. The GP will be required to submit a report to the Commission of GP by June 2017. There is a need to commission GP to review the GP's performance in 2015/16.	Number of GP's performance reports submitted to the Commission of GP	Quarterly reports on GP performance	0.1 000 000	06.06	Not achieved	The GP Budget & P&L Review for 2015/16 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2016/17 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2017/18 was submitted to the Commission of GP on 12th April 2017.	GP Budget & P&L Review for 2015/16, 2016/17 and 2017/18. The GP Budget & P&L Review for 2015/16 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2016/17 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2017/18 was submitted to the Commission of GP on 12th April 2017.	GP
		GP Objectives	06.07	GP to review the GP's performance in 2015/16. The GP will be required to submit a report to the Commission of GP by June 2017. There is a need to commission GP to review the GP's performance in 2015/16.	Number of GP's performance reports submitted to the Commission of GP	Quarterly reports on GP performance	0.1 000 000	06.07	Not achieved	The GP Budget & P&L Review for 2015/16 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2016/17 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2017/18 was submitted to the Commission of GP on 12th April 2017.	GP Budget & P&L Review for 2015/16, 2016/17 and 2017/18. The GP Budget & P&L Review for 2015/16 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2016/17 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2017/18 was submitted to the Commission of GP on 12th April 2017.	GP
		GP Objectives	06.08	GP to review the GP's performance in 2015/16. The GP will be required to submit a report to the Commission of GP by June 2017. There is a need to commission GP to review the GP's performance in 2015/16.	Number of GP's performance reports submitted to the Commission of GP	Quarterly reports on GP performance	0.1 000 000	06.08	Not achieved	The GP Budget & P&L Review for 2015/16 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2016/17 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2017/18 was submitted to the Commission of GP on 12th April 2017.	GP Budget & P&L Review for 2015/16, 2016/17 and 2017/18. The GP Budget & P&L Review for 2015/16 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2016/17 was submitted to the Commission of GP on 12th April 2017. The GP Budget & P&L Review for 2017/18 was submitted to the Commission of GP on 12th April 2017.	GP

Municipal Administration	Ensure an accountable administration by adhering to legislative prescripts & policies by 2022	Conduct Customer Satisfaction surveys in all Municipal wards (12,13,6,9,10) daily and electronically.	Customer care survey were conducted in all 7 wards	Customer care survey questionnaire and personnel vehicle.	Number of wards in which to conduct surveys.	Improved customer satisfaction.	2.3.1	Annual surveys report	Equitable Share	Quarterly surveys report	Achieved	Not Applicable	Not Applicable	101
Municipal Administration	Conductable and refer customer complaints to per complaints registers to ensure that all complaints are addressed.	30 customer complaints/commen received, referred and managed	Customer care complaints register	Customer care complaints register	Percentage of issues resolved by external stakeholders through complaints register attended.	Improved customer satisfaction.	2.3.2	Quarterly Reports	Equitable Share	Quarterly complaints Report & Distribution register	Achieved	Not Applicable	Not Applicable	102
Municipal Administration	Enforce adherence to Customer care policies and procedures.	One Batho Pele workshop conducted	Budget and presentations conducted	Budget and presentations conducted	Number of workshops on customer care to internal employees and councillors	Improved interpersonal relations.	2.3.3	Quarterly Reports	Equitable Share	2 workshops (Batho Pele Principles, Policy and Charter) and customer care day conducted by June 2019.	Achieved	Not Applicable	Not Applicable	R 14,000
Municipal Administration	Provide cleaning material and monitor hygiene services in all municipal sites.	Monthly Monitoring schedules and cleaning equipment are in place.	Monitoring schedules, cleaning equipment and material.	Monitoring schedules, cleaning equipment and material.	Number of sites cleaned.	Cleaned workplace environment.	2.4.1	Quarterly cleaning and monitoring reports.	Equitable Share	17 monthly cleaning monitoring schedules and cleaning reports by June 2019.	Achieved	Not Applicable	Not Applicable	103
Municipal Administration	Implement the Records Management policies and regulations.	Data records and archiving policy and classification register.	File plan and records management policy.	File plan and records management policy.	Number of monitoring reports on records management.	Proper Records management system	2.4.2	Monthly monitoring reports	Equitable Share	One centralized Records Management System by June 2019.	Achieved	Not Applicable	Not Applicable	104
Municipal Administration	Filing of Municipal Information according to National Archives Act	Register Procedure Manual & File Plan	Monitoring filing of information per the file plan	Monitoring filing of information per the file plan	Filing registers and schedules	Filing Report	2.4.3	Monthly filing reports	Equitable Share	Filing of Municipal Information according to the National Archives Act by June 2019.	Achieved	Not Applicable	Not Applicable	105
Municipal Administration	Coordinate the filing of Local Labour Forum	Register Procedure Manual, File Plan and Classification register.	Register Procedure Manual, File Plan and Classification register.	Register Procedure Manual, File Plan and Classification register.	Number ILF Meetings	Sound Governance and Governance	2.5.3	Quarterly ILF reports	Equitable Share	ILF Meetings in per Municipal calendar coordinated by June 2019.	Achieved	Not Applicable	Not Applicable	106

Department/Unit	Priority Area	Key Objectives	Objective Number	Key Strategies	Timeline (Start/End)	Impact	Outcome	Key Milestones	Responsible Parties	Current Status	Next Steps	Key Risks	Dependencies	Reporting Frequency	Review Date
Financial Stability	Revenue Management and Enhancement	To increase revenue to 150% of R17 000 000 by June 2022	1.01	1. To review and implement the revenue enhancement strategy by June 2022 2. Ensure 70% of current debt collection cycle is completed by June 2022	Q1 2022 - Q2 2022	Revenue Management and Enhancement Strategy	1. To review and implement the revenue enhancement strategy by June 2022 2. Ensure 70% of current debt collection cycle is completed by June 2022	Q1: The amount targeted for collection was R1 441 859 for own revenue, and we managed to collect was R1 379 991 Q2: The amount targeted for collection was R1 441 859 for own revenue, and we managed to collect was R1 379 991 Q3: The amount targeted for collection was R1 441 859 for own revenue, and we managed to collect was R1 379 991 Q4: The amount targeted for collection was R1 441 859 for own revenue, and we managed to collect was R1 379 991	Q1: R1 441 859 Q2: R1 441 859 Q3: R1 441 859 Q4: R1 441 859	Not Achieved	Review the target to be realistic for 2022/2023 as it refers to be informed by the business and revenue growth projections, and to refer to all revenue collection rather than 13th revenue collected from 12th revenue.	None	None	None	
Financial Stability	Revenue Management and Enhancement	To increase revenue to 150% of R17 000 000 by June 2022	1.02	1. To review and implement the revenue enhancement strategy by June 2022 2. Ensure 70% of current debt collection cycle is completed by June 2022	Q1 2022 - Q2 2022	Revenue Management and Enhancement Strategy	1. To review and implement the revenue enhancement strategy by June 2022 2. Ensure 70% of current debt collection cycle is completed by June 2022	Q1: The amount targeted for collection was R1 441 859 for own revenue, and we managed to collect was R1 379 991 Q2: The amount targeted for collection was R1 441 859 for own revenue, and we managed to collect was R1 379 991 Q3: The amount targeted for collection was R1 441 859 for own revenue, and we managed to collect was R1 379 991 Q4: The amount targeted for collection was R1 441 859 for own revenue, and we managed to collect was R1 379 991	Q1: R1 441 859 Q2: R1 441 859 Q3: R1 441 859 Q4: R1 441 859	Not Achieved	Review the target to be realistic for 2022/2023 as it refers to be informed by the business and revenue growth projections, and to refer to all revenue collection rather than 13th revenue collected from 12th revenue.	None	None	None	None
Financial Stability	Revenue Management and Enhancement	To increase revenue to 150% of R17 000 000 by June 2022	1.03	1. To review and implement the revenue enhancement strategy by June 2022 2. Ensure 70% of current debt collection cycle is completed by June 2022	Q1 2022 - Q2 2022	Revenue Management and Enhancement Strategy	1. To review and implement the revenue enhancement strategy by June 2022 2. Ensure 70% of current debt collection cycle is completed by June 2022	Q1: The amount targeted for collection was R1 441 859 for own revenue, and we managed to collect was R1 379 991 Q2: The amount targeted for collection was R1 441 859 for own revenue, and we managed to collect was R1 379 991 Q3: The amount targeted for collection was R1 441 859 for own revenue, and we managed to collect was R1 379 991 Q4: The amount targeted for collection was R1 441 859 for own revenue, and we managed to collect was R1 379 991	Q1: R1 441 859 Q2: R1 441 859 Q3: R1 441 859 Q4: R1 441 859	Not Achieved	Review the target to be realistic for 2022/2023 as it refers to be informed by the business and revenue growth projections, and to refer to all revenue collection rather than 13th revenue collected from 12th revenue.	None	None	None	None

<p>Strategic development and transformation</p>										
<p>Review budget related policies</p>	<p>4.2.2</p>	<p>Review budget related policies</p>	<p>Number of adopted budget related policies</p>	<p>Obtain new circulars and amended acts</p>	<p>Approved budget related policies</p>	<p>Final Budget and Treasury related policies</p>	<p>N/A</p>	<p>2019/2020 Approved Treasury related policies</p>	<p>Q1: No Target Q2: No Target Q3: Report on Changes in Budget Related Policies Q4: Council Resolution 2019/20 Draft Budget Related Policies, Council Resolution 2019/20 Final Budget Related Policies</p>	<p>Achieved</p>
<p>Strengthen the effectiveness of expenditure controls including procedures for approval and authorization</p>	<p>FY04</p>	<p>4.3.1</p>	<p>Number of Quarterly expenditure report developed</p>	<p>Obtain source documents internally and externally</p>	<p>2018/19 Mid year expenditure report</p>	<p>Quarterly expenditure reports</p>	<p>N/A</p>	<p>Produced four quarterly expenditure reports indicating the financial performance by 30th June 2019</p>	<p>Q1: Proof of circulation to Directors, Monthly expenditure report Q2: Proof of circulation to Directors, Monthly expenditure report Q3: Proof of circulation to Directors, Monthly expenditure report Q4: Proof of circulation to Directors, Monthly expenditure report</p>	<p>Achieved</p>
<p>Implementation of effective, efficient processes and systems of managing Municipal finances by June 2022</p>										
<p>Expenditure Management</p>										

Supply Chain Management	To review and implement Supply Chain Management Policy by June 2022	FV08	Review and implement procedures in line with item policy and MIA/SLA Circulars	2018/19 updated supplier database	Invitation of suppliers to register in supplier database. Database registration forms	Number of supplier database updated	Credible supplier database	4.4.1	Quarterly report on updated supplier data base	N/A	1. Updated and regular supplier database by June 2019	Q1: Report on registered on data base and number of applications within the quarter. Q2: Report on suppliers registered on data base and number of applications within the quarter. Q3: Report on suppliers registered on data base and number of applications within the quarter. Q4: Report on suppliers registered on data base and number of applications within the quarter.	Achieved	Q1: All the reports on registered on data base and there were 41 applications received in end September 2018. Q2: All the applications received in end September 2018. Q3: All the applications received in end September 2018. Q4: All the applications received in end September 2018.	N/A	N/A	N/A
				2018/19 and year SCM implementation report submitted to Treasury and Council	Deviation letters, appointment letters and irregular expenditure.	Number of SCM implementation report developed	Adherence to SCM Processes	4.4.2	Quarterly report on deviations and irregular expenditure (SCM implementation)	N/A	Submitted reports on deviations and irregular expenditure (SCM implementation) to Treasury & Council within 30 days after the end of each quarter by June 2019	Achieved	Q1: Reports on deviations and irregular expenditure submitted to the APAC for investigation. Q2: Reports on deviations and irregular expenditure submitted to the APAC for investigation. Q3: Reports on deviations and irregular expenditure submitted to the APAC for investigation. Q4: Reports on deviations and irregular expenditure submitted to the APAC for investigation.	N/A	N/A	N/A	N/A

Asset Management	To manage, safeguard and maintain all assets of the Municipality in line with the applicable practice and accounting standards by June 2022	FY07	Maintenance of GAP compliant Asset Register	2017/2018 Asset Register	Asset additions, assets physical verification	Number of GAP compliant registers maintained	Update inventory register with the results of inventory stock count	4 & 5	Monthly inventory reconciliations	100	N/A	Maintained and updated inventory register by June 2019	Q1: Quarterly Register and stock count sheets Q2: Quarterly Register and stock count sheets Q3: Quarterly Register and stock count sheets Q4: Quarterly Register and stock count sheets	Achieved	Q1: The stock take for the quarter has been performed and the inventory register has been updated in per the result of the stock take. Q2: The stock take for the quarter has been performed and the inventory register has been updated in per the result of the stock take. Q3: The stock take for the quarter has been performed and the inventory register has been updated in per the result of the stock take. Q4: The stock take for the quarter has been performed and the inventory register has been updated in per the result of the stock take. The balance value at R190 374.40	N/A	N/A	N/A
Asset Management	To manage, safeguard and maintain all assets of the Municipality in line with the applicable practice and accounting standards by June 2022	FY07	Maintenance of GAP compliant Asset Register	2017/2018 Asset Register	Asset additions, assets physical verification	Number of GAP compliant registers maintained	Update inventory register with the results of inventory stock count	4 & 5.1	Quarterly reports on asset management	R 300 000.00	6/75	Updated and maintained GAP compliant asset register by June 2019	Q1: 1 list of addresses 2. updated asset register 3. signed asset verification forms Q2: 1 list of addresses 2. updated asset register 3. signed asset verification forms Q3: 1 list of addresses 2. updated asset register 3. signed asset verification forms Q4: 1 list of addresses 2. updated asset register 3. signed asset verification forms	Achieved	Q1: Asset Register had been updated with additions, disposal, verification forms and depreciation for the year. Q2: Asset Register had been updated with additions, disposal, physical verification and depreciation for the year. Q3: Asset Register had been updated with additions, disposal, physical verification and depreciation for the year. Q4: Asset Register had been updated with additions, disposal, physical verification and depreciation for the year.	N/A	N/A	N/A

Provision of insurance for all Municipal Assets	2018/19 full year insurance reports	Asset additions to be insured	Number of reports on insured municipal assets	4.2.2	Quarterly reports on insured assets	1/5	4 Updated insurance report of municipal assets by June 2019	Q1: Report on insured assets Q2: Report on insured assets Q3: Report on insured assets Q4: Report on insured assets	Achieved	Q1: All the assets insured as indicated in the table above are insured with Indemnity Services. Q2: All the assets insured as indicated in the table above are insured with Indemnity Services. Q3: All the assets insured as indicated in the table above are insured with Indemnity Services. Q4: All the assets insured as indicated in the table above are insured with Indemnity Services.	N/A	N/A	N/A
Provision of insurance for all Municipal Assets	2018/19 full year fleet management reports	Signed transaction request forms from directors, 170 arbitrators, patrol ships and bus statements	Number of fleet management reports developed	4.5.3	Quarterly reports on fleet management	6/5	4 reports on fleet management and maintenance of municipal fleet by June 2019.	Q1: 1. Fleet Management and repairs & maintenance per month 2. Fleet reconciliation Q2: 1. Fleet Management report on fleet consumption and repairs & maintenance per vehicle 2. Fleet reconciliation Q3: 1. Fleet Management report on fleet consumption and repairs & maintenance per vehicle Q4: 1. Fleet Management report on fleet	Achieved	Q1: 1. Quarterly reports on fleet have been produced indicating fuel consumption, maintenance, repairs & other charges 2. Q3 monthly fleet reconciliation were also performed. Q2: 1. Quarterly reports on fleet have been produced indicating fuel consumption, repairs & maintenance, other charges 2. Q3 monthly fleet reconciliation were also performed. Q3: 1. Quarterly reports on fleet have been produced indicating fuel consumption, repairs & maintenance, other charges 2. Q3 monthly fleet reconciliation were also performed.	N/A	N/A	N/A

