



CITY OF
UMHLATHUZE
VISION INTO ACTION

UMHLATHUZE CIVIC CENTRE

ANNUAL REPORT

2016 - 2017

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ABBREVIATIONS

AG	-	Auditor-General
BEE	-	Black Economic Empowerment
CBD	-	Central Business District
CBP	-	Community Based Planning
CIF	-	Capital Investment Framework
COGTA	-	Cooperative Governance and Traditional Affairs
CRR	-	Cumulative Risk Rating
DOT	-	Department of Transport
EXCO	-	Executive Committee
GGP	-	Gross Geographical Product
GIS	-	Geographical Information System
HIV/AIDS	-	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
ICT	-	Information Communication Technology
IDP	-	Integrated Development Plan
IDP RF	-	Integrated Development Plan Representative Forum
IWMP	-	Integrated Waste Management Plan
KPI	-	Key Performance Indicator
KZN	-	KwaZulu-Natal
LED	-	Local Economic Development
LGBTIQ	-	Lesbian, Gay, Bisexual, Transgender, Intergender and Queer
LGTAS	-	Local Government Turn Around Strategies

LRAD	-	Land Redistribution for Agricultural Development
LUMS	-	Land Use Management System
MEC	-	Member of the Executive Council
MDB	-	Municipal Demarcation Board
MFMA	-	Municipal Finance Management Act
MIG	-	Municipal Infrastructure Grant
MPAC	-	Municipal Public Accounts Committee
MSCOA	-	Municipal Standard Chart of Accounts
MTCF	-	Medium-term Capital Framework
MTEF	-	Medium-Term Expenditure Framework
MTSF	-	Medium-Term Strategic Framework
NYDA	-	National Youth Development Agency
PMS	-	Performance Management System
PIMS	-	Planning, Implementation and Management System
PMU	-	Project Management Unit
RDP	-	Reconstruction and Development Programme
SADC	-	Southern Africa Development Community
SEA	-	Strategic Environmental Assessment
SDF	-	Spatial Development Framework
SDBIP	-	Service Delivery and Budget Implementation Plan
SDP	-	Site Development Plan
SMME	-	Small, Medium and Micro Enterprise
SPLUMA	-	Spatial Planning and Land Use Management Act
WSSA	-	Water and Sanitation South Africa

MAYOR'S FOREWORD 2016/2017



COUNCILLOR MG MHLONGO
CITY MAYOR

Once again, we are called upon to take stock of our advances as government for the 2016/2017 financial year, as well as to reflect on where we could improve in bettering the lives of our communities. The year 2017 has been declared the year of Oliver Tambo. As we celebrate the 100th anniversary of O.R Tambo, a statesman, a leader and a unifier, we must be able to position ourselves to confront the difficult tasks laid before of us as public representatives. We should ponder, “Would Tambo be proud of our actions?” While simultaneously taking note of the immense contributions made in our young Democracy.

We pay tribute to this giant of our struggle- a selfless leader who dedicated his entire youth and adolescent life to the emancipation of Black South Africans who had no choice but to suffer under harsh conditions at the hands of the apartheid regime. During our first year in office as the current Council, we have been able to stabilize the institution, whilst grappling with the difficulties of the transition from the previous administration to the current one. Councillors are now *au fait* with their tasks and the oversight role which they are entrusted with as leaders in their communities.

We have dedicated this entire term of office to making great and deliberate strides towards achieving Radical Economic Transformation. The character of our collective effort is sharpened towards working energetically with all strategic partners, government institutions, entities and parastatals to realise foreign direct investments amidst the doom and gloom associated with the economic decline experienced as a country. The achievability of this goal lies in the pace at which we are travelling, and there is every confidence that set targets will be met.


We categorically single out the Richards Bay Industrial Development Zone (RBIDZ) as our foreign investment vehicle and this has, during the first few months in office delivered immensely to the economy of the City through ensuring that we become a gas hub. The City

has been awarded with 2000 MegaWatts of Liquefied Natural Gas (LNG); a gas to power plant in excess of R50 billion as well as Nyanza Lights, a company that produces paint worth approximately R4 billion and other investments housed at Alton and Phase 1A.

Ensuring that the affairs of government are run in a clean and transparent manner and obtaining a clean bill of financial health for five consecutive years is a major investment booster. This is not only an indication of good management, but assurance that the people who elected us into office are receiving services they need in each financial year. We have conducted due diligence in ward 31,32 and 33, and devised a water master plan which aims to provide access to portable water in areas from former Ntambanana Municipality. There are other projects currently underway focusing on human settlements, social development and agriculture in areas such as Macekane, Buchannan, Obizo, Somopho etc.

We recommit all our efforts to the betterment of people's lives as commanded by the will and wishes of the people we tirelessly serve.

We are here to serve!

A handwritten signature in black ink, appearing to be 'MG Mhlongo', with a stylized flourish extending to the right.

Councillor MG Mhlongo

His Worship the Mayor

MUNICIPAL MANAGER'S FOREWORD



DR NJ SIBEKO
MUNICIPAL MANAGER

After the Local Government Elections, Council started a new term of office and this promises to be an interesting one with a strong focus on Economic Development, which is very close to our Mayor's heart. Our duty as Administration is to support that vision, and we are fully committed to this.

The term under review was once again successful from a Governance point of view. It is a matter of common cause now that the municipality has achieved five successive clean audits from the Auditor General (AG). This has been made possible because Councillors, under the leadership of the Mayor were able to fulfil their oversight role, which has been characterised by some very frank discussions, enabling Councillors to raise issues without fear or favour.

Administration has taken matters raised with humility, which has made a difference! It is equally important to highlight that structures of governance are intact and fully functional. Besides the Council and the Executive Committee, we have a functional Audit Committee, Performance Audit Committee, Municipal Public Accounts Committee as well as Section 79- and 80 Committees. We are pleased to note an improved participation of Amakhosi in the affairs of Council. We also have a functional Enterprise Risk Management Unit and have successfully implemented a Business Continuity Plan.

We have ended the financial year on a positive note from a financial perspective. We have achieved inter alia positive financial ratios, i.e. Liquidity - cash coverage ratio of 3 months and a gearing ratio of 11%. With these ratios it is clear that we are a going concern. We are liquid, therefore enabling our municipality to pay all our creditors. As the municipality, we have one of the best debt collection rates in the country, but in the financial year under review, we saw a slight increase in debt, especially, in rural households. As the municipality, our duty is to educate consumers on the importance of paying for services that we provide, in an effort to achieve sustainability with regards to service support.

Generally in regard to compliance matters, we have done relatively well. We have maintained our status of having the most credible IDP in KwaZulu-Natal. Our budget is still credible, funded and sustainable. With regards to the Back to Basics approach, as set out by the Department of Cooperative Governance and Traditional Affairs, the municipality scored a percentage rating of 94. This needs to be maintained not merely as a compliance matter, but rather as a demonstration that we are able to plan and execute in order to achieve our objectives.

It must be noted that performance on Capital Expenditure improved in the year, with an increase of 12 %, from 81% to 93%, whilst still maintaining a 100% expenditure of MIG. I believe that we can improve this performance if more detailed and timeous planning is carried out. There is a need to improve because our infrastructure, in particular, electricity and water, is ageing. The municipality continues with its Pipe Replacement Programme, and in addition to this effort, we have also allocated a generous budget towards improving our maintenance in order to prolong the useful life of our assets as much as possible.