Indigency	To subsidize indigent households to live with the approved indigency report by June 2021	CG	Review and implement indigent report to live with the approved indigency report by [Midweek 2021]	Council approved indigent register	Indigent registration forms	Number of indigent beneficiaries subsidized with free bank services	Registration and verification of the applicants, Bank and state indigent register.	4.6.1	Quarterly report on subsidized beneficiaries	R 4 715 000	Q3	327 Electricity subsidies (and 201) parallel beneficiaries subsidized by June 2019	Q1: Report on subsidized beneficiaries Q2: Report on subsidized beneficiaries Q3: Report on subsidized beneficiary Q4: Report on subsidized beneficiary	Achieved	Q1: The indigent verification for the quarter was conducted on 7 wards through the system (DPA, CPC and through telephone for 3 wards) Q2: The indigent verification was conducted on 7 wards through the system (DPA, CPC and through telephone for 3 wards) Q3: The indigent verification was conducted on 3 wards. Q4: Not applicable.	N/A	N/A	N/A
Indigency				Quarterly reports on registration and verification report				4.6.1	Quarterly reports on registration and verification report	R 4 715 000	Q3	327 Electricity subsidies (and 201) parallel beneficiaries subsidized by June 2019	Q1: Report on verification. Q2: 1. Report on verification. Q3: 1. Report on verification. Q4: Not target	Achieved	Q1: The indigent verification was conducted on 7 wards through the system (DPA, CPC and through telephone for 3 wards) Q2: The indigent verification was conducted on 7 wards through the system (DPA, CPC and through telephone for 3 wards) Q3: The indigent verification was conducted on 3 wards. Q4: Not applicable.	N/A	N/A	N/A
Indigency				Quarterly reports on registration and verification report				4.6.1	Quarterly reports on registration and verification report	R 4 715 000	Q3	327 Electricity subsidies (and 201) parallel beneficiaries subsidized by June 2019	Q1: Report on verification. 2. Council resolution Q2: 1. Report on verification. 2. Council resolution Q3: 1. Report on verification. 2. Council resolution Q4: The 2019/20 indigent register report on verification 2. Council resolution	Achieved	Q1: Not applicable Q2: Not applicable Q3: The registration of indigent beneficiaries was conducted on all wards. Q4: The 2019/20 indigent register report on verification has been approved for implementation by Council as a meeting held on 18/7 2019 June 2019.	N/A	N/A	N/A

Audit	To ensure that an audit is conducted and accounts are submitted by June 2012	CGO2	Development, implementation and review of strategic and operational risk registers	Strategic risk registers, Departmental risk registers and operational risk registers	Strategic risk and Operational risk registers	Use of reduced the mitigated risks	Quarterly risk management reports	4.3.1	Quarterly risk management reports	N/A	4.2.4	Quarterly risk management reports	N/A	4.2.3	Preparation and submission of section 46, 71, 52 reports	Preparation and submission of section 46, 71, 52 reports	N/A	HE	HE	HE	HE	HE	HE	HE	HE	HE	HE	HE	HE	HE

GC	PAS	Timely signing of performance contracts and agreements by managers and officers	2018/19 performance contracts signed	PAS policy performance evaluation schedule	Number signed performance agreements for Managers and Officers	Speed performance agreements for Managers and Officers	4.2.2	Quarterly performance reports	100	N/A	Implemented the PAS framework with the new PAS by June 2019	Q1: Evaluation reports and attendance register Q2: Evaluation reports and attendance register Q3: Evaluation reports and attendance register Q4: Evaluation reports and attendance register	Not achieved	Q1: Performance of each manager and officers were assessed during the period 2018/19 1st quarter whereby the performance plans were in line with the SOBP. Q2: Performance of each manager and officers were assessed during the period 2018/19 2nd quarter whereby the performance plans were in line with the SOBP. Q3: Performance of each manager and officers were assessed during the period 2018/19 3rd quarter whereby the performance plans were in line with the SOBP.	Q1: Performance of each manager and officers were assessed during the period 2018/19 1st quarter whereby the performance plans were in line with the SOBP. Q2: Performance of each manager and officers were assessed during the period 2018/19 2nd quarter whereby the performance plans were in line with the SOBP.	Some contracts were not signed, assessments were not conducted for some employees	Conclusion of Performance Contracts in July (2019/20)
GC	Compliance with legislation	To ensure compliance with financial legislation projects, policies, by laws and sector plans by June 2022	4 signed SLA for service providers	Service level agreements	Number of reports produced on performance of service providers	Provide performance of service providers.	4.4.3	Quarterly service providers performance report	100	N/A	12 reports produced on performance of service providers as per set deliverables in line with service providers agreements by June 2019	Q1: Three monthly service providers performance report Q2: Three monthly service providers performance report Q3: Three monthly service providers performance report Q4: Three monthly service providers performance report	Not achieved	Q1: Light service providers were assessed during the period ending June 2019 as follows: 1. Higher risk 2. Increase in number of incidents of non-compliance 3. Increase in General and administrative compliance 4. Increase in compliance with all financial provisions 5. Increase in compliance with all other provisions 6. Increase in compliance with all other provisions 7. Increase in compliance with all other provisions	Delayed response from service providers	to conduct monthly meetings with appointed service providers to ensure that performance of each service provider appointed is assessed	

Reported IDA	Priority Area	IPF Objective	Initiative number	IPF Description	Timeline on the date of review (December 2022)	Sub-indicator	Indicator	Key Indicator	Minimum amount	Budget allocated	Spending to date	Actual output	Final output	Comment for achievement	Amount for year achievement	Department
Good Governance	PA5	To monitor, measure and evaluate institutional performance by June 2022	GG 05	Timely signing of performance agreements by June 2022	2022/23 performance agreements	Agreed individual performance agreements	No. of performance agreements completed	5.5.1	Quarterly performance evaluation reports	Nil	Nil	Agreed	Agreed performance agreements, evaluation reports & achievement reports	Green (2022/23 Performance contracts were signed, Level 1 (2022) performance agreements were signed, 2022/23 quarter performance evaluations completed, 4th quarter level 1 and 2nd quarter performance evaluations were completed)	N/A	N/A
Good Governance	Anti	To ensure a clean audit by 2022	GG 06	Development and audit of the Anti-Corruption Act	Completed audit findings for the Act	Percentage audit findings resolved	5.5.3	5.5.3	Quarterly report to audit committee and Council	Nil	Nil	Achieved	Achieved audit findings by June 2022	Achieved on the plan and developed (2022) with findings that were addressed were achieved at 100% and the report was	N/A	N/A
Good Governance	Risk Management	To mitigate potential risks by 2022	GG 07	Completion of risk register and approval risk register	2022/23 risk register	Percentage risks mitigated	5.5.2	5.5.2	Quarterly reports	Nil	Nil	Achieved	Achieved risk register, report on risk management	Nil management report was approved on 14 June 2022. All of the risks in the risk register are mitigated at 100%	N/A	N/A
Good Governance	Compliance with Legislation	To ensure compliance with legislative provisions, policies and by-laws by June 2022	GG 08	Review of compliance with legislative provisions, policies and by-laws	2022/23 compliance report	No. of compliance with legislative provisions, policies and by-laws	5.5.2	5.5.2	Quarterly reports	Nil	Nil	Achieved	Achieved compliance report and approved public participation strategy	The 2022/23 compliance report was approved on 14 June 2022. All of the risks in the risk register are mitigated at 100%	N/A	N/A
Good Governance	Public participation	To promote effective stakeholders in the affairs of governance by June 2022	GG 09	Review of public participation strategy and implementation	2022/23 public participation strategy	No. of public participation activities completed	5.5.1	5.5.1	Quarterly reports	2 750 000.00	2 750 000.00	Achieved	Achieved public participation strategy and implementation report	Review of public participation strategy was completed on 14 June 2022. All of the risks in the risk register are mitigated at 100%	N/A	N/A
Good Governance	Council Support	To strengthen the oversight functions of the Council by 2022	GG 10	Review of Council oversight functions and implementation	2022/23 Council oversight report	Percentage of Council oversight functions completed	5.5.1	5.5.1	Quarterly reports	1 000 000.00	1 000 000.00	Achieved	Achieved Council oversight report	Review of Council oversight functions was completed on 14 June 2022. All of the risks in the risk register are mitigated at 100%	N/A	N/A

TABLE: RURAL INEQUALITY

Supported SPA	Priority Area	EDP Objective	Collection number (EDP Strategies)	EDP Strategies	Issues on the table of review (December 2023)	Target	Impact	Outcomes	Key Number	Measurement Source	Annual Target	EDP	Addressed or not addressed	Comments for achievement	Reason for non achievement	Key Performance Indicators
Municipal Institutional Development and Organisational Transformation	Business Support: Retailers, Hawkers	To provide infrastructure support, capacity building for hawkers and hawkers for retail industries by June 2023	LED 04	To facilitate the development of hawkers, lobby for more retailers to invest in the area whilst ensuring the retention of the existing businesses	Organised informal traders, formal business structures and functional LED Forum with successful support programs offered by the supporting stakeholders like SETA, DSD, DSA, DESMOC	LAND, Infrastructure Services and Capacity Building, Supporting Institutions, Beneficiaries	Number of LED Strategies adopted and LED Forum settings coordinated	Well Coordinated Local Economic Development Implementation, Sector Improved hawkers and their trading zones, improved retail industry.	3.4.1	Quarterly progress reports	Facilitate adoption of the LED Strategy and four sitting of LED Forum convened by June 2019	Invites, manages and attendance register for LED Forum, LED implementation report	Achieved	The LED Strategy was adopted on the 30 of May by the Council with resolution number [DCM/2/19/006.4] Four LED forums convened on quarterly basis 1. September- November 2018 2. February-2019 3. April-2019 and 00th of June-2019 Implementation report on LED Strategy compiled		Nil
LED	Agriculture	To provide support for production inputs and development of new commercialised agri-businesses by June 2022; Agri-hub, 3 poultry farms, egg laying production, 3 cropping farms and one fish farming	LED 01	Provides production inputs, infrastructure and technical support to Agricultural SAMMIs for commercialization	One (1) sustainable cooperative and one established farmer in ward 11 already competing in national the market in which one has won a competition of a best farmer in National level and one being the best in the small holder farmer in ward 13	Land, Infrastructure, roads and feed	Number of business plans submitted for agri-hub	Part production	3.1.1	Quarterly reports	1. Monitoring process 2. Business Plan, Submission Report and proof of submission 3. Project launch report with Project Plan (Lungweni and 11 Madamin) by June 2019	1. Monitoring reports 2. Business Plan, Submission Report and proof of submission 3. Project launch report with Project Plan	Not Achieved	The delays are on the funding of the project by the DTI for funds to implement the initiative. Pre-planning studies conducted in all sites, business plan submitted to DTI waiting for Eka approvals and release of funding thereon for		Nil
					Land resolutions from the meeting held with traditional leaders to ensure the land for crop production in their jurisdiction	Community Engagements	Number of hectares identified for crop production	Identified land with land resolutions	3.2.1	Quarterly reports	20 out of 400 Hectares of land for crop production identified by June 2019	1. Soil test results 2. Engagements reports and attendance register 3. Stakeholder Engagements reports and attendance register 4. Engagements reports, and evidence register and Business Plan	Achieved	Engagement meeting with stakeholder for 20 out of 400 hectares of land for crop production was identified by organising meetings with beneficiaries of the following cooperative for crop production (Luwendo ward 02) with one hectare of land, Okubhward 02) with two hectares of land, Lungweni 51ers Primary cooperative (ward 01) with 75, seventy five hectares of land, Kuyilanya farmers with 10 hectares of land (ward 02) with 11 hectares of land (ward 11) with 10 hectares, Scaurwa with 3		Nil

					H/L	E/N	200 out of 600 Hectares of land for maize production identified by June 2019	1. Soil test results 2. Engagement reports and attendance register 3. Soil holder Engagement reports and attendance register 4. Soil holder Engagement reports and attendance register	Achieved	Engagement meeting with stakeholder for 200 out of 600 Hectares of land was identified by organizing meetings with beneficiaries of the following cooperative for maize production with 10 Hectares of land ward 023, Kuyalweya farmers with 6 Hectares of land (ward 02) Obumuh (ward) (ward 11) with 250 Hectares of land and Amanzwa (ward 12) with 125 Hectares of land Shwaza (ward 01) with 311 thirty one Hectares of land Shwaza (ward 11), with four	R. 137 000.00	
Land resolutions from the meeting held with traditional leaders to release the land for maize production in their traditional jurisdiction	Community Engagements	Number of Hectares of land identified for maize production	Identified land with land resolutions	3.1.2	H/L	E/N	Increased egg production inputs for egg laying by 200 Hectares of land at Nkama Egg Laying Cooperative by June 2019	1. Service level Agreement signed with private partnerships and attendance register 2. Delivery note and Photos 3. Delivery report with attendance register & delivery note 4. Delivery report with attendance register and delivery note	Achieved	The engagement of poultry project to increase the number of egg production was done to the following projects - Senqanda (ward 12) Procurement for 100 egg laying chickens, feed medication, egg containers was done and delivered on the 22 March 2019. And the same delivery for 100 egg laying chickens medication was delivered on the 07 June 2019. The monitoring of the project done monthly and quarterly during the 2018/2019 financial year 91,556 eggs were produced	R. 137 000.00	
Egg laying cooperative operating in ward 14 which was established by DADA and was provided with poultry infrastructure. The municipality provided the first batch of 100 egg laying chicks	Infrastructure, Feed medication and Egg laying	Number of egg laying hens procured and handed over to cooperatives	Egg produce	3.1.2	R97 000	E/N	Quarterly reports	Dairily reports	Achieved	The engagement of poultry project to increase the number of egg production was done to the following projects - Senqanda (ward 12) Procurement for 100 egg laying chickens, feed medication, egg containers was done and delivered on the 22 March 2019. And the same delivery for 100 egg laying chickens medication was delivered on the 07 June 2019. The monitoring of the project done monthly and quarterly during the 2018/2019 financial year 91,556 eggs were produced	R. 137 000.00	

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LED	Job Creation	To create 05 FTEs by June 2022	LED 06	Identify and implement EPWP programs	Current LED Projects that are operational with no academic employment opportunities and 72 identified young graduates in Agriculture	EPWP programs to be implemented, Clothing and equipment for EPWP	Number of EPWP beneficiaries employed	Implemented EPWP programs	3.6-1	Monthly and Quarterly reports on EPWP programs implemented	R12 000	E/5	Coordinated and implemented EPWP programs to create 05 job opportunities and Farm Coordinator's (protective clothing delivered by June 2019)	Achieved	Five job opportunities were created for EPWP program as part of creating jobs in farm cooperation (protective clothing) (Mlowe farm cooperative, Abakhalo vegetable cooperative, Moringa project and agreements were signed by five farm coordinators, and coordinators, and Norma (egg-laying project) Procurement of protective clothing for farm coordinators was done and the service provider was appointed, the service provider delivered the protective clothing in per specification	R12 235.50
GG	Audit	To return clean and accurate governance by June 2022	GG 06	Provide assurance and consulting services on matters relating to governance, risk management and internal control.	2016/2017 Audit action plan	Management report	Percentage on reduction of Auditor General findings	Quarterly progress report on the implementation of Audit Action Plan	3.6-2	Quarterly progress reports.	NEL	E/5	01 reduced AG finding by June 2019	Achieved	The only audit finding was for the shortfalls of the objectives, the finding was addressed during mid term turnaround and IDP 2019-2022, IDIP	NB
GG	Risk		GG 07		Strategic risk and operational risk registers 2016/2017		Percentage of risks reduced and or mitigated	Quarterly risk management report	3.7-1	Quarterly progress reports.	NEL	E/5	05% mitigated risks by June 2019	Achieved	All 03 risks were mitigated they as follows the shortage of resource for development purposes, non sustainability of business entities and Lack of economic growth by Developing business plans and submitted to lenders, by making private public partnerships with commercial enterprises for strategic and monitoring car MAMEL.	NB
GG	PMIS	To monitor, measure and evaluate institutional and individual performance by June 2022	GG 05	Monitor, evaluate and measure performance	Signed Performance Agreements for Director, Managers and Officers for 2016/2019	PMIS policy, performance evaluations schedules	Number of signed performance agreements and evaluations conducted for managers and officers	Performance evaluation reports and performance as a job	3.5-2	Quarterly evaluations reports.	NEL	E/5	4 quarterly evaluations conducted for the LED Manager and officers within the directorate by June 2019	Achieved	The performance evaluation for first quarter were held on the 12 November 2018 for Officers and 19 October 2018 for the manager. The performance evaluation for mid-term were held on the 14 March 2019 for Officers and 06 March 2019 for manager. The performance evaluation for the period 09 Mar 2019 for the manager and 07 Mar 2019 for the officers.	NB