In the 2017- 2021 term of Council, citizens can expect to see a change in the physical landscape of the municipality, resultant from a change of approach from a planning perspective. This therefore means that before we go out into the market with development initiatives, we conduct a thorough precinct planning process, and in keeping with this, the following projects are in the pipeline for the current term:

- The Ridge Estate (developer already appointed)
- Green Hill Development (developer already appointed)
- Alkantstrand Precinct Plan (already done and ready for market soon)
- Waterfront Development (in the process of precinct planning and should be finalised by the end of 2017/2018)
- Airport Relocation Project (service provider already appointed and the feasibility study report should be ready in 2017/2018)
- In the past few years we have experienced an unprecedented drought. As a response, we have appointed a transaction advisor for Water Reuse for industrial supply, and there seems to be a good appetite for it.

The municipality has started a very important Programme of Road Rehabilitation and the Ranks Construction Programme:

We are into the third year of road rehabilitation and already we have seen a very positive impact, and the towns and residential areas are beginning to look admirable. The second phase will commence in the new financial year and it will span over another 3 years.

Public Transport Multimodal Facilities Programme (Ranks) redesign- we have commenced with this important project because ranks are where millions of our people pass through every day. To this end, we have started with eMpangeni Lot 63 and it is now at completion stage. In Richards Bay, the contractor is on site and it is envisaged that eSikhaleni and eNseleni will commence in 2017/2018. This programme will be on-going.

As part of support for SMME's, the municipality has made the following efforts:

- Partnered with SEDA to start the Construction Incubator programmes.
- Over and above that, the Municipality has also partnered with NYDA.
- In this term, the Municipality will also be building a SMME Park at eSikhaleni.
- Built Market Stalls at eNseleni.
- Automotive Support Programme for Mechanics in Richards Bay.

- Revised the policy to have set aside for Women, Youth, People with Disabilities and Military Veterans.

This is only a foreword and one may not want to be over-elaborate, but the hard work of the Political and Administrative collective has not gone unnoticed, and therefore during the year, numerous awards were acquired by the municipality, which I will not itemize at this time. We look forward to the new term of Council which should see a strong drive towards Radical Economic Transformation.



Dr NJ Sibeko

Municipal Manager

CHAPTER 1: GOVERNANCE INTEGRATED DEVELOPMENT PLAN

Introduction and Background

The IDP entails processes through which a municipality, its constituencies, various sector departments, interested and affected parties come together to prepare clear objectives and strategies which serve to guide allocation and management of resources within the municipal area of jurisdiction. The Integrated Development Plan spans a five-year period which is directly linked to the term of its Council.

uMhlathuze Municipality implements its IDP to fulfil its role of “developmental local governance”. Central to this role are the objectives and strategies contained in the plan, which guides the municipality in the realm of Municipal Budgeting and Institutional re-structuring in order to fulfil the strategic intent of the plan, including integrating various sectors (housing, land use, etc.) with economic, social and environmental dimensions.

Process Plan

The IDP review was compiled in terms of a process plan developed and adopted by Council to ensure compliance with certain quality standards and to ensure that proper coordination between and within the spheres of government is established and maintained. Council approved the process plan for the 2016/2017 IDP review process on 25 August 2015 in terms of Council resolution number **10324** that set out the methods and approach according to which the IDP review process was to be conducted.

3rd Generation

Integrated Development Planning has evolved over the three generations of IDPs and to this end, the Department of Cooperative Governance and Traditional Affairs introduced the 3rd Generation IDP concept that made specific recommendations on an outcome based approach which emphasises the following:

- That the municipality focuses on achieving the expected real improvements in the lives of all its residents.
- That through integrated development planning, the municipality clarifies what the community expects to achieve, how they expect to achieve it and how they know whether they are achieving it.

- That the municipality improves the lives of citizens over and above just carrying out its functions.

uMhlathuze Municipality, in collaboration with all relevant stakeholders, adopted its 3rd Generation IDP for 2012-2017 in June 2012. The Municipal Systems Act (Act 32 of 2000 as amended) does however require municipalities in South Africa to review their IDP's on an annual basis in order to keep track and remain relevant to the ever changing needs and dynamics in communities.

The priorities and actions identified in the 2012/2017 IDP and the 2016/2017 IDP review informed the structure of uMhlathuze Municipality, the service delivery standards, all financial planning and budgeting as well as performance reporting by the municipality. In relation to the illustration below of the evolution of IDP's over a 5 year period, this process can be described as the last review - 4th Review of the 3rd Generation IDP of uMhlathuze Municipality.

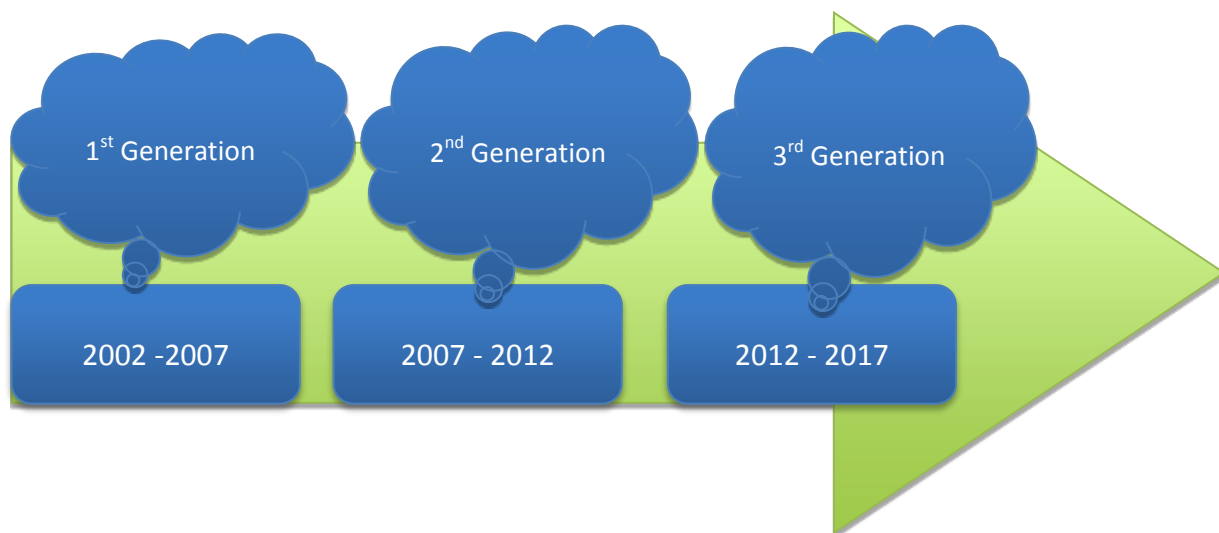


Figure 1: Evolution of IDPS

Development of the 2016/2017 IDP was merely a review of the 3rd Generation IDP and did not attempt to rewrite the five year plan, but mostly focused on assessing and reporting on the strategic objectives and targets set in the 5 year plan. The figure below indicates the evolution of the 3rd IDP Generation review process:

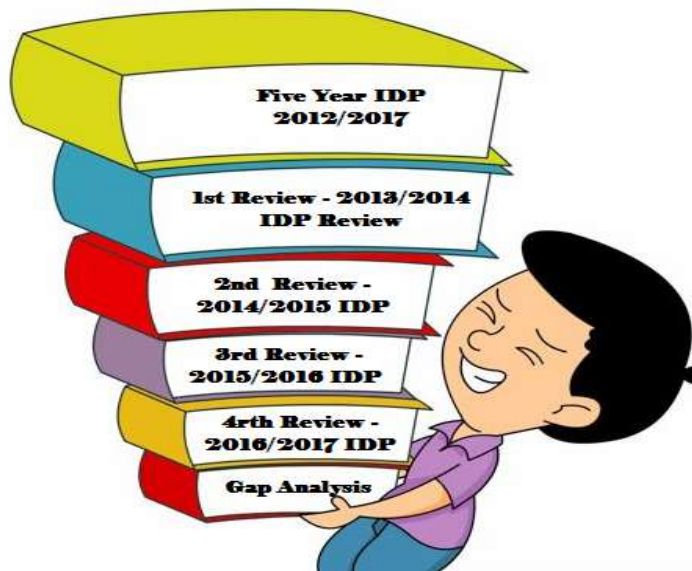


Figure 2 : 3rd Generation IDP Review Process

Alignment with Government Imperatives

The 2016/2017 IDP review of uMhlathuze is developed on the premise of an outcome based approach, which means that the strategic framework of uMhlathuze Municipality is aligned with all government policies and priorities, including but not limited to the National Development Plan, the Provincial Growth and Development Plan and the uThungulu Growth and Development Plan. Further, the inclusion of sector department projects in the uMhlathuze 2016/2017 IDP is another trend that points towards improved vertical alignment between the different spheres of government, enabling uMhlathuze Municipality to approach the development of its communities in an integrated and holistic manner.