GG	Compliance with Legislature	To ensure compliance with Municipal legislative prescripts, policies, by-laws and sector plans by June 2022	GGE	Manage performance of Service Providers	Existing contracts signed with Service Providers	Signed SAs, MOUs and agreements with sectors	Number of performance monitoring reports of service providers developed	Improved performance of service providers	S.B.2	Monthly and Quarterly Reports	MEL	E/S	4 performance monitoring reports of service providers developed as per the appointments by June 2019	1. Monthly and quarterly reports on performance of service providers 2. Monthly and quarterly reports on performance of service providers 3. Monthly and quarterly reports on performance of service providers 4. Monthly and quarterly reports on performance of service providers	Not achieved	NA	All service providers that were appointed on monthly basis, the performance was monitored at them the performance was not satisfactory. The service providers were appointed for to deliver (egg laying chickens, feed, medications and egg containers). Lirisa Trading was appointed for supply and deliver festival culture. Conqua Industries for the supply and	To monitor service providers monthly	NB
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ITAKA LOCAL MUNICIPALITY

Geographical Area	Priority Area	RDP Objectives	RDP Strategic Objective number	Baseline on the state of service (December 2018)	Target	Output	Indicator	Measurable Outcome	Budget Amount	Funding Source	Annual Target	High	Achieved or not achieved	Comments for achievement	Reason for non-achievement	Corrective measures	Expenditure			
Basic Service Delivery	Roads and storm water construction and maintenance	To improve accessibility and mobility of community members through construction of 100km new stormwater and 2 bridges by June 2022	E01	To construct roads with structure as identified in the 3-year capital plan	131 km of gravel access roads have been constructed	Three year capital plan, business plan, application letter to Department of Roads and Public Works and Public registration	Number of access roads, culverts and bridges completed	Accessibility of villages through the access road	1.1.1	Final completed access road and the Final Completion Certificate	R 1 913 122.71	MIG	Construction of 4km Hlabisa via creche to creche Access Road with related stormwater in ward 12 by 30 June 2019	Approved design, Attendance register and Monthly progress report, Monitoring report, Close Out Report and Final Completion Certificate	Not achieved	N/A	Approved design, Monthly progress reports with photos, minutes of site meetings are in place, the project is currently on monthly basis. 13km of the road with related storm water facilities is practically complete and currently on defects liability stage. snag list has been issued by the Engineer in order to certify final completion of the road.	Approved design, Monthly progress reports with photos, minutes of site meetings are in place, the project is currently on monthly basis. 13km of the road with related storm water facilities is practically complete and currently on defects liability stage. snag list has been issued by the Engineer in order to certify final completion of the road.	The contractor has been instructed by an Engineer to resume with defects	R 1 913 088.05
										Monthly progress reports	R 4 482 910.69	MIG	Construction of 12 km. Mthatha to Mthatha via related stormwater in ward 9 up to the processing of grave, starting on 30 June 2019	Approved design, Attendance register and monthly progress reports with photos, programme in ward and cash flows	Achieved	N/A	Approved design, Monthly progress reports with photos, minutes of site meetings are in place, the project is currently on monthly basis. 4.6km of the road with related storm water facilities is practically complete and currently on defects liability stage. snag list has been issued by the Engineer in order to certify final completion of the road.	Approved design, Monthly progress reports with photos, minutes of site meetings are in place, the project is currently on monthly basis. 4.6km of the road with related storm water facilities is practically complete and currently on defects liability stage. snag list has been issued by the Engineer in order to certify final completion of the road.	N/A	R 4 118 511.20
										Completion certificate and final results.	R 2 833 081.36	MIG	Construction of 4.6km. Lufila via Shaya to School Access Road with related stormwater in ward 11 by 30 June 2019	Approved design, Attendance register and monthly progress reports with photos, programme, cash flows and completion certificate	Achieved	N/A	Approved design, Monthly progress reports with photos, minutes of site meetings are in place, the project is currently on monthly basis. 6.51m of the road with related storm water facilities is practically complete and currently on defects liability stage. snag list has been issued by the Engineer in order to certify final completion of the road.	Approved design, Monthly progress reports with photos, minutes of site meetings are in place, the project is currently on monthly basis. 6.51m of the road with related storm water facilities is practically complete and currently on defects liability stage. snag list has been issued by the Engineer in order to certify final completion of the road.	N/A	R 2 780 479.17
									Final completed access road and the final Completion Certificate	R 3 903 029.52	MIG	Construction of 6.51m T107 via Mhangweni to T108 Access Road with related stormwater in ward 9 by 30 June 2019	Approved design, Attendance register and Monthly progress report, Monitoring report, Close Out Report and Final Completion Certificate	Achieved	N/A	Approved design, Monthly progress reports with photos, minutes of site meetings are in place, the project is currently on monthly basis. 6.51m of the road with related storm water facilities has been completed and closed. Final Completion Certificate issued and the retention amount will be released	Approved design, Monthly progress reports with photos, minutes of site meetings are in place, the project is currently on monthly basis. 6.51m of the road with related storm water facilities has been completed and closed. Final Completion Certificate issued and the retention amount will be released	N/A	R 3 874 222.80	

R	2 578 431.48	MIG	Construction of 81m Access Road Phase 2 with related stormwater in Ward 07 up to the processing of gravel wearing course by 30 June 2019	Signed monthly progress reports with photos, programme and cashflows. Practical Completion Certificate	Achieved	Signed monthly progress reports with photos, programme and cashflows. Practical Completion Certificate	N/A	2 001 967.74
R	148 307.27	MIG	Final release of retention for 41m Lurumisa to Mumbisa Ndiaba Access Road with related stormwater by ward 18 by June 2019	Final Completion Certificate and Close Out Report	Achieved	Final Completion Certificate and Close Out Report	N/A	50 318.95
R	85 000.00	MIG	Final release of retention for 2.71m Access to Uleni, and related stormwater in ward 14 by 30 June 2019	Final Completion Certificate and Close Out Report	Achieved	Final Completion Certificate and Close Out Report	N/A	66 071.48
R	7 000 000.00	PT	Final release of retention for 6.51m to 18.13m related stormwater in ward 8 & 13 by June 2019	Practical Completion Certificate, signed monthly reports with photos, programme and completion certificate	Not achieved	Practical Completion Certificate, signed monthly reports with photos, programme and completion certificate	As at 1 July 2018, 5.11m had been constructed and open for public use. During 2018/19 financial year the municipality achieved surfacing of 800m of the remaining 1.71m and road marking was done on completed streets. Project was not completed due to delays experienced with Contractor and the challenges encountered with the commercial query to supply the project with the construction materials. Financial challenges relating to the payment processes have also caused delays to the project. Lastly, the project also required additional funding in order to realize completion.	2 411 991.39
R	450 000.00	MIG	Final Release of Retention of 9.91m Related Storm water in ward 05 by June 2019	Final Completion Certificate and Close Out Report	Achieved	Final Completion Certificate and Close Out Report	N/A	130 845.34
R	473 444.05	MIG	Final Release of Retention of 9.91m Related Storm water in ward 01 by June 2019	Final Completion Certificate and Close Out Report	Not achieved	Final Completion Certificate and Close Out Report	The project has not reached completion stage due to poor performance of service provider.	nil

Electrification of households (National EPI)	B103	Provision of grid electricity to households in line with the municipality's electrification plan.	10000 Households have access to electricity. 3303 households are underway.	Business Plan, Electrification Plan and Beneficiary List	Number of households with electrification infrastructure installed	Access to basic energy	1.2.1	Reports on INEP expenditure and electrified households	R	2 772 000.00	INEP	Installation of electrification infrastructure of 126 households at Sibiromeni ward 01 by June 2019	Designs approved/signed monthly progress reports, programme and cashflows are in place. Electrification infrastructure planning, stringing, installation of meter boxes and transformers for 126 households at Sibiromeni ward 01 by June 2019	Achieved	Designs approved/signed monthly progress reports, programme and cashflows are in place. Electrification infrastructure planning, stringing, installation of meter boxes and transformers for 126 households at Sibiromeni ward 01 by June 2019. The letter requesting energizing has been sent to eskom.	N/A	N/A	R	4 022 689.03
								Monthly Project Progress Report	R	5 720 000.00	INEP	Installation of electrification infrastructure of 260 households at Ocu Village in ward 01 up to 40% by 30 June 2019	Designs approved/signed monthly progress reports, programme and cashflows are in place. Electrification infrastructure planning, stringing, installation of meter boxes and transformers for 260 households at Ocu Village in ward 01 up to 40% by 30 June 2019. The letter requesting energizing has been sent to eskom.	Achieved	Designs approved/signed monthly progress reports, programme and cashflows are in place. Electrification infrastructure planning, stringing, installation of meter boxes and transformers for 260 households at Ocu Village in ward 01 up to 40% by 30 June 2019. The letter requesting energizing has been sent to eskom.	N/A	N/A	R	4 180 016.04
								Reports on INEP expenditure and electrified households	R	4 290 000.00	INEP	Installation of electrification infrastructure of 185 households at Ngqibhaya Village in ward 05 by 30 June 2019	Designs approved/signed monthly progress reports, programme and cashflows are in place. Electrification infrastructure planning, stringing, installation of meter boxes and transformers for 185 households at Ngqibhaya Village. The letter requesting energizing has been sent to eskom.	Achieved	Designs approved/signed monthly progress reports, programme and cashflows are in place. Electrification infrastructure planning, stringing, installation of meter boxes and transformers for 185 households at Ngqibhaya Village. The letter requesting energizing has been sent to eskom.	N/A	N/A	R	9 902 442.97
								Reports on INEP expenditure and electrified households	R	642 000.00	INEP	Installation of electrification infrastructure of 31 households at Mjosi village in ward 04 by June 2019	Designs approved/signed monthly progress reports, programme and cashflows are in place. Electrification infrastructure planning, stringing, installation of meter boxes and transformers for 31 households at Mjosi village. The letter requesting energizing has been sent to eskom.	Achieved	Designs approved/signed monthly progress reports, programme and cashflows are in place. Electrification infrastructure planning, stringing, installation of meter boxes and transformers for 31 households at Mjosi village. The letter requesting energizing has been sent to eskom.	N/A	N/A	R	9 902 442.97
								Reports on INEP expenditure and electrified households	R	9 636 000.00	INEP	Installation of electrification infrastructure of 438 households at Lugqatha Village in ward 01 by June 2019	Designs approved/signed monthly progress reports, programme and cashflows are in place. Electrification infrastructure planning, stringing, installation of meter boxes and transformers for 438 households at Lugqatha village. The letter requesting energizing has been sent to eskom.	Achieved	Designs approved/signed monthly progress reports, programme and cashflows are in place. Electrification infrastructure planning, stringing, installation of meter boxes and transformers for 438 households at Lugqatha village. The letter requesting energizing has been sent to eskom.	N/A	N/A	R	9 902 442.97

Community facilities	To ensure community access to social infrastructure including 3 sports fields, 1 new community hall, upgrade 16 community halls, pre-schools to improve community buy-in	To construct and upgrade community facilities in line with the 3-year capital plan	10 sport fields need upgrading, 1 sport field complete, 1 being upgraded, 19 Community hall construction, 1 under construction, 1 under upgrade, 4 pre-schools in existence, 2 Pre-schools under construction.	Three year capital plan, Business plan and application letter to DSDOC	Number of community facilities constructed and upgraded	Use of facilities by communities	1.3.1	Monthly Project Progress Report	R 408 941 03	MIG	Construction of Maseko Community Hall in ward 15 to the foundation level by June 2019	Signed monthly project progress reports with photos, programme and cashflows	Not achieved	NA	The site has been handed over to the contractor. Signed monthly progress reports with photos are in place. The project has not reached completion stage due to delays experienced with Contractor	The contractor has returned with the works and currently busy on site working. Programme and Cashflows Projections have been revised and request for extension of time issued to the contractor.	R 2 113 112 96	R	2 113 112 96
Reports on BKEP expenditure and households identified	R 400 000 00	INFP	Installation of 20 households in ward 11 by June 2019	Design approved, monthly progress reports, programme and cashflows are in place. Electrification infrastructure pole planning, stringing, installation of meter boxes and 10 (ten) 20-20 households at Midweek Village. The letter requesting E&M has been sent to sakom.	N/A	N/A	R	456 822 18											
Reports on INEP expenditure and households identified	R 19 206 000 00	BKEP	Installation of 813 households in ward 02 by June 2019	Design approved, monthly progress reports, programme and cashflows are in place. Electrification infrastructure planning, stringing, installation of meter boxes and transformers at Mphahlele. The letter requesting E&M has been sent to sakom.	Achieved	N/A	R	18 961 133 89											
Final Completion Certificate & Close Out Report	R 100 000 00	E&M	Installation of 20 Solar Powered LED Streetlights in ward 08 by June 2019	Final Completion Certificate and Close Out report	Achieved	N/A	R	100 000 00											
Monthly Project Progress Report	R 2 888 899 25	MIG	Construction of Cahle Community Hall in ward 10, cable village to a roof level by June 2019	Attendance register for site handover, signed monthly progress reports with photos, programme and cashflows	Not achieved	N/A	R	2 888 899 25											
Monthly Project Progress Report	R 408 941 03	MIG	Construction of Maseko Community Hall in ward 15 to the foundation level by June 2019	Attendance register for site handover, signed monthly progress reports with photos, programme and cashflows	Not achieved	N/A	R	408 941 03											
Project progress report; Completion Certificate	R 5 577 000 00	MIG	Complete Construction of Maseko Community Hall in ward 15 to the foundation level by June 2019	Signed monthly project progress reports with photos, programme and cashflows; Completion Certificates	Achieved	N/A	R	7 704 151 17											

Roads and Storm Water	Roads and storm water maintenance	To sustain accessibility and optimize the design life through maintenance of roads and storm water facilities by June 2022	85.02	To repave access roads as per roads maintenance plan for financial year 2017/2018 maintained.	37.3 km of gravel road with 1.2 km of stormwater facility maintained.	Develop scope of works and schedule implementation plan.	Number of kilometers maintained from the access road prioritized in the maintenance plan.	Improved accessibility of villages through the access road.	1.2.1	Completion certificate	R 1 750 000.00	ES	To repave 4.3 km of municipal gravel roads with 100m of stormwater facilities as per the maintenance plan priority by June 2019	Scope of works, tender document, requisition and memo signed monthly progress reports with photos, close out report, Completion Certificate	Achieved	Scope of works, tender document, requisition and memo signed monthly progress reports with photos, close out report, Completion Certificate	Not Applicable	Not Applicable	R 1 750 000.00
					Existing Infrastructure Maintenance Policy as developed in 2015/17/17					Reviewed Infrastructure Maintenance Policy	R 14	ES	Review the infrastructure Maintenance Policy and submit to Council for Approval by June 2019	Council approved renewed Infrastructure Maintenance Policy	Achieved	Infrastructure Maintenance Policy has been reviewed and as a result the Infrastructure Maintenance Policy has been separated into a Buildings Maintenance Policy and the Roads Maintenance Policy. Both policies were adopted by council separately.	Not Applicable	Not Applicable	R 0.00
					Existing Roads and Stormwater Maintenance Plan					Reviewed Roads and Stormwater Maintenance Plan	R 14	ES	Annual Review of the Roads and Stormwater Maintenance Plan by June 2019	Council approved renewed Roads and Stormwater Maintenance Plan	Achieved	Roads and stormwater maintenance plan was reviewed and updated and presented to Council for adoption	Not Applicable	Not Applicable	R 0.00
Basic service delivery	Maintenance of municipal street lights	To ensure public safety through maintenance of municipal public lights by June 2022	85.04	Continuous maintenance of street lights	Number of public lights maintained in Ntabankulu Town	Develop scope of works and schedule implementation	Number of public lights maintained in Ntabankulu Town	Less dirt streets in town	1.4.1	Maintenance Report	R 500 000.00	ES	To maintain 41 street lights in Ntabankulu town by June 2019.	Scope of works, requisition, memo, signed monthly progress reports and photos	Not Achieved	Not Applicable	Scope of works, requisition, memo were submitted to BTO for procurement of service provider and it was advertised. The first service provider declined the appointment and procurement was readvertised and service provider was appointed and as at 30 June 2019 the delivery of materials was not yet realized.	Engage the supplier to deliver within the delivery period stipulated on the SIA	R 500 000.00
					The municipality has one municipal pound that is fenced with a damaged wire fencing	Develop scope of works	Number of municipal pounds fenced	More secured municipal pound	1.4.2	Monthly Progress Reports	R 500 000.00	ES	Construction of 200 m of Palisade fencing at the municipal pound by June 2019	Scope of works, requisition, memo, Progress report, expenditure report and photos	Not Achieved	Not Applicable	Appointment of the service provider was only realized in June 2019	Not Applicable	R 500 000.00
Basic service delivery	Building Control	To enhance and improve the quality and aesthetic look of buildings in the municipal area by June 2022	85.08	To develop and implement maintenance schedule for municipal buildings	Number of municipal buildings maintained	Develop scope of works and schedule implementation	Number of municipal buildings maintained	Municipal buildings in good standard	1.4.3	Monthly Maintenance Report	R 400 000.00	ES	3 municipal buildings to be listed in terms of the identified scope at erf 85, Home Affairs and Mzimba by June 2019	Scope of works, memo, requisition, signed monthly maintenance reports and photos	Achieved	Scope of works, memo, requisition were submitted to BTO for appointment of service providers. They were advertised and service providers were appointed. 3 municipal buildings were listed in terms of the identified scope at erf 85, Home Affairs and Mzimba	Not Applicable	Not Applicable	R 439 259.87

EPWP	Job Creation	To create job opportunities through EPWP by June 2022	LED 07	Identify EPWP program/people to conduct the services and officers	10 job opportunities created in 2016-2017 financial year	Application forms, Checklist recommendations for approval without stakeholders	Number of days it takes to approve Building plans as per the submission register	Approval of Building plans enables development	L.B.2	Approved Building plans approved as per the submission register	R4	N/A	Process all submitted building plans within 30 days of submission for building plans below 500m2 and within 60 days for building plans above 500m2	Application forms, Checklist, Approval/ rejection letters, Register, Acknowledgement letter	Achieved	There were eight applications submitted even 131, 4348, 308, 21, 61, 502, 200 & 1857. Four refusals were issued (even 291, 32, 75 and 02) None building plans were approved even 160812, 308, 85, 411, 348, 153, 502 & 021. There were no inspections were conducted at even 1095, 55, 1054, 4742, 02, 203, 43, 2002, social development and 348-2	Not Applicable	Not Applicable
Good Governance	PMS	To monitor, measure and evaluate institutional performance by June 2022	GG 04	Identify scope of work, identify job opportunities	10 job opportunities created in 2016-2017 financial year	Identify scope of work, identify job opportunities	Number of days it takes to approve Building plans as per the submission register	Approval of Building plans enables development	L.B.2	Approved Building plans approved as per the submission register	R4	N/A	There were eight applications submitted even 131, 4348, 308, 21, 61, 502, 200 & 1857. Four refusals were issued (even 291, 32, 75 and 02) None building plans were approved even 160812, 308, 85, 411, 348, 153, 502 & 021. There were no inspections were conducted at even 1095, 55, 1054, 4742, 02, 203, 43, 2002, social development and 348-2	Not Applicable	Not Applicable	Target will be reviewed in the next financial year		
Good Governance	Compliance with legislation	To ensure compliance with all national legislative provisions and by-laws by June 2022	GG 05	Manage performance of service providers	Existing contracts signed with service providers	Strategic risk register 2017/2018 and Operational risk register 2017/2018	Number of days it takes to approve Building plans as per the submission register	Approval of Building plans enables development	L.B.2	Approved Building plans approved as per the submission register	R4	N/A	There were eight applications submitted even 131, 4348, 308, 21, 61, 502, 200 & 1857. Four refusals were issued (even 291, 32, 75 and 02) None building plans were approved even 160812, 308, 85, 411, 348, 153, 502 & 021. There were no inspections were conducted at even 1095, 55, 1054, 4742, 02, 203, 43, 2002, social development and 348-2	Not Applicable	Not Applicable	Quarterly performance plans for all Managers and Officers were submitted to PMS office. Mid term performance reviews were conducted to all Managers Quarterly performance reviews were		
Good Governance	Risk	To mitigate potential risks by 2022	GG 06	Strategic risk and Operational risk registers	Strategic risk register 2017/2018 and Operational risk register 2017/2018	Strategic risk register 2017/2018 and Operational risk register 2017/2018	Number of days it takes to approve Building plans as per the submission register	Approval of Building plans enables development	L.B.2	Approved Building plans approved as per the submission register	R4	N/A	There were eight applications submitted even 131, 4348, 308, 21, 61, 502, 200 & 1857. Four refusals were issued (even 291, 32, 75 and 02) None building plans were approved even 160812, 308, 85, 411, 348, 153, 502 & 021. There were no inspections were conducted at even 1095, 55, 1054, 4742, 02, 203, 43, 2002, social development and 348-2	Not Applicable	Not Applicable	Quarterly performance plans for all Managers and Officers were submitted to PMS office. Mid term performance reviews were conducted to all Managers Quarterly performance reviews were		
Good Governance	Audit	To ensure clean and accountable administration by June 2022	GG 07	Approved Audit Action Plan	Approved Audit Action Plan	Approved Audit Action Plan	Number of days it takes to approve Building plans as per the submission register	Approval of Building plans enables development	L.B.2	Approved Building plans approved as per the submission register	R4	N/A	There were eight applications submitted even 131, 4348, 308, 21, 61, 502, 200 & 1857. Four refusals were issued (even 291, 32, 75 and 02) None building plans were approved even 160812, 308, 85, 411, 348, 153, 502 & 021. There were no inspections were conducted at even 1095, 55, 1054, 4742, 02, 203, 43, 2002, social development and 348-2	Not Applicable	Not Applicable	Quarterly performance plans for all Managers and Officers were submitted to PMS office. Mid term performance reviews were conducted to all Managers Quarterly performance reviews were		
Development Planning	Development Planning	Develop mixed use settlement, conduct land use management and housing administration by June 2022	LED 6	Zone of new areas next to circuit office.	Zone of new areas next to circuit office.	Zone of new areas next to circuit office.	Number of days it takes to approve Building plans as per the submission register	Approval of Building plans enables development	L.B.2	Approved Building plans approved as per the submission register	R4	N/A	There were eight applications submitted even 131, 4348, 308, 21, 61, 502, 200 & 1857. Four refusals were issued (even 291, 32, 75 and 02) None building plans were approved even 160812, 308, 85, 411, 348, 153, 502 & 021. There were no inspections were conducted at even 1095, 55, 1054, 4742, 02, 203, 43, 2002, social development and 348-2	Not Applicable	Not Applicable	Quarterly performance plans for all Managers and Officers were submitted to PMS office. Mid term performance reviews were conducted to all Managers Quarterly performance reviews were		

Provide support to owners of subdivided properties (Private owned)	Database of legal subdivision	Data, Expertise	No. of meetings with property owners on subdivision	Compliance by property owners on subdivision	3.8.3	Number of owners engaged and legal subdivision register	None	2 meetings with owners of informal/legal subdivisions by June 2019	Engagements register, minutes and progress report.	Not Achieved	Not Applicable	Use owners would not attend meetings with the municipality	continuous engagements with site owners and consider imposing penalties	D
	A Draft SPLUMA By-law has been noted by council	SPLUMA	No. of SPLUMA By-laws sent to Council for packaging	Compliance with spatial planning and land use management	3.8.3	Council Resolutions: Generated SPLUMA By-law	R 85 000.00 E5	one SPLUMA complete municipal by-law submitted to COGTA for gazetting by June 2019	Draft SPLUMA Complete by-law and proof of submission, Council resolution and gazetted final SPLUMA by-law	Not Achieved	not applicable	The municipality requested that all By-Laws of the municipality to be gazetted as one. Draft by-law was submitted to the legal department for gazetting and are awaiting the final date of the provincial gazette.	a follow up with the legal section on when by-laws will be gazetted	D
	Draft Land Audit report	Land ownership from deeds office	No. of land audits conducted	Proper ownership and recording of municipal land	3.8.3	Final Land Audit Report	R 13 000.00 E5	Conduct one Land audit and develop the Wakarusa Land Audit Report by June 2019	Draft Land Audit Report, final Land audit report	not achieved	not applicable	The municipality had payment issues with the service provider and as such the final Land audit report was not submitted to the LMA. This then caused the Land audit to be partially complete and still remains a draft.	a mediation between the service provider and the municipality will be done and a solution to the problem will be negotiated.	D
Advertising	There is currently no advertising by-laws	Advertising by-law	No. of signboards for advertising procured	Compliance with advertising by-laws	3.8.4	procured signboards and advertising register, Lease Agreements, Monthly performance	R 150 000.00 E5	Supply and installation of one signboard for advertising by July 2019	Progress report with photos, lease agreements, monthly performance reports.	Not achieved	Advertising boards were procured and installed in June 2019	not applicable	not applicable	R127 995.00
Formalise illegal subdivided Municipal Owned properties	Council approved rezoning and subdivision	Data, Expertise	No. of Approved subdivision of municipal land	Compliance on subdivision	3.8.5	Approved rezoning for erf 87 and E5	R 50 000.00 E5, AHDM, DRDLR, DEAY	Formalise two municipal (legal) subdivisions on erf 87 and E5 by June 2019	Acting/development letter from the District Municipal Tribunal, final approval letter	not achieved	not applicable	DRAFT had not been indicated and therefore could not commence with official work. Indication will only be in July and will then commence application after finaling.	awaiting DMPT	D



**Ntabankulu Local Municipality
Financial Statements
for the year ended 30 June 2019**

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Index

The reports and statements set out below comprise the financial statements presented to the Auditor General:

	Page
General Information	2 - 3
Accounting Officer's Responsibilities and Approval	4
Audit Committee Report	5 - 6
Accounting Officer's Report	7
Statement of Financial Position	8
Statement of Financial Performance	9
Statement of Changes in Net Assets	10
Cash Flow Statement	11
Statement of Comparison of Budget and Actual Amounts	12 - 13
Accounting Policies	14 - 24
Notes to the Financial Statements	24 - 52

VAT	Value Added Tax
EXCO	Executive Council
INEP	Intergrated National Electrification Programme
GRAP	Generally Recognised Accounting Practice
DEDEAT	Department of Economic Development, Environmental Affairs & Tourism
DSRAC	Department of Sport, Recreation, Arts and Culture
FBE	Free Basic Electricity
EPWP	Expanded Public Works Programme
COGTA	Cooperative Governance and Traditional Affairs
SDL	Skills Development Levy
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
LED	Local Economic Development
IPD	Infrastructure, Planning and Development
MSIG	Municipal Systems Improvement Grant

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

General Information

Legal form of entity

Municipality

Nature of business and principal activities

Ntabankulu Local Municipality is a South African Category B municipality (Local Municipality) as defined by the Municipal Structures Act (Act no 117 of 1998). The municipality's operations are governed by the Municipal Finance Management Act (Act 56 of 2003), the Municipal Structures Act (Act 177 of 1998), Municipal Systems Act (Act 32 of 2000) and various legislations and regulations.

Municipal Councillors

Cllr PT Sobuthongo: Mayor

Cllr V Matwasa: Speaker

Cllr S Menziwa: Chief Whip

EXCO Members

Cllr S Menziwa: Portfolio Head: Infrastructure, Planning and Development

Cllr N Pikwa: Portfolio Head: Community Services

Cllr S Sophaqa: Portfolio Head: Corporate Services

Cllr M Ndabeni: Portfolio Head: Local Economic Development

Cllr N T Mbonmtsha: Portfolio Head Budget and Treasury Services

Cllr N Fundakubi

Cllr BZ Ndamase MPAC Chairperson

Other Councillors

Cllr B Betwayo

Cllr M Madadasa

Cllr F Ntshela

Cllr Z Makhosonke

Cllr M Nqwazi

Cllr M Dinwayo

Cllr P Mafilika

Cllr B Ndlebe

Cllr M Gweqani

Cllr T Msuthu

Cllr N Sobuthongo

Cllr S Ncekana

Cllr K Nomanzoyiya

Cllr E Diko

Cllr T Lubisi

Cllr N Daniel

Cllr Z Mtyaphi

Cllr N Sithunzi

Cllr S Sicwayi

Cllr M Mkizwana

Cllr N Njiva

Cllr M Mkhandanisi

Cllr N Pezisa

Cllr M Tshaka

Cllr N.Ndamase

Grading of the Municipality

3

Accounting Officer

Ms L Nonyongo 8 October 2018

Mr Matiwane Acted 1 July 2018 to 30 September 18

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

General Information

Chief Financial Officer (CFO)	Mrs XN Venn appointed on 3 September 2018 Ms N Gixane Acted 1 July 2018 to 31 July 2018 Ms N Mdutyana Acted from 01 August 2018 to 31 August 2018
Registered office	Erf 85 Main Street Ntabankulu 5130
Business address	Erf 85 Main Street Ntabankulu 5130
Postal address	P.O. Box 234 Ntabankulu 5130
Bankers	First National Bank 151 York Road, Mthatha
Auditors	Auditor General of South Africa Registered Auditors 63 Frere Road Vincent
Attorneys	New Appointed Panel of Attorney Madianga and Partners Inc Attorney Appointed May 2019 Offices of Hydpark Johannesburg Guzana Inc Attorneys Appointed May 2019 4 Kort Street Carolina 1185 Vuba Attorneys 28 Guller Street Butterworth Mbabane Sokutu contract ended 31 January 2018

Ntabankulu Local Municipality

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 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 30 June 2019 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 Financial Statements and was given unrestricted access to all financial records and related data.

The 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 accounting officer acknowledges that she 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, she 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement.

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

The financial statements set out on page 8 to 50, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2019 and were signed on its behalf by:

Miss L Nonyongo
Accounting Officer

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Audit Committee Report

We are pleased to present our report for the year ending 30 June 2019.

Audit committee members and attendance

The audit committee consists of the members listed here under and should meet 4 times per annum as per its approved terms of reference. During the current financial year 6 meetings were held.

Name of member	Number of meetings attended	Number of
Mr Mandla (Former Chairperson)	3	1
Mr G Labane (Current Chairperson)	4	2
Ms B Jojo	4	2
Mr M Nkosi (Appointed 1 May 2019)	0	0
Mr Z Zulu (Appointed 1 May 2019)	0	1
Ms K J Tubane (Appointed 1 May 2019)	0	1

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

Overview

In adherence to the terms of the MFMA, the Audit Committee has established and defined its composition, purpose and duties in the Audit Committee Charter. The Audit Committee reports that it complies with all legal and regulatory requirements as necessary under South African legislation. In fulfilling its duties, the Audit Committee has

- approved the internal audit plan;
- received and considered reports from internal auditors; and
- reviewed and discussed the Annual Financial Statements with the Accounting officer and the Chief financial officer.

Following a review conducted by the Internal Audit Unit, and meeting the requirements of the terms of reference, the committee is satisfied that:

- Internal financial controls are effective however, not all material weaknesses in financial control have been identified; and
- The co-sourced internal audit function performed their duties as per the terms of reference contained in the Internal Audit Charter and addressed all components of the Internal Audit Plan and the external auditors of the municipality (Auditor General of South Africa), are independent.

Internal Audit

Ntabankulu Local Municipality has a co sourced Internal Audit Function. The Internal Audit Function provides the Audit Committee with assurance on the key areas of Ntabankulu Local Municipality's systems of internal control and risk management. The Internal Audit Plan and the Internal Audit Charter are annually reviewed and approved by the Audit Committee. Internal Audit provides assurance that Ntabankulu Local Municipality operates in a responsibly governed manner by performing the following functions:

- objectively assuring effectiveness of risk management and the internal control framework;
- analysing and assessing business processes and associated controls; and
- reporting audit findings and recommendations to management and the Audit Committee.

The Audit committee is of the opinion that Ntabankulu Local Municipality system of internal financial controls is effective and provides reasonable assurance that the financial records may be relied on for the preparation of the Financial Statements.

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the management of the municipality during the year under review.

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Audit Committee Report

Evaluation of the annual financial statements

The Audit Committee has reviewed the Annual Financial Statements ending 30 June 2019 and concluded that it complies, in all material respects, with the requirements of GRAP. The committee recommended the approval of the Annual Financial Statements.