uMhlathuze Municipality values the support and the spirit of cooperative governance which is attested by the contributions in the IDP Process made by different spheres of government and all stakeholders of uMhlathuze in ensuring that this municipality continues to develop a credible IDP, which remains a single, strategic and inclusive plan that guides government's investment in a municipal space.

uMhlathuze Municipality prides itself for consistently being recognised and awarded by the Department of Cooperative Governance and Traditional Affairs for remaining amongst the top ten municipalities in the entire province that produced credible IDP's. In the 2016/2017 IDP review, uMhlathuze was also awarded for producing the most credible IDP's in the province for four consecutive years; for producing the best quality in the province: Basic Service Delivery KPA and for producing the best quality in the province: Municipal Institutional Development. This achievement is an indication of the ability and readiness of this organisation to deliver on its Legislative and Constitutional mandates.

Another exciting trend that emerged during the IDP Process, and is confirmed by National Treasury, is that uMhlathuze Municipality is fundamentally aligning its budgets with the priorities articulated in IDP's. This means that our organisation is increasingly becoming more responsive to the needs expressed by communities and that the strategic priorities identified in IDP's are aligned to community needs.



Figure 3: CoGTA Back to Basics Launch January 2017

IDP Road Shows

uMhlathuze Municipality does not plan for people; it plans with them. It is Council's commitment to constantly engage with all the people of the city. The process plan therefore makes provision for communities to participate throughout the review of the IDP. Below is the schedule of public meetings held during the development of the 2016/2017 IDP Review:

Table 1: IDP and Budget Public Participation Sessions Held

Wards	Venue	Date	Time
AmaKhosi, Ward Committees and Stakeholders	eMpangeni Civic Centre	16 September 2015 (Wednesday)	10:00
1,2,3,4,26, 5,6,7,8	Mzuvukile Sports Field	20 September 2015 (Sunday)	10:00
5,9,23,24,25,27,28,29	Ngwelezana New Field	04 October 2015 (Sunday)	10:00
10,11,12,13,14,30,18,19,20,15,16,17,21,22	eSikhaleni TVET College	10 October 2015 (Saturday)	10:00

Wards	Venue	Date	Time
Second Round – Draft Budget and IDP			
Amakhosi	Richards Bay Civic Centre (Council Chambers)	06 April 2016 (Wednesday)	14:00
Ward Committees	Richards Bay Civic Centre (Auditorium)	07 April 2016 (Thursday)	17:00
24,25,27,28,29, 9 23, PORTION 24	Ngwelezana New Sports field	17 April 2016 (Sunday)	10:00
5,6,7and 8	Mzuvukile Sports field	08 May 2016 (Sunday)	10:00
10,11,12,13,14,30,18,19,20,15,16,17,21,22	eSikhaleni TVET	24 April 2016 (Sunday)	12:00
Stakeholders	Richards Bay Civic Centre	10 May 2016	10:00

Below is a list, which summarises community issues, raised during IDP and Budget Public meetings. These issues were considered to influence both the 2016/2017 IDP Review and 2016/2017 MTERF:

- Communication with community on service delivery issues (during interruption of electricity or water or events)
- Housing
- Road maintenance
- Job opportunities for unemployed youth
- Bursaries and internships for youth
- Pedestrian and vehicle bridges
- Bus shelters
- Speed humps
- Street lights in rural areas
- Security patrols in high crime areas
- Visibility of traffic officers – traffic control during peak hours
- School at Felixton and Dumisani Makhaye Village
- Children play areas (parks)
- Community halls: Dumisani Makhaye, Zidedele and Hillview
- Fencing of community gardens
- Support to SMME's

- Early childhood centre
- School for the Disabled
- Electricity infill's
- Water connection and supply

Legislative Compliance

All legislative requirements and timeframes in respect of the IDP Process Plan, and in terms of the Municipal Systems Act, Chapter 5 section 32 (review & adoption) and submission of the 5 year IDP were successfully complied with, and the Final IDP for 2016/2017 was adopted in May 2016, by uMhlathuze Council.

CHAPTER 2: SERVICE DELIVERY PERFORMANCE

Organisational Performance Management System

Legislative Requirement

Outlined in Section 40 of the Municipal Systems Act of 2000 (MSA), the municipality must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels. Section 34 of the MSA furthermore points out that the Integrated Development Plan (IDP) has to be reviewed on an annual basis, and that during the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets are to be reviewed and this review will form the basis for the review of the Organisational Performance Management and Performance Contracts of Senior Managers.

The Municipal Planning and Performance Management Regulations (2001) stipulates that a “municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players” (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Section 46 of the Municipal Systems Act (Act 32 of 2000), stipulates the following: “Annual performance reports.

A municipality must prepare, for each financial year, a performance report reflecting:

- The performance of the municipality and of each external service provider during that financial year;
- A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
- Measures taken to improve performance.

An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.”

Introduction

The first performance management framework was adopted by the uMhlathuze Municipality on the 28th of May 2002. The framework was reviewed and amended during the 2012/2013 financial year to align with the best practice guidelines suggested by the then Department of Provincial and Local Government and Traditional Affairs of KwaZulu-Natal. The framework/policy was again reviewed in June/July 2016 to address the Auditor General's finding that the municipality did not have documented and approved internal policies and procedures to address the process of collection, recording, processing, monitoring and reporting of performance information.

The Reviewed Performance Management Framework and Policy has been enhanced to include the National Treasury Communications Directive: Framework for Managing Programme Performance Information (FMPPI). The Local Government Regulations on the appointment and conditions of employment of Senior Managers (Reg. 21 of 17 January 2014) were also included in the reviewed framework, since it was promulgated after the adoption of the previous Performance Management Framework and Policy.

The Performance Management Framework/Policy review has been adopted per Council Resolution 10994, item **RPT 160112** on the 13th of July 2016 and the framework/policy document on **DMS 1122026** together with the newly established Standard Operating Procedure (**DMS 1077198**) to clarify the processes to collect, collate, verify and store of performance information. The documents are available on Council's official website (www.umhlathuze.gov.za under the “Performance Management” link).

The Organisational Performance Management function of uMhlathuze Municipality is delivered by the internal Performance Management Unit within the Office of the Municipal Manager under the direct supervision of the Chief Operations Officer.

Organisational Performance Management Process

The legislative framework as set out above provides for performance management at various levels in a municipality including organisational (sometimes also referred to as municipal, corporate or strategic) level, operational (also referred to as services, departmental or section/team level) and lastly, at individual level. These levels are however integrated and interdependent on each other.