Furthermore, the Audit Committee recommended the adoption of the Annual Financial Statements. In this regard, the Committee:

- > Considered all facts and risks that may impact on the integrity of the financial statements; and
- > Reviewed and commented on the financial statements.

The Accounting Officer subsequently approved the Annual Financial Statements.

Conclusion

The committee is satisfied that it has considered and discharged its responsibilities in accordance with its mandate and terms of reference during the year.

Chairperson of the Audit Committee

Date: _____

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Accounting Officer's Report

The accounting officer submits her report for the year ended 30 June 2019.

1. Review of activities

Main business and operations

Ntabankulu Local Municipality is a South African category B municipality (local municipality) as defined by the Municipal Structures Act (act no 117 of 1998). The Municipality's operations are governed by the Municipal Finance Management Act (act 56 of 2003), the Municipal Structures Act (act 177 of 1998), Municipal Systems Act (act 32 of 2000) and various legislations and regulations.

The operating results for the year are fully set out in the attached Financial Statements and do not in my opinion require any further comment.

Net surplus of the municipality was R 4 496 824 (2018: surplus R 64 696 049).

2. Going concern

The 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.

3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the year financial period.

Ntabankulu Local Municipality

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
Assets			
Current Assets			
Inventories	3	562 724	769 088
Receivables from exchange transactions	4	535 933	782 956
Receivables from non-exchange transactions	5	2 639 540	2 551 259
VAT receivable	6	3 751 335	4 770 920
Cash and cash equivalents	7	19 099 592	792 207
		26 589 124	9 666 430
Non-Current Assets			
Investment Property	8	29 220 228	22 262 725
Property, Plant and Equipment	9	379 966 983	385 039 808
Intangible assets	10	1 918	7 666
		409 189 129	407 310 199
Total Assets		435 778 253	416 976 629
Liabilities			
Current Liabilities			
Payables from exchange transactions	11	17 406 187	16 459 728
Long service awards obligation	12	730 376	152 254
Unspent conditional grants and receipts	13	15 941 555	821 807
Payables from non exchange transactions	14	520 350	2 649 374
		34 598 468	20 083 163
Non-Current Liabilities			
Long service awards obligation	12	1 473 701	2 051 823
Provisions	15	1 223 682	856 065
		2 697 383	2 907 888
Total Liabilities		37 295 851	22 991 051
Net Assets		398 482 402	393 985 578
Accumulated surplus	45	398 482 402	393 985 578

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Statement of Financial Performance for the year ended 30 June 2019

Figures in Rand	Note(s)	2019	2018
Revenue			
Revenue from exchange transactions			
Service charges	17	576 178	408 853
Rental of facilities and equipment	18	859 033	1 107 475
Interest received	19	2 305 445	2 349 494
Licences and permits		1 418 120	1 311 922
Sundry income	20	382 870	690 092
Total revenue from exchange transactions		5 541 646	5 867 836
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	21	9 246 603	8 478 171
Transfer revenue			
Government grants & subsidies	22	193 966 246	203 107 056
Fines	23	618 900	644 750
Total revenue from non-exchange transactions		203 831 749	212 229 977
Total revenue	16	209 373 395	218 097 813
Expenditure			
Employee related costs	24	(58 537 984)	(50 120 612)
Remuneration of councillors	25	(11 340 215)	(11 443 831)
Depreciation and amortisation	26	(16 773 640)	(17 197 484)
Interest paid	27	(798 451)	(760 332)
Lease rentals on operating lease	28	(583 692)	(637 884)
Contribution allowance for impairment	29	(2 054 624)	(2 610 301)
Bad debts written off		(164 216)	-
General expenses	30	(112 764 949)	(65 215 978)
Repairs and maintenance	31	(3 931 292)	(1 802 220)
Auditors fees	32	(4 074 643)	(3 372 019)
Total expenditure		(211 023 706)	(153 160 661)
Operating (deficit) surplus		(1 650 311)	64 937 152
Loss on disposal of assets		(699 252)	-
Fair value adjustments	33	7 376 224	-
Actuarial gains/losses	12	(190 898)	(190 898)
(Increase)/decrease in provision for landfill site		(338 939)	(50 205)
		6 147 135	(241 103)
Surplus		4 496 824	64 696 049

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Statement of Changes in Net Assets for the year ended 30 June 2019

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2017	329 289 529	329 289 529
Changes in net assets		
Surplus for the year	64 696 049	64 696 049
Total changes	64 696 049	64 696 049
Balance at 01 July 2018	393 985 578	393 985 578
Changes in net assets		
Surplus for the year	4 496 824	4 496 824
Total changes	4 496 824	4 496 824
Balance at 30 June 2019	398 482 402	398 482 402

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Cash Flow Statement for the year ended 30 June 2019

Figures in Rand	Note(s)	2019	2018
Cash flows from operating activities			
Receipts			
Property Rates		8 648 648	6 860 812
Service Charges		131 804	77 945
Operating Grants		112 861 000	104 230 149
Capital Grants		95 824 993	98 731 433
Other Income		2 196 056	3 053 888
Rental		920 511	-
Interest Income		1 871 660	1 614 469
		222 454 672	214 568 696
Payments			
Suppliers & Employee costs		(131 059 722)	(122 682 240)
Interest paid		(798 451)	(760 332)
		(131 858 173)	(123 442 572)
Net cash flows from operating activities	34	90 596 499	91 126 124
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(72 392 495)	(91 846 773)
Proceeds from sale of property, plant and equipment	9	103 381	-
Net cash flows from investing activities		(72 289 114)	(91 846 773)
Cash flows from financing activities			
Finance lease payments		-	(82 071)
Net cash flows from financing activities		-	(82 071)
Net increase/(decrease) in cash and cash equivalents		18 307 385	(802 720)
Cash and cash equivalents at the beginning of the year		792 207	1 594 927
Cash and cash equivalents at the end of the year	7	19 099 592	792 207

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts	Difference between final budget and actual	
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	315 600	260 578	576 178	576 178	-	43.1
Rental of facilities and equipment	1 596 883	(737 850)	859 033	859 033	-	
Licences and permits	1 859 318	(333 019)	1 526 299	1 418 120	(108 179)	
Services Rendered	48 410	7 816	56 226	-	(56 226)	
Sundry Income	524 451	(160 403)	364 048	382 870	18 822	
Transfer from internal reserves	-	88 294 504	88 294 504	59 000 000	(29 294 504)	
Vat Recovery	-	15 700 034	15 700 034	13 608 462	(2 091 572)	
Proceeds from disposal of assets	-	181 485	181 485	181 485	-	
Interest received - investment	2 261 800	113 464	2 375 264	2 305 445	(69 819)	
Total revenue from exchange transactions	6 606 462	103 326 609	109 933 071	78 331 593	(31 601 478)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	9 118 974	127 629	9 246 603	9 246 603	-	
Transfer revenue						
Government grants & subsidies	190 289 951	19 407 749	209 697 700	193 966 246	(15 731 454)	
Fines, Penalties and Forfeits	349 882	268 118	618 000	618 900	900	
Total revenue from non-exchange transactions	199 758 807	19 803 496	219 562 303	203 831 749	(15 730 554)	
Total revenue	206 365 269	123 130 105	329 495 374	282 163 342	(47 332 032)	
Expenditure						
Personnel	(58 747 677)	(1 884 540)	(60 632 217)	(58 537 984)	2 094 233	
Remuneration of councillors	(11 299 977)	(524 800)	(11 824 777)	(11 340 215)	484 562	
Depreciation and amortisation	(1 578 000)	(16 990 083)	(18 568 083)	(16 773 640)	1 794 443	
Finance costs	(52 600)	(582 281)	(634 881)	(798 451)	(163 570)	
Lease rentals on operating lease	(370 800)	(212 892)	(583 692)	(583 692)	-	
Debt Impairment	(1 052 000)	(1 002 624)	(2 054 624)	(2 054 624)	-	
Bad debts written off	-	-	-	(164 216)	(164 216)	
Loss on disposal of assets	-	101 151	101 151	(699 252)	(800 403)	
General Expenses	(47 986 526)	(5 421 361)	(53 407 887)	(116 012 103)	(62 604 216)	
Repairs & Maintenance	(4 049 696)	552 046	(3 497 650)	(1 957 592)	1 540 058	
Audit Fees	(2 910 401)	(1 523 966)	(4 434 367)	(2 801 189)	1 633 178	
Total expenditure	(128 047 677)	(27 489 350)	(155 537 027)	(211 722 958)	(56 185 931)	
Operating surplus	78 317 592	95 640 755	173 958 347	70 440 384	(103 517 963)	
Fair value adjustments	-	-	-	7 376 224	7 376 224	
Actuarial gains/losses	-	-	-	(190 898)	(190 898)	3
	-	-	-	7 185 326	7 185 326	
Surplus before taxation	78 317 592	95 640 755	173 958 347	77 625 710	(96 332 637)	

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts	Difference between final budget and actual
Figures in Rand					
Surplus for the year from continuing operations	78 317 592	95 640 755	173 958 347	77 625 710	(96 332 637)
Capital Expenditure	(78 688 392)	(12 000 999)	(90 689 391)	(64 186 835)	26 502 556
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(370 800)	83 639 756	83 268 956	13 438 875	(69 830 081)

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Accounting Policies

1. Presentation of Financial Statements

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

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

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

1.2 Going concern assumption

These 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 financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 financial statements. Significant judgements include:

Trade receivables or loans and other receivables

Impairment testing

In calculating the impairment loss for receivables, the following were considered:

- The payments received from receivables for the year
- The age of the debt
- Current and 30 days were considered not to have past due date
- Receivables who were 60 days old were considered to be past due date but were not impaired.

The municipality assessed the balances that were 60 days old for recoverability and believes that they are of good credit quality. The creation and the release the impairment loss for receivables have been included in the Statement of Financial Performance.

Fair value estimation – Financial Instruments

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

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 15 - Provisions.

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that Receivables are impaired. The impairment is measured as the difference between the Receivables carrying amount and Receivables recoverable amounts.

Contingent Liabilities and Contingent Assets

Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become probable. If it becomes probable that an outflow of future economic benefits or service potential will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets arise from unplanned or other unexpected events that are not wholly within the control of the entity and give rise to the possibility of an inflow of economic benefits or service potential to the entity. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements

Residual Values, useful lives and impairment of Property Plant and Equipment

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted (where required) annually

Where significant parts (components of an item of property, plant and equipment have different useful lives or depreciation methods to the item itself, these parts are accounted for as separate items of property, plant and equipment.

The carrying amounts of Property, Plant and Equipment are reviewed for impairment annually and when events or changes in circumstances indicate that the carrying amounts may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amounts.

Allowance for doubtful debts

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

1.4 Investment Property

Investment Property is recognised as an asset when it is probable that the future economic benefits that are associated with the property will flow to the entity, and the cost of the property can be reliably measured. Investment properties comprise properties held for earning rental income or for capital appreciation or both. This does not include properties held for the supply of services or for administrative purposes.

Investment Property is measured initially at its cost (transaction costs shall be included in this initial measurement). Where an Investment Property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. After initial recognition, investment property is held at the fair value model except in cases where the municipality cannot reliably determine the fair value thereof.

A gain or loss arising from a change in the fair value of investment property shall be included in surplus or deficit for the period in which it arises. Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The differences between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of financial performance in the period of derecognition.

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Accounting Policies

1.4 Investment Property (continued)

Fair value - Investment Property

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the Municipality determines that the fair value of an investment property under construction is not reliably determinable it is expected that the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If it determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, that investment property will be measured using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The Municipality applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the Municipality becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

1.5 Property, Plant and Equipment

Property, Plant and Equipment is recognised when it is probable future economic benefits will flow to the entity and the cost can be measured reliably. Property, Plant & Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment includes all directly attributable costs that are incurred in order to bring the asset into a location and condition necessary to enable it to operate as intended by management and includes the cost of materials and direct labour.

Subsequent expenditure relating to an item of property, plant and equipment is capitalised if the cost can be measured reliably and it is probable that the future economic benefits associated with the item will flow to the municipality. If a replacement part is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. When significant parts of property, plant and equipment are required to be replaced at intervals, the municipality recognises such part as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, the cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance expenditure is recognised as an expense in the year it is incurred.

Assets acquired in terms of finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments at inception of the lease and depreciated over the estimated useful life of the asset on the same basis as owned assets. If the Municipality does not have reasonable certainty that it will obtain ownership of the leased asset at the end of the lease term, the asset is depreciated over the shorter of its lease term and its useful life.

Land is not depreciated as it is deemed to have an indefinite life. Depreciation on other assets is calculated using the straight line bases over the estimated useful life of each part of the Property, Plant and Equipment from when it is available to operate as intended by management.

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

Item	Depreciation method	Average useful life
Land	Straight line	Indefinite
Buildings	Straight line	30 Years
Furniture	Straight line	5 - 7 Years
Motor vehicles	Straight line	4 - 7 Years
Office equipment	Straight line	5 - 7 Years
IT equipment	Straight line	3 - 5 Years
Computer software	Straight line	2 - 5 Years
Infrastructure		
Landfill site	Straight line	30-55 years

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Accounting Policies

1.5 Property, Plant and Equipment (continued)

Culverts and ditch drains	Straight line	20-60 years
Traffic signs	Straight line	5-20 years
Electricity infrastructure	Straight line	15-40 years
Traffic barriers	Straight line	10-30 years
Roads & paving	Straight line	30-50 years
Recreational facilities	Straight line	10-60 years
Bridges	Straight line	60 - 80 years

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted (where required) annually. Where significant parts (components of an item of property, plant and equipment have different useful lives or depreciation methods to the item itself, these parts are accounted for as separate items of property, plant and equipment.

The carrying amounts of Property, Plant and Equipment are reviewed for impairment annually and when events or changes in circumstances indicate that the carrying amounts may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amounts.

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is included in operating profit. Items or part of an item of property, plant and equipment are derecognised at the earlier of the date of disposal or the date when no future economic benefits are expected from its use disposal. Gains or losses on derecognition of items of property, plant and equipment are included in the statement of financial performance. The gain or loss is the difference between the net disposal proceeds and the carrying amount of the asset

1.6 Intangible assets

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.

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.

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

Computer software & other	Straight line	2 years
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Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

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 Financial instruments

Financial assets and liabilities are recognised on the municipality's statement of financial position when the Municipality becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value at date of acquisition. Subsequent to initial recognition financial instruments are measured as set out below;

Receivables from exchange transactions

Receivables from exchange transactions are subsequently measured at amortised cost using the effective interest rate method less provision for impairment. At each reporting date, the municipality assesses whether there is any objective evidence that trade and other receivables are impaired. A provision for impairment of trade and other receivables is raised in the statement of financial performance, when there is objective evidence that the municipality will not be able to collect all amounts due, in accordance with the original terms agreed upon. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The municipality takes the impairment of trade receivables directly to the carrying amount of the asset and recognises the impairment in profit and loss.

Receivables from non-exchange transaction

Receivables from non-exchange transactions arise through a contractual commitment by a third party to transact with the municipality, without the municipality giving the third party any value that approximates the contractual amount. Receivables from non-exchange are subsequently measured at cost, where cost is the amount contractually receivable

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and call deposits. Cash on hand is initially recognised at fair value and subsequently measured at fair value. Deposits are carried at amortised cost. However, due to their short-term nature, the amortised cost normally approximates its fair value.

Financial liabilities at amortised cost

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred, when the municipality become party to the contractual provisions. Borrowings are subsequently stated at amortised cost using the effective interest rate method. Any difference between the cost and the redemption value is recognised in the statement of financial position over the period of the borrowings as interest.

Payables from exchange transactions and unspent conditional grants liabilities

Payables from exchange transactions are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Payables from non-exchange transactions

Payables from non-exchange transactions arise when the municipality has an obligation to return the grant funds and/or receipts transferred to it by any third parties, through a non-exchange transaction, if conditions of the grant have not been met (conditional grants). A non-exchange transaction is a transaction where an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

When funds are received as per stipulations of the grant contract, they give rise to a present obligation. A present obligation arising from a non-exchange transaction, that meets the definition of a liability shall be recognised as a liability when, and only when: it is probable that an outflow of resources embodying future economic benefits or service potential will be required to settle the obligation; and reliable estimate can be made of the amount of the obligation.

Payables from exchange transactions are initially measured at fair value and are subsequently measured at cost. Where fair value is the best estimate of the amount required to settle the present obligation at the reporting date and cost is the cash outflow payable to the third upon unsuccessful discharge of grant conditions.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a nonexchange transaction recognised as an asset and/or expenditure, it shall reduce the carrying amount of the liability recognised and recognise an amount of revenue equal to that reduction.

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Accounting Policies

1.7 Financial Instruments (continued)

Offset

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legal enforceable right to set-off the recognised amounts, and the intention is to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition

A financial asset, or portion of a financial asset, is derecognised where:

- The rights to receive cash flows from the asset have expired
- The municipality has transferred the right to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without any material delay to a third party;
- The municipality has transferred substantially all the risks and rewards of the asset; and
- The municipality has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

Financial assets, other than those financial assets classified as fair value through the statement of financial performance, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted. If any such evidence exists, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is recognised in the surplus or deficit.

1.8 Leases

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

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

Operating leases - 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 difference between the amounts recognised as revenue and the contractual receipts are recognised as an operating lease asset or liability.

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

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Accounting Policies

1.9 Inventories

Inventories acquired through an exchange transaction are initially stated at cost. 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. Cost is determined using the First In First Out method. Inventories acquired through a non-exchange transaction are initially measured at fair value as at the date of acquisition.

All inventories are subsequently measured at lower of cost and net realisable value. The net realisable value of inventories is the estimate of the selling price in the ordinary course of business, less the estimated selling expenses.

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

1.10 Impairment of cash-generating assets

At each reporting date, the Municipality reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of financial performance. Where it is not possible to estimate the recoverable amount of an individual asset, the municipality estimates the recoverable amount of the cash-generating unit to which the asset belongs.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, if related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying value that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the statement of financial performance. After such a reversal, the depreciation charge is adjusted in future years to allocate the asset's revised carrying value, less any residual value, on a systematic basis over its remaining useful life

1.11 Share capital / contributed capital

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

1.12 Employee benefits

Long-service bonus awards employment benefit

Long service employment benefit

Ntabankulu offers bonuses for every 5 years of completed service from 10 years to 45 years. The liability recognised in respect of the long-service bonus awards is the present value of the obligation at the reporting date. The benefit obligation is calculated annually by independent actuaries using the projected unit method. The present value of the benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities that have terms of maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Financial Performance, in the period in which they arise. Current service costs are recognised immediately in surplus and deficit.

Short-term employee benefits

Short-term employee benefits are those that are due to be settled within twelve months after the end of the period in which the services have been rendered. Remuneration of employees is charged to the Statement of Financial Performance. A provision is made for accumulated leave, incentive bonuses and other short-term employee benefits.

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Accounting Policies

1.12 Employee benefits (continued)

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.

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.

1.13 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 recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects the risks specific to the liability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 36.

1.14 Commitments

Commitments represent goods/services that have been ordered, but no delivery has taken place at the reporting date. These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance as risks and rewards of ownership has not been transferred to the municipality prior delivery therein. However, are disclosed as part of the disclosure notes.

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Accounting Policies

1.14 Commitments (continued)

The commitments disclosed in the disclosure note are the aggregate amount of capital and current expenditure approved and contracted for at the reporting date, to the extent that the amount has not been recorded in the financial statements. A distinction is made between capital and current commitments

Other commitments for which disclosure is necessary to achieve a fair presentation will be disclosed in a note 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.

1.15 Revenue from exchange transactions

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipalities activities. Revenue is reduced for customer returns, rebates and other similar allowances.

Service charges and licenses and permits are recognised in the statement of financial performance when the significant risks and rewards of ownership have been transferred to the customer

Revenue from services rendered is recognised by reference to stage of completion.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity.

Rental of facilities and equipment revenue arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

1.16 Revenue from non-exchange transactions

Revenue from non-exchange transactions arise where the municipality will receive resources and provide no or nominal consideration directly in return. These constitutes government grants, property rates, fines and penalties..

Government grants pertains to funds and/or subsidies received or receivable by the municipality from other state organs. These include conditional and non-conditional grant. Conditional grants arise where the municipality has a conditional obligation to pay cash or another financial asset to the grantor, upon unsuccessful discharge of the grantor's conditions. Non-conditional grants are grants received or receivable, for the municipality's operational needs, with no obligation to pay cash or another financial asset to the grantor.

Non-conditional government grants are recognised as revenue when received and conditional government grants received and recognised as an asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow, the revenue shall be measured at the amount of the increase in net assets recognised by the entity.

Subsequently, as an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset or expense, it shall reduce the carrying amount of the liability recognised and recognise an amount of revenue equal to that reduction.

Property rates satisfy the definition of "non-exchange transaction", because the homeowner transfers resources to the government without receiving approximately equal value directly in exchange.

An Municipality shall recognise an asset in respect of property rates when the taxable event occurs and the asset recognition criteria are met and, to the extent that an asset (cash or receivables) is recognised, the municipality shall also recognise the amount as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

Fines and penalties are economic benefits or service potential received or receivable by an entity from an individual or other entity, as determined by a court or other law enforcement body, as a consequence of the individual or other entity breaching the requirements of laws or regulations.

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. And, to the extent that an asset is recognised, the municipality shall also recognise the amount as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Accounting Policies

1.16 Revenue from non-exchange transactions (continued)

In instances where a defendant reaches an agreement with a prosecutor that includes the payment of a penalty instead of being tried in court, the payment thus received or receivable shall be recognised as fine revenue.

1.17 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.18 Comparative figures

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

1.19 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.

1.20 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.

1.21 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the 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.

Irregular expenditure is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in note 41

1.22 Budget information

Municipalities 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 a 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 accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2018-07-01 to 2019-06-30.

The 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.

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Accounting Policies

1.23 Related parties

The municipality, in the ordinary course of business, entered into various sale and purchase transactions on an arm's length basis at market rates with related parties. The municipality is presumed to be related to all other government entities within the national sphere by virtue of its classification as a Category B municipality. Only transactions that are not carried out on an arms' length basis are disclosed. Key personnel are limited to the S56 employees only.

1.24 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 is not aware of any events after the reporting dates.

Notes to the Financial Statements

Figures in Rand

2019

2018

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 12 (as amended 2016): Inventories	01 April 2018	The impact of the Standard is not material.
• GRAP 16 (as amended 2016): Investment Property	01 April 2018	The impact of the Standard is not material.
• GRAP 17 (as amended 2016): Property, Plant and Equipment	01 April 2018	The impact of the Standard is not material.
• GRAP 21 (as amended 2016): Impairment of non-cash-generating assets	01 April 2018	The impact of the Standard is not material.
• GRAP 26 (as amended 2016): Impairment of cash-generating assets	01 April 2018	The impact of the Standard is not material.

2.2 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:
• GRAP 104 (amended): Financial Instruments	No effective date	Unlikely there will be a material impact
• Guideline: Guideline on Accounting for Landfill Sites	No effective date	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	No effective date	Unlikely there will be a material impact
• GRAP 20: Related parties	01 April 2019	Unlikely there will be a material impact
• IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land	01 April 2019	Unlikely there will be a material impact

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
3. Inventories		
Consumables	562 724	528 348
Land	-	240 740
	562 724	769 088

Land that was previously held as inventory has been transferred to Investment property.

4. Receivables from exchange transactions

Rentals Receivables	1 039 381	1 101 263
Refuse Receivables	2 158 786	1 714 412
Sundry Receivables	224 743	224 743
Allowance for impairment Refuse	(1 988 967)	(1 542 579)
Allowance for impairment Rentals	(898 010)	(714 883)
	535 933	782 956

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 30 June 2019, R 293 178 (2018: R 141 313) were past due but not impaired.

The ageing of receivables from exchange transactions is as follows:

Current-30 days	51 372	49 990	-	101 362
31-60 days	51 077	47 423	-	98 500
61-90 days	48 867	44 449	-	93 316
91-120 days	47 740	44 381	-	92 121
121-150 days	47 409	(19 133)	-	28 276
> 180 days	1 638 308	960 929	224 743	2 823 980
	1 931 669	1 174 798	224 743	3 331 210

June 2018	Refuse	Rental	Sundry	Total
Current-30 days	28 610	44 110	-	72 720
31-60 days	26 211	(27 418)	-	(1 207)
61-90 days	26 432	43 368	-	69 800
91-120 days	27 077	12 241	-	39 318
121-150 days	25 366	6 670	-	32 036
151-180 days	27 880	9 820	-	37 700
> 180 days	1 552 836	1 012 472	224 743	2 790 051
	1 714 412	1 101 263	224 743	3 040 418

Trade and other receivables allowance for impairment

As of 30 June 2019, the contribution towards allowance for impairment amounted to of R - (2018: R 335 866)

The amount is made up of the following:

	2019	2018
Rental	-	(6 813)
Refuse	-	342 679

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
4. Receivables from exchange transactions (continued)		
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	2 257 461	1 921 595
Impairment loss created	-	335 866
	2 257 461	2 257 461

5. Receivables from non-exchange transactions

Customer Receivable- Interest	3 773 534	3 339 749
Customer Receivable - Traffic Fines	2 556 589	2 074 939
Customer Receivable - Rates	13 460 344	12 862 389
Allowance for impairment - Rates	(12 148 333)	(10 877 907)
Allowance for impairment - Interest	(2 838 047)	(3 129 594)
Allowance for impairment - Fines	(2 164 547)	(1 718 317)
	2 639 540	2 551 259

Receivables from non-exchange transactions past due but not impaired

Other receivables from non-exchange transactions which are less than 3 months past due are not considered for allowance for impairment. At 30 June 2019, R - (2018: R 1 548 567) were past due but not impaired.

The ageing of receivables from non exchange transactions is as follows:

June 2018	Rates	Customer Interest	Traffic Fines	Total
Current-30 days	203 213	65 550	42 150	310 913
31-60 days	495 488	65 999	42 100	603 587
61-90 days	497 646	63 771	72 650	634 067
91-120 days	430 380	63 866	47 300	541 546
121-150 days	462 063	61 948	58 100	582 111
151-180 days	502 756	62 081	46 984	611 821
> 180 days	10 267 324	2 956 552	1 827 555	15 051 431
	12 858 870	3 339 767	2 136 839	18 335 476

Trade and other receivables allowance for impairment

The current year contribution to allowance for impairment loss amounted to R - (2018: R 2 427 453).

The ageing of amounts past due but not provided for impaired is as follows:

	2019	2018
Rates	-	1 283 686
Customer Interest	-	762 390
Traffic Fines	-	381 377

Reconciliation of provision for impairment of receivables from non-exchange transactions

Opening balance	15 878 834	13 451 381
Provision for impairment	-	2 427 453
	15 878 834	15 878 834

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
6. VAT receivable		
VAT	3 751 335	4 770 920

The net of Vat is receivable is made up of input and output payable/receivable as shown in Note 6 and all Vat returns were submitted by the due date throughout the year.

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand

2019

2018

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	52 238	75 351
Bank balances	1 131 637	1 615
Investment balances	17 915 717	715 241
	19 099 592	792 207

Cash at bank earns interest at floating rates based on daily deposit rates. Short term deposit are made for varying periods, depending on the immediate cash requirements and interest at respective short term deposit rate. The balances amounts to R 18 960 768 include an amount of R18 120 616.00 which must be used on Infrastructure projects..

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
Main Account: Current	1 131 636	1 616	357 038	1 131 636	1 616	299 971
FEB Account	-	-	971	-	-	971
Operations	1 000	2 431	1 000	1 000	2 431	1 000
Vat Call Account	1 000	1 262	1 000	1 000	1 262	1 000
Back to school	-	-	1 359	-	-	1 359
INEP - FNB Call Account	3 146 691	-	4 311	3 146 691	-	2 507
Municipal Support Institution	1 000	-	1 000	1 000	-	1 000
Grant accounts						
FMG	1 000	17 526	240	1 000	17 526	240
MIG	14 896 140	-	1 000	14 896 140	-	1 000
MSIG	-	-	1 050	-	-	1 050
DEDEAT	1 000	61 021	794 474	1 000	61 021	957 378
DSRAC	50 200	370 256	114 937	50 200	370 256	3 041
EPWP	1 000	-	1 000	1 000	-	8 863
Thina Sinako	-	-	191 158	-	-	191 158
Traffic Fines	1 007	3 869	1 834	1 007	3 869	1 834
Vukani Mangqamza	-	-	95 592	-	-	95 592
DBSA Loan	-	-	139	-	-	139
Small Town Revitalisation	74 303	256 676	-	74 303	256 676	-
COGTA - Electrification	3 482	2 243	17	3 482	2 243	17
Total	19 309 459	716 900	1 568 120	19 309 459	716 900	1 568 120

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand

2019

2018

8. Investment Property

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	29 220 228	-	29 220 228	22 262 725	-	22 262 725

Reconciliation of investment property - June 2019

	Opening balance	Derecognition	Transfers	Fair value adjustments	Total
Investment property	22 262 725	(651 561)	935 159	6 673 905	29 220 228

Reconciliation of Investment Property - June 2018

	Opening balance	Total
Investment property	22 262 725	22 262 725

The Investment property consists of land that is transferred from inventory. Properties that are found not to be owned by the Ntabankulu Municipality anymore as per the Deeds office are transferred out of Investment Property. The Investment Property was valued during the 2019 financial year using fair value model as prescribed by GRAP 16. The determination of the fair value was supported by market evidence. The fair value of the investment property was determined by an independent valuer who is registered as a professional associated valuer.

Ntabankulu Local Municipality
 Financial Statements for the year ended 30 June 2019
Notes to the Financial Statements

Figures in Rand

9. Property, Plant and Equipment

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	2 033 539	-	2 033 539	2 033 539	-	2 033 539
Buildings	117 808 239	(39 442 171)	78 366 068	115 650 330	(35 496 700)	80 153 630
Machinery	1 177 186	(428 298)	748 888	1 122 819	(260 602)	862 217
Furniture & Fittings	2 932 233	(2 240 776)	691 457	2 764 536	(2 052 853)	711 683
Motor vehicles	5 175 139	(3 927 953)	1 247 186	5 386 661	(3 952 826)	1 433 835
IT equipment	3 240 825	(2 374 404)	866 421	3 407 026	(2 761 013)	646 013
Infrastructure	164 017 498	(64 286 036)	99 731 462	148 108 350	(52 899 081)	95 209 269
Landfill site	6 948 541	(297 375)	6 651 166	7 090 307	(297 375)	6 792 932
Work in Progress	189 630 796	-	189 630 796	197 196 690	-	197 196 690
Total	492 963 996	(112 997 013)	379 966 983	482 760 258	(97 720 450)	385 039 808

Ntbankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand

9. Property, Plant and Equipment (continued)

Reconciliation of property, plant and equipment - June 2019

	Opening balance	Additions	Disposals	Transfers received	Transfers	Write offs	Depreciation	Impairment loss	Total
Infrastructure	95 209 269	-	-	15 954 065	-	(31 299)	(11 245 921)	(263 199)	99 731 462
Land	2 033 539	-	-	-	-	-	-	-	2 033 539
Buildings	80 153 630	-	-	2 301 700	-	(133 946)	(3 993 709)	-	78 366 068
Machinery	862 217	54 366	-	-	-	-	(167 697)	-	748 888
Furniture & Fittings	711 683	213 400	-	-	-	(1 654)	(214 218)	-	691 457
Motor vehicles	1 433 835	1 209 738	(204 532)	-	-	-	(590 586)	-	1 247 186
IT equipment	646 013	500 000	-	-	-	(193)	(260 561)	-	866 421
Landfill site	6 792 932	-	-	-	-	-	(141 766)	-	6 651 166
Work in Progress	197 196 690	70 414 791	-	-	(79 943 810)	(598 102)	-	-	189 630 796
	385 039 808	72 392 295	(204 532)	18 255 765	(79 943 810)	(765 194)	(16 614 458)	(263 199)	379 966 903

Ntabankulu Local Municipality
Financial Statements for the year ended 30 June 2019
Notes to the Financial Statements