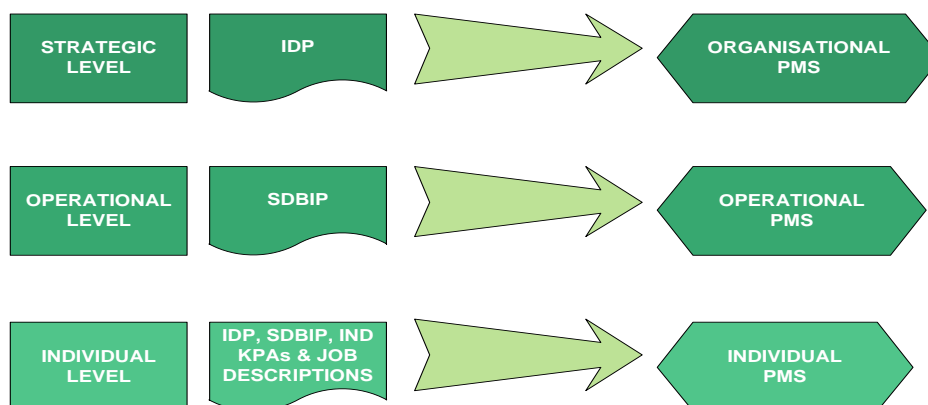


Figure 4: Organisational Management Process

The process of managing performance at organisational level in the uMhlathuze Municipality involves the stages as set out in the following diagram:

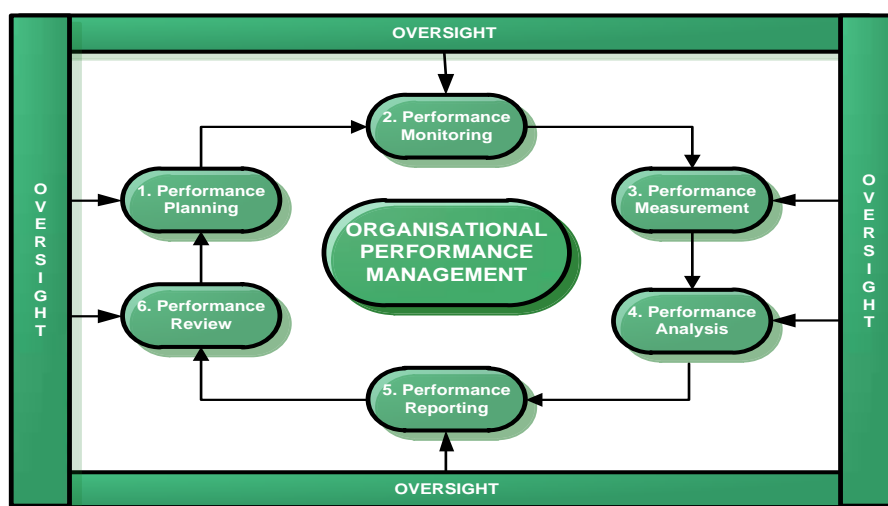


Figure 5: uMhlathuze Municipality Performance Management Process

Key performance indicators have been refined in support of the municipality's development priorities and objectives as set out in the revised IDP framework (aligned with the organizational structure and Council's priorities) for the five (5) year IDP period to ensure consistency in measuring and reporting on long terms strategies and projects. Measurable

performance targets with regard to each of these development priorities and objectives were established and are reflected on the 2016/2017 OPMS Scorecard. A process to ensure regular reporting is in place and gets reported quarterly to the Council via the Performance Audit Committee.

Individual performance agreements and performance plans were prepared in line with provisions prescribed in the Performance Regulations (Notice 805, published on the 1st of August 2006 in the official gazette) and signed by the Municipal Manager, the Chief Operations Officer and Deputy Municipal Managers (Heads of Department). These agreements are fully implemented and aligned with the Service Delivery and Budget Implementation Plan as required in terms of the Municipal Finance Management Act (No 56 of 2003).

The following diagram illustrates a summary of the reviewed performance management framework for the City of uMhlathuze for performance measurement and reporting, adhering to the guidelines suggested by KwaZulu-Natal Province, Department for Cooperative Governance and Traditional Affairs:

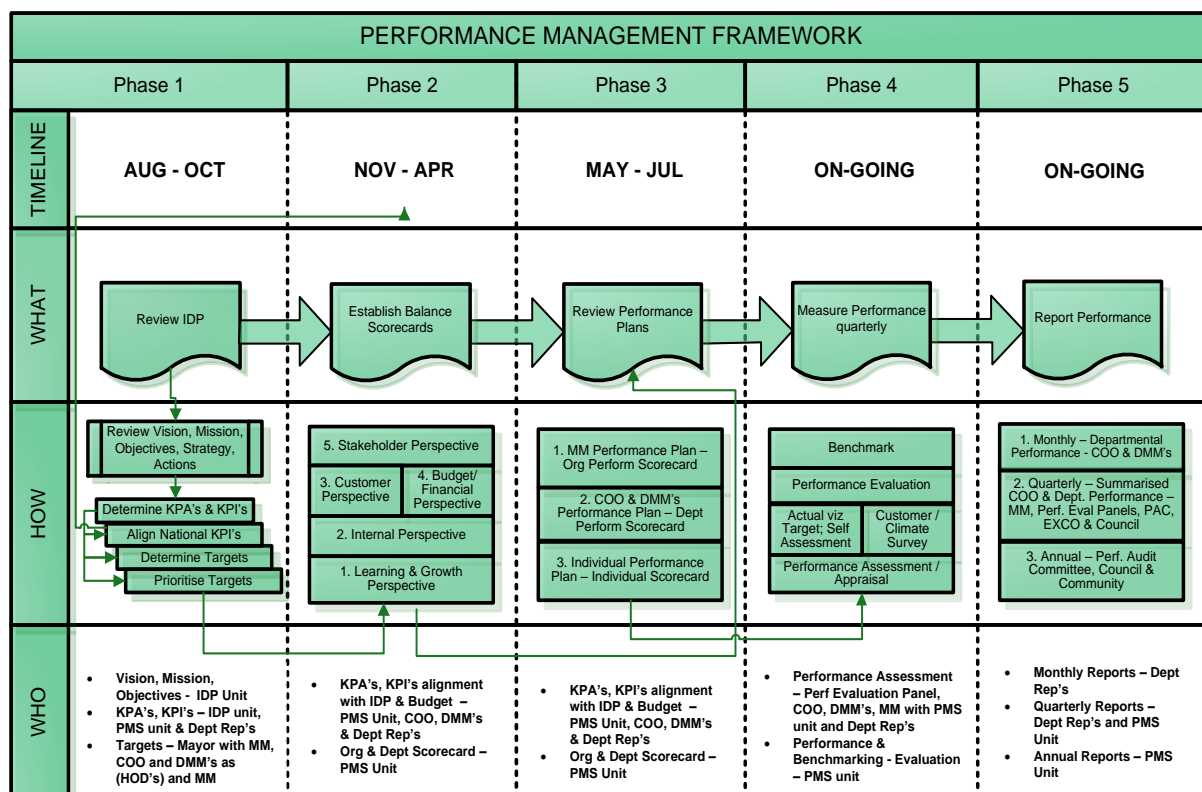


Figure 6: uMhlathuze Performance Management Framework diagram

Performance Audit Committee

The Performance Audit Committee has been established since 2003 in terms of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 and membership has changed over time. The Performance Audit Committee for the 2016/2017 financial year was re-affirmed on the 24th of February 2016, by Council Resolution 10664 (Item on RPT 159661). The appointment of the following members lapsed at the end of January 2017 after the annual report of the 2015/2016 financial year was adopted by the Council:

Dr M J Ndlovu – Chairperson (external member)

Ms R de Waal (external member)

Mr B S Ndaba (external member)

Cllr M G Mhlongo (Mayor)

Cllr N V Gumbi (Deputy Mayor)

Membership of the Performance Audit Committee again changed as result of the election of a new Council for the new political term and since membership in terms of the previous Council Resolution lapsed at the end of January 2017. Membership for the remainder of the 2016/2017 financial year and continuation up to the end of January 2018 was re-affirmed by Council Resolution 111367 (Item on RPT 161834) on 7 February 2017. The appointment of the following members will lapse at the end of January 2018 after the annual report of the 2016/2017 financial year is adopted by the Council:

Dr M J Ndlovu – Chairperson (external member)

Ms R de Waal (external member)

Mr B S Ndaba (external member)

Cllr M G Mhlongo (Mayor)

Cllr S G Mkhize (Deputy Mayor)

The Performance Audit Committee meets on a quarterly basis to consider the reported quarterly performance achievements reflecting on the Organisational Performance Management System (OPMS) scorecard as well as the performance achievements reported in terms of the Service Delivery Budget Implementation Plan.

The Performance Audit Committee has met quarterly during the 2016/2017 financial year as follows:

Table 2: Schedule of The Performance Audit Committee meetings

Period	Date	Reference to Agenda	Reference to Minutes
Quarter 1	26 August 2016	RPT 160981	RPT 160982
Quarter 2	06 December 2016	RPT 161495	RPT 162496
Quarter 3	07 April 2017	RPT 162095	RPT 162096
Quarter 4	30 June 2017	RPT 162627	RPT 162628

The Draft Annual Performance Report was reviewed on the 31st of August 2017, considering the annual performance achievements reported on the OPMS scorecard as well as the Performance Achievements reported in terms of the Service Delivery Budget Implementation Plan in the completed 2016/2017 financial year. The minutes of meetings are available on the GroupWise electronic document management system.

Performance Evaluation Panels

Performance Evaluation Panels have initially been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager per Council Resolution 4120 of 10 October 2006. The Performance Evaluation Panels were re-affirmed over time and subsequently again on the 14th of September 2016, by Council Resolution 11062 (Item on RPT 160619).

Performance Assessment Panels for the assessment of Section 57 employees were established as follows:

- A. For purposes of evaluating the annual performance of the Municipal Manager (section 54A), an Evaluation Panel constituting of the following persons was established:
 - I. Executive Mayor or Mayor;
 - II. Chairperson of the Performance Audit Committee;
 - III. Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council;
 - IV. Mayor and/or Municipal Manager from another Municipality; and
 - V. Member of a Ward Committee as nominated by the Executive Mayor or Mayor.”

Table 3: Performance Assessment Panel for the assessment of Municipal Manager

Cllr M G Mhlongo	Mayor/Chairperson
Cllr S G Mkhize	Member of the Executive Committee
Dr M J Ndlovu	Chairperson of the Performance Audit Committee
Cllr S W Mgenge	Mayor from another Municipality (uMfolozi)
Mr E S Luthuli	Ward Committee member

For purposes of evaluating the annual performance of Managers directly accountable to the Municipal Manager, an Evaluation Panel constituted of the following persons was established:

- I. Municipal Manager;
- II. Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- III. Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council; and
- IV. Municipal Manager from another Municipality.

Table 4: Performance Assessment Panel for Managers directly reporting to Municipal Manager

Dr N J Sibeko	Chairperson
Cllr S G Mkhize	Member of the Executive Committee
Dr M J Ndlovu	Chairperson of the Performance Audit Committee
Mr K E Gamede	Municipal Manager from another Municipality (uMfolozi)

Performance Evaluation sessions are conducted quarterly. The first and the third quarter assessments are informal assessments. Formal assessments are conducted in the second and fourth quarter. The final (fourth) and formal performance evaluation sessions of the Municipal Manager and Managers directly accountable to the Municipal Manager covering the financial year are performed in November to allow sufficient time for validation and auditing of information reported on for the completed financial year. The minutes of all meetings are available on the GroupWise electronic document management system. The final performance evaluation results and scores are reported via the Performance Audit Committee and the Executive Committee to the Council before submission of the Annual Financial Statements and the Annual Report to Council for consideration of performance bonuses in terms of the Regulations.

Auditing of Performance Information

The MFMA and the Municipal Planning and Performance Management Regulations require that the Municipal Council establish an Audit Committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No Councillor may be a member of an Audit Committee. Council shall also appoint a chairperson who is not an employee.

The Regulations give municipalities the option to establish a separate performance Audit Committee whereas the MFMA provides for a single Audit Committee as further being recommended by National Treasury in terms of their MFMA Circular no. 65 of November 2012. The municipal Council has however taken a decision to continue with a separate Performance Audit Committee and Audit Committees to allow for Councillors to serve on the Performance Audit Committee to enable Councillors to provide input towards Performance Management related matters.

The Audit Committee relies on the work done by the Performance Audit Committee in terms of the Audit Committee Charter, receives and considers reports presented to it by the Performance Audit Committee at its scheduled meetings.

In carrying out its mandate, the Audit Committee and Performance Audit Committee must have a good understanding of the strategic goals of the municipality, strategic focus areas as outlined in the Integrated Development Plan (IDP) and the Service Delivery Budget Implementation Plan (SDBIP) and should:

- Review and comment on compliance with statutory requirements and performance management best practices and standards.
- Review and comment on the alignment of the Integrated Development Plan, the Budget, Service Delivery and Budget Implementation Plan and performance agreements.
- Review and comment on relevance of indicators to ensure they are measureable and relate to services performed by the municipality.
- Review compliance with in-year reporting requirements.
- Review the quarterly performance reports submitted by Internal Audit.
- Review and comment on the municipality's annual reports within the stipulated timeframes.
- Review and comment on the Municipality's performance management system and make recommendations for its improvement at least twice a year.

- At least twice during a financial year, submit an audit report to the municipal council concerned.

In reviewing the municipality's performance management system, the Performance Audit Committee focuses on economy, efficiency; effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned.

The Internal Audit Executive within the office of the Municipal Manager coordinates and manages the Internal Audit function within the municipality. A Panel of service providers has been appointed by uMhlathuze Municipality for a three (3) year period to deliver the Internal Audit function.

As part of their scope, auditing of the Performance Management System and Predetermined Objectives are performed and reported on for each quarter in terms of the following internal audit plan:

Table 5: Internal Audit Plan for the Performance Management System and Predetermined Objectives

Audit Project	Focus Area
Review of Performance Information - Quarter 1	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Performance score verification (Municipal Manager and Deputy Municipal Managers); • Compliance with relevant laws and regulations.
Review of Performance Information - Quarter 2	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations.
Review of Performance Information - Quarter 3	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations.
Review of Performance Information - Quarter 4 (Annual Performance Report)	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations.

The Auditor General finally audits all achievements reported in the Organisational Performance Management System Scorecard as reported in the Annual Performance Report that is

submitted together with the Annual Financial Statements at the end of August of each year. Their findings are reported in their management letter and are included in the Annual Report. The information reported therefore is validated for correctness.

The Auditor General has performed the auditing of information submitted in this report, together with all achievements reported in the Organisational Performance Management System Scorecard and their findings in their management letters will be included in the Annual Report of 2016/2017. The information reported therefore has been validated for correctness.

Customer Satisfaction

Council appointed a service provider to conduct the 2017 Customer Satisfaction Survey. The comprehensive feedback and analysis report was received in June 2017 and reported upon to Council via the Performance Audit Committee per item on **RPT 162745** on 31 August 2017. The comprehensive analysis feedback report is available in the GroupWise document management system on **DMS 1214687** as well as on Council's official website, www.umhlathuze.gov.za, under the "Performance Management" link.

Annual Organisational Performance Information

Performance Monitoring underpins the Municipality's IDP in terms of reviewing progress regularly in achieving priorities and delivering value for money services. Early investigation into variances enables remedial action taken where appropriate.

The Annual Performance Report highlights the key performance measures included in the Integrated Development Plan (IDP) review for the 2016/2017 financial year. These priority measures constitute the Organisational Performance Scorecard for 2016/2017.