Figures in Rand

9. Property, Plant and Equipment (continued)
Reconciliation of property, plant and equipment - June 2018

	Opening balance	Additions	Transfers received	Transfers Out	Write off	Depreciation	Total
Infrastructure	98 703 526	-	7 547 107	-	(28 012)	(11 013 352)	95 209 269
Land	2 033 539	-	-	-	-	-	2 033 539
Buildings	78 854 168	-	5 664 471	-	-	(4 365 009)	80 153 630
Machinery	913 856	99 983	-	-	-	(151 622)	862 217
Furniture & Fittings	899 314	31 000	-	-	-	(218 631)	711 683
Motor vehicles	1 794 679	572 813	-	-	-	(933 657)	1 433 835
IT equipment	705 396	308 275	-	-	-	(367 658)	646 013
Landfill site	6 934 698	-	-	-	-	(141 766)	6 792 932
Work in Progress	128 099 012	89 629 156	-	(12 514 127)	(8 017 351)	-	197 196 690
	318 938 188	90 641 227	13 211 578	(12 514 127)	(8 045 363)	(17 191 695)	385 039 808

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
9. Property, Plant and Equipment (continued)		
9. Property, Plant and Equipment (continued)		
Property, plant and equipment in the process build constructed or developed		
Project Name	2 019	2 018
Multi purpose community centre Reasons for delay: Poor performance of service provider due to cash flow and contractual problems, as at 30 June a new contract was procured using additional funding from MIG.	26 558 705	26 558 705
Noncolosa Access Road Reasons for delay: Project was not completed due to budgetary constraints, projet was underbudgeted for.	3 364 962	3 364 962
Mpoza Pre-School Poor performance of the service provider will be included in future plans of the municipality to realise value for money	633 625	633 625
Madwaba Pre-School Service provider abandoned the site. This project has been budgeted for in 2019/2020 Fincial Year.	822 974	-
Bulela Pre-School Service provider withdrew from the project	848 745	848 745
Bay Ntlangano Access Road Service provider abundonoed the site and the contract was subsequently terminated, a new copntract has been appointed with additional funding from MIG and the implementation will be realised in 2019/20 financial year	6 512 172	6 512 172
Solar Streetlights Section 1 Service provider failed to execute the project completion. The project has been budgeted for in the 2019/20 financial year.	677 980	-
Lalashe Access Road Designs recommended an alternate route which required the construction of a bridge and such costed the project more than the budget.	1 683 761	-
Internal Streets - small town revatalisation (OTP) Funder officer of the premier withdrew funding support	7 043 470	-
	48 146 396	37 918 238

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand

2019

2018

10. Intangible assets

	2019			2018		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying Amount	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying Amount
Computer software & other	288 787	(286 869)	1 918	288 787	(281 121)	7 666

Reconciliation of intangible assets - June 2019

	Opening balance	Amortisation	Carrying Amount
Computer software & other	7 666	(5 748)	1 918

Reconciliation of intangible assets - June 2018

	Opening balance	Amortisation	Carrying Amount
Computer software & other	13 415	(5 749)	7 666

Other information

Ntabankulu Local Municipality's intangible asset consists of computer software. The useful life used in the calculation of amortisation of software is two years. Ntabankulu Local Municipality assesses, at each reporting date, whether there is any indication that the computer software may be impaired, or that the useful life is still appropriate. No such indication existed at the end of the current financial reporting period.

11. Payables from exchange transactions

Trade payables	7 933 073	4 160 677
Receivables with credit balance	(217 946)	252 989
Accruals	1 756 271	5 601 356
Retention fee	1 176 161	913 517
Accrued leave pay	5 690 079	4 555 693
Accrued bonus	900 287	900 287
Staff creditors	168 262	75 209
	17 406 187	16 459 728

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
12. Long service awards		
An independent, statutory actuarial valuation is performed on an annual basis by One Pangaea Expertise & Solutions.		
The long service award is determined using the Projected Unit Credit Method. This liability is based on actuarial assumptions about the future. The approach taken in this valuation has been made with reference to the guidelines issued by the Actuarial Society of South Africa (ASSA), in particular, the Advisory Practice Note 207 as issued by ASSA, and is consistent with the requirements of GRAP 25.		
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Opening balance	(2 204 077)	(1 864 093)
Current service cost	(303 448)	(267 052)
Current interest cost	(188 750)	(149 086)
Benefit payments	152 235	289 061
Actuarial gain (loss)	(118 000)	(212 907)
	(2 662 040)	(2 204 077)
Non-current liabilities	(1 473 701)	(2 051 823)
Current liabilities	(730 376)	(152 254)
	(2 204 077)	(2 204 077)
Net expense recognised in the statement of financial performance		
Current service cost	(303 448)	(267 052)
Interest cost	(188 750)	(149 086)
Actuarial (gains) losses	(90 759)	(212 907)
Benefit payments*	124 994	289 061
	(457 963)	(339 984)

*The amount represents the actual benefit payments made during the year in respect of long service awards.

Key assumptions used

The key assumptions used in the valuation are as follows:

Discount rates used	8,25 %	8,87 %
Consumer Price Index (CPI)	4,47 %	5,41 %
Expected increase in salaries	5,47 %	6,41 %
Net discount rate	2,64 %	2,31 %

The discount rate is determined using the Bond Exchange Zero Coupon Yield Curve as at 27 June 2019 is 8.25% per annum, and the yield on inflation-linked bonds of a similar term was about 3.14% per annum. This implies an underlying expectation of inflation of 4.47% per annum $([1 + 8.25\% - 0.5\%] / [1 + 3.14\%] - 1)$.

It is assumed that the salary inflation would exceed general inflation by 1.0% per annum i.e. 5.47% per annum.

The relative levels of the discount rate and salary inflation are important. The valuation assumes a net discount factor of 2.64% per annum $([1 + 8.25\%] / [1 + 5.47\%] - 1)$.

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand

2019

2018

12. Long service awards (continued)

Other assumptions

Demographic and mortality assumption

Normal retirement age (years)

63

63

Mortality

SA85-90

SA85-90

Withdrawals

Age

20

Withdrawal
rates
(Female)

Withdrawal
rates
(Male)

25

16.0%

24.0%

30

12.0%

18.0%

35

10.0%

15.0%

40

8.0%

10.0%

45

6.0%

6.0%

50

4.0%

4.0%

55

2.0%

2.0%

60+

1.0%

1.0%

0%

0%

Membership information

30 June

30 June

Number of employees

2019

2018

Average annual salary (R)

144

148

Average age (years)

198423

190793

Average past service (years)

41.49

40.4

8.57

7.7

Benefit structure

Long Service
Bonus Awards
(Days
Accumulated)

Long Service
Bonus Awards
(% of Annual
Salary)

Determination of cash
bonus
R

Completed service (Years)

5

5

2%

$(5/250^* + 2\%) \times \text{Annual Salary}$

10

10

3%

$(10/250^* + 3\%) \times \text{Annual Salary}$

15

15

4%

$(15/250^* + 4\%) \times \text{Annual Salary}$

20

15

5%

$(15/250^* + 5\%) \times \text{Annual Salary}$

25, 30, 35, 40, and 45

15

6%

$(15/250^* + 6\%) \times \text{Annual Salary}$

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
13. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Finance Management Grant - FMG	784	313
Free Basic Electricity - INEP	3 194 473	47 559
Municipal Infrastructure Grant - MIG	12 621 853	-
Precinct Plan Grant	-	-
Cogta Electrification	-	611 448
DSRAC	50 191	28 331
Small town revitalisation Grant	73 170	73 170
DEDEAT	1 084	60 986
	15 941 555	821 807

This liability relates to conditional grants, which arise where the municipality has a conditional obligation to pay cash or another financial asset to the grantor, upon unsuccessful discharge of the grantor's conditions. The values disclosed above represents funds received for which the municipality has not yet satisfied the grant conditions. The nature and extent of the government grants is recognised in the Financial Statements.

See note 22 for reconciliation of grants from National/Provincial Government

14. Payables from non-exchange transactions

	June 2019	June 2018	Total
Salaries third party payments	514 787	2 271 543	2 786 330
Receivables with credit balance	-	377 831	377 831
	514 787	2 649 374	3 164 161

15. Provisions

Reconciliation of provisions - 30 June 2019

	Opening Balance	Movement	Total
Provision Landfill site	856 065	367 617	1 223 682

Reconciliation of provisions - 30 June 2018

	Opening Balance	Additions	Total
Provision Landfill site	781 554	74 511	856 065

The Ntabankulu landfill site is situated some 900 meters north of the Ntabankulu Central Business District. It is located on Portion 87 of ERF 1966 in the Ntabankulu Commonage. This landfill is licensed in terms of National Environmental Management Act.

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
16. Revenue		
Service charges	576 178	408 853
Rental of facilities and equipment	859 033	1 107 475
Licences and permits	1 418 120	1 311 922
Services Rendered	-	-
Sundry Revenue	382 870	690 092
Interest received - Investment	2 305 445	2 349 494
Property rates	9 246 603	8 478 171
Government grants & subsidies	193 966 246	203 107 056
Fines, Penalties	618 900	644 750
	209 373 395	218 097 813

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

Service charges	576 178	408 853
Rental of facilities and equipment	859 033	1 107 475
Licences and permits	1 418 120	1 311 922
Sundry Income	382 870	690 092
Interest received - investment	2 305 445	2 349 494
	5 541 646	5 867 836

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

Taxation revenue		
Property rates	9 246 603	8 478 171
Transfer revenue		
Government grants & subsidies	193 966 246	203 107 056
Fines, Penalties	618 900	644 750
	203 831 749	212 229 977

17. Service charges

Refuse removal	576 178	408 853
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The amounts disclosed above for revenue from service charges are in respect of services rendered which are billed to the customers on a monthly basis. The tariffs are approved by council at the beginning of each financial year.

18. Rental of facilities and equipment

Premises		
Rental revenue from investment properties	841 064	1 097 960
Rental revenue from halls	17 969	9 515
	859 033	1 107 475

19. Interest Received

Interest received	1 880 103	1 606 275
Interest charged on trade and other receivables	425 342	743 219
	2 305 445	2 349 494

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
20. Sundry income		
Tender advertisements	178 166	223 049
Cemetery fees	64 594	49 224
Commission received	-	348 475
Building plans	14 516	17 654
Insurance claims income	35 097	-
Other income	90 497	51 690
	382 870	690 092

21. Property rates

Rates received

Residential	955 220	718 955
Commercial	1 076 507	544 340
State	7 214 876	7 214 876
	9 246 603	8 478 171

Valuations

The new general valuation was to be implemented by 01 July 2018, however as per directive from Department of Co-operative Governance and Traditional Affairs it will be implemented on 01 July 2019.

In accordance with section 17(h) of the Municipal Properties Rates Act the first R15 000 of the market value of residential properties are exempted from assessment rates.

22. Government grants and subsidies

Operating grants

Equitable share	108 982 000	99 603 000
Finance Management Grant	1 969 530	1 899 687
Extended Public Works Programme	1 909 000	2 318 863
DEDEAT	59 902	896 391
DSRAC	378 140	323 710
Precinct Grant	-	66 149
	113 298 572	105 107 800

Capital grants

Municipal Infrastructure Grant	29 059 147	37 581 000
Electrification Grant - INEP	48 585 086	39 952 441
Provincial Treasury Internal Streets	2 411 993	3 086 595
COGTA - Electrification	-	9 349 664
Small town Revitalisation Grant	-	8 029 556
Cogta - Electrification	611 448	-
	80 667 674	97 999 256
	193 966 246	203 107 056

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	84 582 643	103 437 907
Unconditional grants received	108 982 000	99 669 149
	193 564 643	203 107 056

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
22. Government grants and subsidies (continued)		
Extended Public Works Program		
Balance unspent at beginning of year	-	7 863
Current-year receipts	1 909 000	2 311 000
Conditions met - transferred to revenue	(1 909 000)	(2 318 863)
	-	-
Conditions still to be met - remain liabilities (see note 13).		
Finance Management Grant - FMG		
Balance unspent at beginning of year	313	-
Current-year receipts	1 970 001	1 900 000
Conditions met - transferred to revenue	(1 969 530)	(1 899 687)
	784	313
Free Basic Services Electricity		
Balance unspent at beginning of year	47 559	-
Current-year receipts	51 732 000	40 000 000
Conditions met - transferred to revenue	(48 585 086)	(39 952 441)
	3 194 473	47 559
Conditions still to be met - remain liabilities (see note 13).		
Municipal Infrastructure Grant - MIG		
Current-year receipts	41 681 000	37 581 000
Conditions met - transferred to revenue	(29 059 147)	(37 581 000)
	12 621 853	-
Conditions still to be met - remain liabilities (see note 13).		
Precinct Plan Grant		
Balance unspent at beginning of year	-	66 149
Current-year receipts	-	-
Conditions met - transferred to revenue	-	(66 149)
	-	-
Conditions still to be met - remain liabilities (see note 13).		
Department of Cooperative Governance & Traditional Affairs (COGTA)		
Balance unspent at beginning of year	611 448	-
Current-year receipts	-	9 961 112
Conditions met - transferred to revenue	(611 448)	(9 349 664)
	-	611 448
Conditions still to be met - remain liabilities (see note 13).		

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
22. Government grants and subsidies (continued)		
Department of Sport Recreational Arts and Culture (DSRAC)		
Balance unspent at beginning of year	28 331	2 041
Current-year receipts	21 860	350 000
Conditions met - transferred to revenue	-	(323 710)
	50 191	28 331
Conditions still to be met - remain liabilities (see note 13).		
Small Town Revitalisation		
Balance unspent at beginning of year	73 170	-
Current-year receipts	-	8 102 726
Conditions met - transferred to revenue	-	(8 029 556)
	73 170	73 170
DEDEAT		
Balance unspent at beginning of year	60 986	957 377
Conditions met - transferred to revenue	(59 902)	(896 391)
	1 084	60 986
Conditions still to be met - remain liabilities (see note 13).		
23. Fines		
Traffic fines	618 900	644 750
24. Employee related costs		
Basic salaries	38 182 351	31 179 830
Bonus	2 974 942	2 990 272
Car allowance	3 839 121	3 416 941
Contribution to Bargaining Council	16 371	15 519
Housing benefits and allowances	2 786 735	2 558 893
Long-service awards	124 994	136 768
Medical aid - company contributions	2 638 633	2 317 768
Standby Allowance	269 440	276 499
Provident & Pension fund	5 236 203	4 731 646
SDL	505 735	441 213
Cellphone Allowance	33 752	46 427
UIF	296 890	273 297
Acting allowances	460 049	717 352
Leave pay provision charge	196 020	-
Overtime	976 748	1 018 187
	58 537 984	50 120 612
25. Remuneration of councillors		
Salaries and other allowances	8 892 161	9 117 522
Motor vehicle allowance	2 448 054	2 326 309
	11 340 215	11 443 831

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
26. Depreciation and amortisation		
Property, Plant and Equipment	16 767 891	17 191 735
Intangible assets	5 749	5 749
	16 773 640	17 197 484
27. Interest paid		
Interest paid	798 451	760 332
28. Lease rentals on operating lease		
Machinery and equipment		
Contractual amounts	583 692	637 884
29. Debt impairment		
Contributions to debt impairment provision	2 054 624	2 610 301

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
30. General expenses		
Advertising fees	428 258	1 094 711
Agriculture LED	1 801 854	3 278 085
Asset write off	847 255	28 011
Audit Committee Expenses	451 146	407 744
Back to School	291 429	597 104
Bank Charges	-	91 506
Capacity Building	656 757	725 158
Completed electrification transferred	61 688 040	8 017 351
Consulting and Professional fees	2 428 639	2 542 889
Council Support Administration	84 218	233 169
DEDEAT Strategic	-	465 016
DSRAC Community	378 140	268 460
Expanded Public Works	2 060 789	1 160 806
Electricity Expenditure	1 285 066	1 358 458
EPWP Community	1 346 202	2 390 268
Financial Management Grant Expenditure	-	1 632 541
Financial Management fees	1 496 696	2 570 908
General Valuation Expenditure	558 631	294 736
Hygienic Services Administration	811 051	722 894
IT expenses	1 219 065	480 457
Indigent Support	3 218 992	3 797 727
Placement fees	61 075	-
Insurance	408 170	1 347 500
Integrated Development Plan	3 175 821	1 524 350
Internal Audit Expense	771 606	811 930
Fuel and oil	1 314 067	1 093 262
Legal fees	1 451 636	1 697 812
Licence Fees	733 758	436 814
Living the dream	57 380	290 355
Marketing and Communication	482 696	823 679
Movement leave and bonus provisions	(491 576)	893 461
Occupational Health & Safety	706 136	518 343
Other expenses	777 694	395 257
Performance Management System expense	47 700	69 631
Post & Telecommunication expenses	7 254 682	4 560 201
Printing & Stationery	1 078 189	990 811
Project Management	1 008 631	1 194 320
Public Amenities	25 146	73 650
Public Participation	484 568	304 143
SALGA Levy	11 000	653 399
Security (Guarding of municipal property)	3 066 966	2 101 432
Spacial Development expenses	169 830	81 220
Special Programs	665 281	354 764
Sports & Recreation	721 571	74 114
Tourism, Arts and Culture	359 911	551 520
Town Planning Expenses	34 696	293 520
Travelling & Subsistence	5 748 009	9 273 112
Ward Committee Sitting	2 044 274	2 204 654
Waste management expenses	375 479	444 725
	113 596 624	65 215 978