The annual performance reporting on the 2016/2017 financial year has been completed and is reflected in the Organisational Performance Scorecard in table format (as prescribed by KZN CoGTA). The Organisational Performance Report has been presented to the Auditor General for auditing together with the Annual Financial Statements (based on the interim results) on 31 August 2017.

This Annual Performance Report (tables) should be read in conjunction with the uMhlathuze Annual Report, including the Annual Financial Statements as well as the Auditor General Report on the Annual Financial Statements and Performance on Predetermined Objectives Information for 2016/2017.

On 30 June 2017, 78% of organisational performance targets had been met within 95% or exceeded the annual targets set. An average percentage achievement of 109% against the annual key performance targets set has been recorded, reflecting a digression from the 2015/2016 financial year, where 111% was recorded. Areas for improvement are shown in the relevant column directly in the Organisational Performance Scorecard for 2016/2017 (OPMS Scorecard). Accountable managers have provided commentary to put performance into context and identified actions that they are taking to address instances where underperformance is reported.

The traffic light system used to report performance is as follows:

- Blue – Performance above 2% of the target
- Green – Performance meets target
- Amber – Performance within 5% of target
- Red – performance more than 5% adverse of target

In relation to the 2016/2017 year end performance results, the final results can be analysed as follows:

- 78% of targets have been met within 95% or exceeded against the year-end target set, a concern when compared to the 2015/2016 financial year where 82% of targets were met within 95%
- 22% of targets were not achieved. Here, we see a 3% digression when compared to last financial year where 19% of targets were not met. This shift was as a result of the adjustments that needed to be made when the municipality took over the three (3) wards from Ntambanana.

The performance results for the organizational priorities can be summarized as follows:

Table 6: Performance Results for the Organizational Priorities

Traffic Light Status	2016/2017 Perf. %	2015/2016 Perf. %	2014/2015 Perf. %	2013/2014 Perf. %	2012/2013 Perf. %	2011/2012 Perf. %
Blue – Exceeded target	51%	49%	36%	46%	48%	21%
Green – Met target	11%	11%	26%	18%	24%	27%
Amber – Missed target by up to 5%	16%	22%	21%	10%	9%	27%
Red – Missed Target by more than 5 %	22%	19%	17%	26%	19%	25%

A decrease in the average performance achieved is recorded when compared with the 2015/2016 financial year. It is worth noting the impact of factors such as budget and staff retention whilst continuously increased demand for services putting pressure on achievement of challenging targets. Ultimately, the municipality has achieved savings for the financial year, maintained good levels of service delivery (as demonstrated through comparative information) and seen increased levels of satisfaction across a number of services.

The following chart illustrates overall performance for the 2016/2017 financial year with performance achieved during the five (5) previous financial years, 2015/2016, 2014/2015, 2013/2014, 2012/2013 and 2011/2012 financial years respectively:

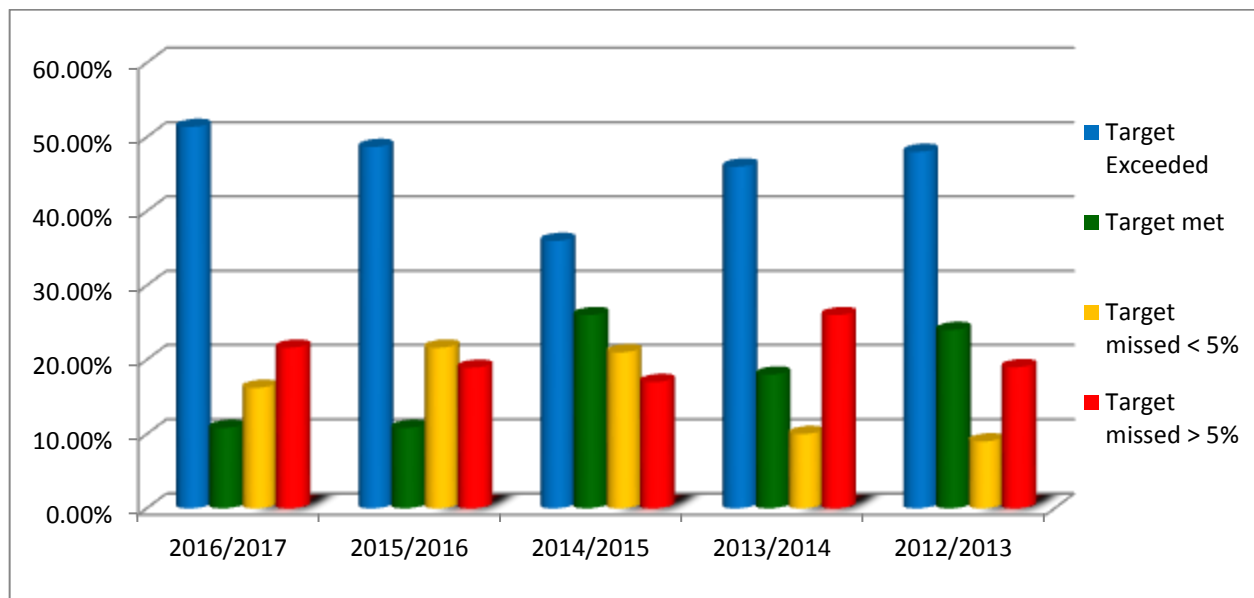
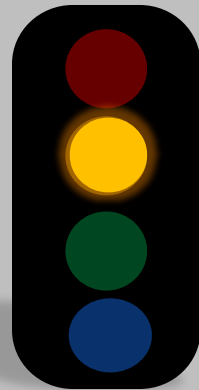


Figure 7: Overall performance 2016/2017, 2015/2016, 2014/2015, 2013/2014, 2012/2013 & 2011/2012

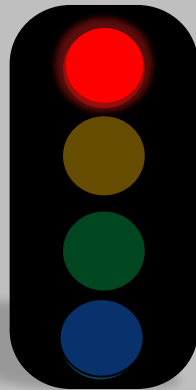
The following high level dashboard score for all key performance indicators on the Organisational Performance Scorecard 2016/2017 has been achieved on the thirty seven (37) key performance indicators (KPI's) for the 2016/2017 financial year. Two (2) key performance indicators were excluded from the analysis since there were zero targets set for the construction of low-cost houses in urban areas as well as in rural areas.

High level Performance
(All key performance indicators on OPMS Scorecard)

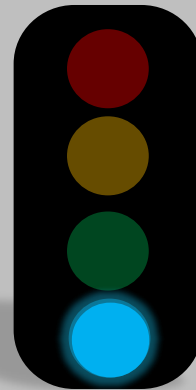
KPA DESCRIPTION	Performance	Red	Amber	Green	Blue
Good Governance, Community Participation and ward Committee System	99%	<95%	95% to 99%	100% to 102%	above 103%
Basic Service Delivery and Infrastructure Development	92%	<95%	95% to 99%	100% to 102%	above 103%
Local Economic Development	151%	<95%	95% to 99%	100% to 102%	above 103%
Municipal Transformation and Institutional Development	154%	<95%	95% to 99%	100% to 102%	above 103%
Financial Viability and Financial Management	104%	<95%	95% to 99%	100% to 102%	above 103%



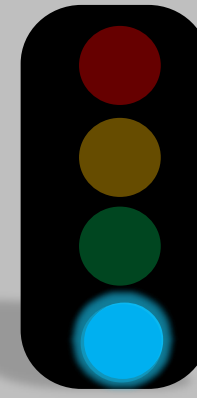
Good Governance,
Community
Participation and
ward Committee