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
31. Repairs and Maintenance		
Buildings repairs and maintenance	525 736	1 207 540
Street lights	25 680	53 200
Access roads	1 731 814	541 480
Equipment	23 597	-
	2 306 827	1 802 220
The Municipality did not incur repairs and maintenance on Investment property during 2019 and 2018 financial years.		
32. Auditors' remuneration		
Fees	3 242 968	3 372 019
33. Fair value adjustments		
Investment property (Fair value model)	7 376 224	-
34. Net Cash flow from operating activities		
Surplus	4 496 824	64 696 049
Adjustments for:		
Depreciation and amortisation	16 773 640	17 197 484
Loss on disposal of assets	699 252	-
Completed Electrification project expensed	61 188 040	8 017 351
Actuarial gain/loss	190 898	190 898
Fair value adjustments	(7 478 085)	-
Interest Paid	798 451	-
Asset write off	847 225	28 011
Allowance impairment	2 054 624	2 610 301
Bad debts written off	164 216	-
Movement in provision long service awards	457 963	(136 807)
Increase in provision for landfill site	338 939	50 205
Contribution provisions- Leave and bonus	491 576	893 461
Changes in working capital:		
Receivables from exchange and non exchange transactions	(382 492)	(3 383 644)
Inventory	-	117 140
Payables from exchange transactions	271 465	248 810
VAT	1 001 490	19 272
Payables from non exchange transactions	(2 134 587)	789 215
Unspent conditional grants and receipts	15 119 748	(211 623)
	94 899 187	91 126 123

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
35. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	71 134 049	45 734 834
• Prior period error	-	1 178 519
	71 134 049	46 913 353
Total capital commitments		
Already contracted for but not provided for	71 134 049	46 913 353
Total commitments		
Total commitments		
Authorised capital expenditure	71 134 049	46 913 353

This committed expenditure relates to property and will be financed by retained surpluses, existing cash resources, funds internally generated, and government grants.

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand

2019

2018

36. Contingencies

Plaintiff	Reference	Case Number	June 2019	June 2018
Droder Trading CC	(i)	627/12	625 000	625 000
Droder Trading CC	(ii)	628/12	525 000	525 000
Four Municipal Traffic Officers	(iii)	N/A	-	5 500
Somdaka Funeral Palour	(iv)	N/A	70 000	70 000
SAMWU	(v)	457/2015	575 000	575 000
Siphokazi Cekwana	(vi)	513/2015	6 950 000	6 950 000
Hlaliso Investments	(vii)	N/A	602 600	602 600
Ingenious Information Systems	(viii)	N/A	279 833	279 833
Lwandlobomvu Community	(x)	852/2016	200 000	200 000
Fortymen Sigcawu	(xi)	851/2016	200 000	200 000
IMATU OBO Nyembezi	(xii)	ECD 031716	-	-
Lindokuhle Khumalo and Sipehelele Khumalo	(xiii)	B315/2015	240 000	240 000
Khulile Nyombolo	(xiv)	N/A	200 000	200 000
Simlindile Noda	(xv)	N/A	33 890	-
			10 501 323	10 472 933

i. Droder Trading CC vs NLM (Case number 627/12)

An Applicant entered in to an agreement with the first and the second Respondents, the agreement was that the Applicant will supply the second Respondent with the building material and the first Respondent will effect payment within 60 days or alternatively within a reasonable time upon presentation of the invoice. The Applicant complied with its obligations however, the first Respondent failed to effect payment within the agreed period. The matter remains pending but it is dormant.

ii. Droder Trading CC vs NLM (Case number 628/12)

An Applicant entered in to an agreement with the first and the second Respondents, the agreement was that the Applicant will supply the second Respondent with the building material and the first Respondent will effect payment within 60 days or alternatively within a reasonable time upon presentation of the invoice. The Applicant complied with its obligations however, the first Respondent failed to effect payment within the agreed period. The matter is pending and the attorneys are awaiting a trial date.

iii. Four Municipal Traffic Officers vs NLM (Case number: Not yet available)

Charges of assault were charged against four municipal officers by the driver who was driving without a valid driver's licence.

iv. Somdaka Funeral Palour vs NLM (Case number: Not yet available)

NLM had entered into a lease agreement with Somdaka funeral parlour and eventually an offer to purchase the property was made between the parties. Mr Somdaka failed to pay the purchase price as per the agreement, as well as the rent. An independent valuator is to be selected to evaluate the property in question.

v. SAMWU vs NLM (Case number 457/2015)

Non-payment of the Provident fund. SAMWU has not been attending the proceedings and the matter remains stagnant.

vi. Siphokazi Cekwana vs NLM (Case number: 513/2015)

The Municipality hosted an event on the 26th of March 2015 at Ntabankulu Sportsfield where Miss Siphokazi Cekwana was attending. It is alleged that at about 15h30 on that day a storm hit the area at which the event took place as a result of which the tent collapsed injuring Siphokazi Cekwana on the right foot. A summons has been issued and the legal team has filed an appearance to defend and a plea will be filed.

vii. Hlaliso Investments vs NLM (Case number: Not yet available)

NLM entered into an agreement with Hlaliso Investments for the provision of Material for the building of the Hawker Stalls the contract was cancelled due to poor performance. Hlaliso Investments sent a letter to the Municipality challenging the cancellation of the contract. A letter was sent to Hlaliso Investments attorneys and no response has been received yet.

viii. Ingenious Information Systems vs NLM (Case number : Not yet available)

We owed Ingenious Information Systems R254, 833.19 for their services rendered but which were disputed by the Municipality. Correspondence was sent to the Ingenious Information Systems attorneys and the matter remains dormant at year end.

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand

2019

2018

36. Contingencies (continued)

x. Lwandalolubomvu Community vs NLM (Case number:852/2016)

This was a Land Claims Court interdict by the Community preventing the Municipality from developing land under a land claim in terms of the Land Rights Development Act, 1995. The matter remains pending.

xi. Fortymen Sigcawu vs NLM (Case number: 851/2016)

Interdict against people invading land belonging to the Municipality. The matter remains pending.

xii. IMATU OBO Nyembezi vs NLM (Case number: ECD 031716)

Unfair labour practice on promotion. The matter has been referred the Labour Court for review through the Municipal legal team. The matter remains pending.

xiii.Lindokuhle Khumalo and Sipehelele Khumalo vs NLM (Case number B315/2015)

The Khumalos are trading on the side walk next to Lewis Stores, they were informed of the unlawfulness of their actions but none the less continued to trade and as a result of that they were arrested and detained. On their release they went back to the same spot where they were advised that it was not open for business and continued to trade, when they were told once again that what they were doing was in contravention to our Municipal By-laws, they laid a charge they applied for a protection order against our Municipal Official for harassment. The matter has not yet been tried and remains pending.

xiv. Khulile Nyombolo vs NLM (Case number 66/2017)

Mr Nyombolo is claiming the Municipality an amount of R200 000 for the alleged unlawful arrest, unlawful detention and the legal representation fees. The pleadings have been exchanged in this matter and the matter remains pending.

xv. Simlindile Nodo vs NLM (Case number: Not yet available)

Mr S Nodo has a put a claim against the Municipality for an amount of R33 980 for loss or theft of materials that were kept in his office during his tenure as Director: Corporate Services at the Municipality. The matter remains unsettled.

37. Related parties

Bana Consulting .

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand 2019 2018

38. Executive Management Remuneration

June 2019

	Basic salaries	Medical Aid*	Other Allowances	Acting Allowance	Leave Payout	Total
Miss L Nonyongo - Municipal Manager	728 412	19 090	124 920	-	-	872 422
Mr S Matiwane - Director Community Services	529 962	-	342 977	18 626	-	891 565
Ms N Ndlaku - Director Strategic Services	529 962	-	342 977	-	-	872 939
Mrs V.N Venn - Director Budget and Treasury Services	503 965	-	285 131	-	-	789 096
Mr P.L Mpendulo - Director IPD	659 274	37 714	305 122	-	-	1 002 110
Ms S.N Ntshahla - Director Corporate Services	512 543	23 240	171 123	-	-	706 906
Mr B.Same-Acting Director Community Service	-	-	-	31 053	-	31 053
L Mkula- Acting Strategic Director	-	-	-	28 516	-	28 516
K. Nonkondlo - Acting Corporate Services	-	-	-	81 105	-	81 105
N Mdyanya - Acting CFO	-	-	-	61 293	-	61 293
	3 464 118	80 044	1 572 250	220 593	-	5 337 005

June 2018

	Basic salaries	Other benefits*	Pension receivable	Acting allowance	Leave payout	Total
Ms S Mankhla	148 886	58 275	58 167	-	134 985	400 313
Mr S Matiwane	354 401	217 725	86 300	37 256	109 263	804 945
Ms N Ndlaku	551 711	337 409	111 275	-	102 434	1 102 829
Mr S Noddo	481 153	412 227	111 275	85 257	60 969	1 150 881
Mr P.L Mpendulo	100 086	53 390	-	-	-	153 476
Ms N Gixane - Acting Director BTO	-	-	-	159 989	-	159 989
Mr L Mkula - Acting Director Strategic	-	-	-	18 885	-	18 885
Mr N Nonkondlo - Acting Director Corporate Services	-	-	-	18 885	-	18 885
Ms Z Petse - Acting Director IPD	-	-	-	71 708	-	71 708
Mr Methusi - Acting Director Community Services	-	-	-	76 847	-	76 847
Ms N Mdyanya - Acting Director BTO	-	-	-	75 209	-	75 209
	1 636 237	1 079 026	367 017	544 036	407 651	4 033 967

* Other benefits comprise travel allowance and medical benefits

39. Prior period errors

The cost and accumulated depreciation of the computer equipment (printing machines)

	Previously reported	Correction of error	Restated Balance
Intabankulu internal streets	367 622	413 659	781 281

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
38. Executive Management Remuneration (continued)		
Construction of Mowa to Laleni access Road	112 767	(68 071) 44 696
Electrification 2017/18	8 369 575	683 947 9 053 523
Electrification 2017/18	141 588	27 932 169 520
Madwakazana Access Road	52 254	(121 053) 173 307
	9 043 807	10 222 327 1 178 519

39. Comparative figures

Certain comparative figures in the statement of financial performance have been reclassified. Management believes that this reclassification better represents the classification of income in the annual financial statements.

The effects of the reclassification are as follows:

40. Risk management

Liquidity risk

Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cashflow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timely basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand

2019

2018

40. Risk management (continued)

Credit risk

Credit Risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counter parties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer receivables, other receivables, bank and cash balances.

Investments/Bank, Cash and Cash Equivalents

The municipality limits its counter party exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with First National Bank. No investments with a tenure exceeding twelve months are made.

Trade and Other Receivables

Trade and Other Receivables are amounts owed by consumers and are presented net of impairment losses. The municipality has a credit risk policy in place and the exposure to credit risk is monitored on an on going basis. The municipality is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services without recourse to an assessment of creditworthiness. Subsequently, the municipality has no control over the approval of new customers who acquire properties in the designated municipal area and consequently incur debt for rates, water and electricity services rendered to them.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

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

	2019	2018
Receivables from exchange transactions	1 167 006	782 956
Receivables from non exchange transactions	4 130 420	2 551 259
Cash and cash equivalents	19 087 089	792 207

Market risk

Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the municipality's income or the value of its holdings in Financial Instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

41. Unauthorised expenditure

Opening balance	77 380 353	48 573 772
Add: Unauthorised Expenditure - current	-	28 806 581
Less: Amounts recoverable - current	-	-
Less: Amounts recoverable - prior period	-	-
Closing balance	77 380 353	77 380 353

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
42. Fruitless and wasteful expenditure		
Opening balance	593 380	54 436
Add: Fruitless and wasteful expenditure - current	678 174	538 944
Less: Amounts recoverable - current	-	-
Less: Amounts recoverable - prior period	-	-
Closing balance	1 271 554	593 380
43. Irregular expenditure		
Opening balance	83 826 803	57 812 598
Add: Irregular Expenditure - current year	10 475 717	26 014 205
	94 302 520	83 826 803
Add: Irregular Expenditure - prior period	-	-
Less: Amounts recoverable - current	-	-
Closing balance	94 302 520	83 826 803
44. Additional disclosure in terms of Municipal Finance Management Act		
VAT		
VAT receivable	3 751 335	4 770 920

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

45. Accumulated surplus

46. Deviation from supply chain management regulations

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 accounting officer and includes a note to the financial statements.

The following are deviations done during the 2018-19 financial year:

Supplier: Gadalani Trading
Description of goods Hiring of Excavator
Description of Deviation; Emergency as SANDF was providing intervention.
Amount: R69 575

Supplier: Nata Construction PTY LTD
Description of goods; Interviews : Demolition of illegal houses
Description of Deviation;
Amount: R39 900

Supplier: Phiko Security for demolition of houses
Description of Deviation;
Amount: R59 503.30

Ntabankulu Local Municipality

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand

2019

2018

47. Change in estimate

Property, Plant and Equipment

The remaining useful lives of all assets were assessed during the year. Remaining useful lives of fully depreciated infrastructure and community assets have been revised based on their conditional assessment as these assets are critical to the municipality's operations and service delivery objectives. The remaining useful lives of other fully depreciated assets were not revised as, by nature, are not critical to the municipality's operations. A change in accounting estimate was effected in relation to fully depreciated infrastructure and community assets still in use. The effect of the change in accounting estimate on the current year's results was an increase in the current year's surplus by R2 122 615.49.]



NTABANKULU LOCAL MUNICIPALITY

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Cell:

Date 072 781 8942

30 August 2019

COUNCIL RESOLUTION EXTRACT: OCM/2/20/007.2.4

Extract 30 August 2019

Time: 10H00

Venue: Ntabankulu Municipal Hall.

Annual Financial Statements

In an Ordinary Council Meeting held on the 30 August 2019, Councillor Mbonomtsha the acting Mayor, presented the report on Annual Financial Statements before the council for approval. She indicated that the AFS were prepared in compliance with the requirements of GRAP standard as prescribed in section 122 of the MFMA. She further reported that the following processes were followed in developing the Financial Statements in order for the municipality to comply with the above legislation, the following were designed:-

- a) The AFS process plan was developed and submitted to the Audit Committee for noting;
- b) The municipality appointed Cingco Advisory to assist on the compilation of the Annual Financial Statements;
- c) The audit action plan based on 2017/18 management letter was developed and implemented. The AFS therefore addressed the findings from the previous period.
- d) The nine months financial statements were
- e) The Audit File has been developed containing the supporting documentation to the AFS.

Fruitless and Wasteful Expenditure

It was an expenditure that could have been avoided had reasonable care been taken. (Sec 32 of the MFMA). The amount for the current year **R678 174.00** compared to **R593 380.00** in the previous financial year. The biggest contributor is SARS for interest that relates to the years from 2016.

Irregular Expenditure

She reported that was expenditure incurred due to the non - compliance with SCM Policy and regulations as regulated by Treasury. The irregular expenditure was submitted to the Council on quarterly basis for investigation and for writing-off thereafter. Current Year amounts to **R10 475 717** and previous year amounted to **R26 014 205** and there was a balance recurring from previous financial years amounting to **R57 812 598.00**. She also reported that an external investigator has been appointed to advise MPAC on the treatment of irregular expenditure going forward.

Thereafter, the Council **RESOLVED**

1. That the Draft Annual Financial Statements for the year ended 30 June 2019 be and is hereby approved.

Signed

V. Matwasa

V. Matwasa

30/08/2019

Date