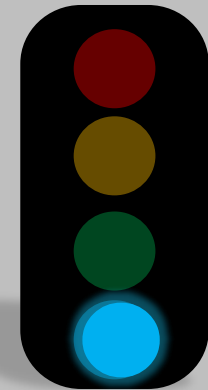
Basic Service Delivery
and Infrastructure
Development



Local Economic
Development



Municipal
Transformation and
Institutional
Development



Financial Viability and
Financial
Management

Figure 8: Key Performance indicators on OPMS Scorecard

High level Score

(All key performance indicators on OPMS Scorecard)

The Performance Management System analysis has scored the achievement of individual key performance areas with comparison to the 2015/2016 financial year as follows:

Table 7: Key Performance Indicators on OPMS Scorecard

	KPA Description	Score 2015/2016	Average 2015/2016	Score 2016/2017	Average 2016/2017
KPA 1	Good Governance, Community Participation and ward Committee Systems	10.0	100.0%	7.5	101%
KPA 2	Basic Service Delivery and Infrastructure Development	5.5	70.6%	7.9	103.6%
KPA 3	Local Economic Development	10.0	100.0%	10.0	171.4%
KPA 4	Municipal Transformation and Institutional Development	8.4	87.5%	7.1	101.6%
KPA 5	Financial Viability and Financial Management	5.5	75.0%	10.0	107.8%
	Average	7.9	86.62%	8.5	117.8%

1. Good Governance, Community Participation and Ward Committee Systems (Average 101.1% achieved on KPI's, against 100% achieved in 2015/2016)

IDP and Budget Roadshows, Ward Committee, Stakeholder Liaison and Council meetings were successfully scheduled and convened in accordance with Council's Standing Rules of Order to ensure ongoing community involvement in municipal decision making. The target set for Ward Committee Management meetings was not met due to the elections of the new Council and ward committees' re-establishment due to the dissemination of the Ntambanana Municipality. The Ward Committee System is now functional.

The municipality excelled in the area of community liaison and public communication and exceeded the number of planned IDP and Budget roadshow meetings. The annual target for ward committee management meetings and community meetings were reduced in anticipation of the municipal elections, however were still not achieved by recording 223 ward meetings held against the annual target of 248. This lack of achieving the number of ward committee management meetings has resulted in a decline in the overall analysis in terms of this key performance area. The total number of public meetings held was 73 against the annual target of 70 meetings and has been met.

2. Basic Service Delivery and Infrastructure Development (Average 103.6% achieved on KPI's against 70.6% achieved in 2015/2016)

The municipality has been able to connect 545 households to the municipal water system during the 2016/2017 financial year. Although the 545 households were connected, due to the 5601 households that were taken over from Ntambanana (all regarded as backlog), the total percentage of people with access to water has dropped to 93.39%. The municipality has also taken an initiative to conduct its own audit to validate the completeness and accuracy of the number of households in the three wards, to establish the backlog and options available to eradicate backlog. An audit of the first two wards has been completed.

A total of 83392 (90.44%) households have access to basic sanitation services. A total of 2553 additional VIP's were constructed, below the amended annual target of 4 000 as a result of challenges experienced with contractors appointed for the construction of VIP toilets. Appointed contractors have experienced labour problems; however the municipality was able to decrease the sanitation backlog of households without access to sanitation.

The municipality is delivering electricity supply to 34 285 households and has connected 145 additional households to improve access to basic electricity services in the municipal electricity licensed area; however this target remains reliant on consumers applying for the service. The amended annual target of 100 new connections was achieved since mid-year adjustment was made, based on walk-in applications received for the service. The municipality is in a position to deal with all applications received.

The municipality is delivering at least a weekly refuse removal service to 73 356 households through a combination of 240 liter trolley bins in the urban areas, communal skips and door to door EPWP collection of black bags in informal areas and has increased the number of households served by an additional 6 409 households in 2016/2017. A total number of 2223 households previously receiving a refuse removal service from the former Ntambanana Municipality were taken over by the uMhlathuze Municipality's refuse removal unit and continued receiving this service through 20 skips, which were already placed strategically and were emptied three times per week.

In the provision of public transport facilities and infrastructure in the urban and rural areas, 45.2 kilometers of rural gravel roads were established against the target of 48 kilometers. Due to higher demands by the community, rural gravel roads were re-prioritized and funds re-allocated on the maintenance budget to meet community demands.

3. Local Economic Development (Average 171.4% achieved on KPI's against 100% achieved in 2015/2016)

There were no targets for the construction of houses during the 2016/17 financial year, due to the fact the all projects were in planning phase, namely eMpangeni IRDP, Dumisani Makhaye Village Phase 6&8 and Aquadene. During the 2016/17 financial year, the installation of external bulk services was done and completed for bulk water and bulk sewer for the Aquadene Housing Project.

With the finalization of the re-allocation of Bhambatha Hostel/Flats residents, the remaining fifty-four units that were to be refurbished at eSikhaleni Flats (Bhambatha Flats) were completed and residents took occupation of their units.

In terms of community capacity building programmes, the target of three was over- achieved since five informal trading sessions were conducted through the mentorship programme over three months, as well as training sessions for small scale farmers, mentorship provision to SMME's and informal traders as well as the training of agricultural cooperatives.

The annual targeted jobs created through EPWP incentives, were over achieved despite some projects that span over six months; 2 079 jobs were recorded at the end of the financial year against the annual target of 840. This is a huge improvement when compared to the previous financial year in which 731 jobs were created.

In terms of provision of recreational facilities and environmental services to the community, the annual target of three community halls to be upgraded has not been met since only two halls were completed. The target of five sports fields to be upgraded was not achieved, since zero projects were completed and have been rolled over, and the estimated date for completion of all five projects is 31 August 2017.

4. Municipal Transformation and Institutional Development (Average 101.6% achieved on KPI's against 87.5% achieved in 2015/2016)

The municipality was able to meet the annual targets set for the recruitment and retention of staff from designated employment equity groups, however still experiences a high level of staff turnover. The municipality will continue with the implementation of the Employment Equity Plan during the 2017/2018 financial year, with emphasis on improving on the appointment of people living with disabilities.

In terms of the target set for females employed by the municipality, there were 44 females appointed against the annual target of 20, and a total of 762 females were employed at the municipality as of the 30th of June 2017. This target cannot be measured accumulatively as

there are factors such as resignations and retirement that affect the number of gender employed. A total of 594 youth are employed at the municipality as of the 30th of June 2017.

A total of 103 Workplace Skills training programs were conducted during the financial year against the annual target of 60, resulting in an over- achievement of 43. The percentage of the budget spent on implementing the Workplace Skills Plan was slightly over- achieved, due to the large number of external programmes presented.

5. Financial Viability and Financial Management (Average 107.8% achieved on KPI's against 75% achieved in 2015/2016)

Revenue of R2 833 711 421 (excluding grants) was realized by the municipality for the 2016/2017 financial year, contributing to a 110% achievement on the targeted amount of R2 574 844 400.

All financial viability Indicators have improved, indicating an improved sound financial standing of the municipality. It needs to be noted that the Cost Coverage Ratio of 2.60 is in line with the norm of between 1 to 3, as is in fact on the higher level on the scale.

The municipality has spent more than 100% of Capital Grants received from National Government. This means there are multi- year projects, which are ahead in progress in terms of the actual funding.

In the 2016/17 financial year, the municipality has improved its capital spending patterns, sitting at 92% when compared to the previous the financial year, with 78.39% spent in the 2015/16 financial year. This is a great achievement which is indicative of improvement by the municipality.

Organisational Performance Scorecard 2016/2017

The following table reflects the organisational performance targets and achievements as reflected in the Integrated Development Plan, in relation to the achievements of the previous financial year as well as reflecting corrective measures to be taken in the 2017/2018 financial year in cases of under- achievement:

Section 46(1)(a) of the Municipal Systems Act (No. 32 of 2000) requires the municipality to reflect the municipality's, and any service provider's, performance during the financial year reported on. The uMhlathuze Municipality is fortunate not to be reliant on external service providers in provision of Basic Services, i.e. water, sanitation and solid waste removal services delivered by the district municipality, as is the case with most other local municipalities.

Water distribution to the community by uMhlathuze is delivered through water purification by Water and Sanitation South Africa (WSSA) and through purified water purchased from the uMhlathuze Water Board. Electricity is provided to communities by uMhlathuze Municipality in the municipal licensed area, through purchasing and then distributing electricity from ESKOM. Also other basic services delivered by uMhlathuze Municipality include solid waste removal (refuse collection) and sanitation. The number of households served with basic services as reflected in the table below reflects the municipality's and any service provider's performance on delivering basic services during the financial year, also a comparison with performance in the previous financial year as contemplated in section 46(1)(a) of the Municipal Systems Act (No. 32 of 2000).

The information reflected below has been subjected to validation during the internal auditing process (in line with the appointed panel of Internal Auditors and the Municipal Public Accounts Committee, as well as the Auditor General upon their annual audit process) as reported to the Performance Audit Committee on the 31st of August 2017, the Executive Committee on the 22nd of August 2017 and before Council on the 22nd of August 2017 per Council Resolution 11854, item **RPT 162733**. Reports are available for inspection. The findings and recommendations from the Auditor General have been incorporated and included in the 2016/2017 Annual Report.

NOTE: The total number of households as reflected in the IDP has been revised from 86609 (Census 2011, uMhlathuze Municipality) to 92210 to include the additional (5601) additional households from the former Ntambanana Municipality (Census 2011) as a result of the re-determination of municipal boundaries in August 2016.

Table 8: OPMS 2016/2017

iDP Ref	New iDP 2017 Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	Actual Annual 30 Jun 2016	Backlog	2016/2017					2016/2017	2017/2018
							Baseline		uMhlathuze before Ntambanana		Annual and amended targets		Combined actual achievement 30 Jun 2017	Corrective action for Annual target not met / remarks	Annual Target
									Annual Target	Amended Annual Target	Ntambanan a Census 2011 figures	Combined Annual Target			
1.3.1	1.1.4.3	Deepen democracy through a refined Ward Committee model	Good Governance, Community Participation and Ward Committee Systems	Increase community participation and awareness mechanisms and processes	Conduct regular Strategic Public participation meetings	Number of Public Meetings (iDP/PMS and budget meetings)	10	N/A	8	10	0	10	10	Annual Target achieved	10
1.3.1	1.1.4.1				Host Ward Committee Management meetings	Number of Ward Committee Management meetings held	344	N/A	272	248	0	248	223	Target not achieved Target not met due to the elections of new Council and ward committees re-establishment. Ward committee system now functional	374
1.3.1	1.1.4.1				Facilitate Community meetings in all wards	Number of community meetings per ward	131	N/A	102	70	0	70	73	Annual Target achieved and exceeded	136
1.1.2	1.1.4.2		To improve integrated development in order to enhance sustainable development	Preparation of credible and implementable Integrated Development Plan	Date of iDP approval	42515	N/A	30-Jun-17	30-Jun-17	0	30-Jun-17	31-May-17	Target achieved ahead of the target date Final Fourth Generation iDP was approved by Council on 31 May 2017, Resolution Number 11646, Item RPT162367.	30-Jun-18	
2.1	2.1.1.1	Improving access to basic services	Basic Service Delivery and Infrastructure Development	Improve access to Basic services to the community	Eradicate water services backlogs through provision of basic water services	% Households with access to basic water	98.80%	1.20%	99.95%	99.95%	56.74%	97.33%	93.39%	Target not achieved The contractor was appointed late due to the delay of reports at different bid committees. Will ensure that projects are not delayed and also ensure that bid reports be fast tracked to ensure that the target date is met.	78.83%
2.1	2.1.1.1					Total number of Households with access to potable water	85568	1041	86568	86568	3178	89746	86113		87113

iDP Ref	New IDP 2017 Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	Actual Annual 30 Jun 2016	Backlog	2016/2017					2016/2017	2017/2018
							uMhlathuze before Ntambanana		Annual and amended targets		Combined actual achievement 30 Jun 2017	Corrective action for Annual target not met / remarks	Annual Target		
							Baseline		Annual Target	Amended Annual Target				Ntambanan a Census 2011 figures	Combined Annual Target
2.1	2.1.1.1					Number of Water connections upgraded to households (upgrade service to yard connections)	951	N/A	1000	1000	0	1000	545	The total number of households is: Cou 86609 [Census 2011] + Ntambanana 5601 [total number of households based on Ntambanana Census 2011]. Although there is infrastructure in some arears at Ntambanana, but there is no running water coming out of it. As a result, these households are regarded as Backlog. The Municipality has also taken an initiative to conduct its own audit to validate the completeness and accuracy of number of households, to establish the backlog and options available to eradicate backlog. Audit of the first two Wards has been completed	1000
2.1	2.1.1.1					Number of Households with access to free water service	10 559	N/A	10 559	10 559	1 641	12 200	10323	Target not achieved, however it is dependent on actual consumption below the threshold for receiving free water services	10323
2.1	2.1.1.2	Improving access to basic services	Basic Service Delivery and Infrastructure Development	Improve access to Basic services to the community	Eradicate Sanitation services backlogs through provision of basic sanitation services	% Households with access to sanitation	88.10%	11.90%	92.80%	92.80%	79.70%	92.01%	90.44%	Target not achieved The contractor was appointed late due to the delay of reports at different bid committees. The contractor appointed experienced social issues on site and thus work could not be done as projected. Social issues will be dealt with timeously in the future to ensure that projects are	77.73%
2.1	2.1.1.2					Number of Household with access to Sanitation	76375	10234	80375	80375	4464	84839	83392		85892

iDP Ref	New IDP 2017 Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	Actual Annual 30 Jun 2016	Backlog	2016/2017					2016/2017	2017/2018
							Baseline		uMhlathuze before Ntambanana		Annual and amended targets		Combined actual achievement 30 Jun 2017	Corrective action for Annual target not met / remarks	Annual Target
									Annual Target	Amended Annual Target	Ntambanan a Census 2011 figures	Combined Annual Target			
2.1	2.1.1.2					Number of new VIP toilets provided to households	2904	13138	4000	4000	0	4000	2553	not delayed and also ensure that bid reports will be fast tracked to ensure that the target date is met. The figures include Sanitation (VIP's) services in ex NTA wards serving 4464 households. This number is based on 2011 Census results. The Municipality has also taken an initiative to conduct it's own Audit to validate the completeness and accuracy of number of households, to establish the Backlog and options available to eradicate backlog.	2500
2.1	2.1.1.2					Number of Households with access to free sanitation (VIP's) service & Indigent	33307	13138	37307	37307	4125	41432	42916	Target achieved and exceeded Rural Sanitation (VIP's) 35860 plus Urban (Indigent applications) 2931 = 38791 Including Sanitation (VIP's) services in ex NTA wards serving 4125 households	40000
2.2	2.1.1.3		Basic Service Delivery and Infrastructure Development	Improve access to Basic services to the community	Eradicate electricity supply backlogs through provision of basic electricity supply services	Number of Households with access to Electricity (Municipal Area)	34140	0	34340	34240	0	34240	34285	Target achieved and exceeded	34405
2.2	2.1.1.3					Number of new households provided with new Electricity connections	166	200 (infills)	200	100	0	100	145	Amended target achieved and exceeded This is made up of walk-in's applications. Amended target at mid-year based on actual walk-in's over achieved	120
2.2	2.1.1.3					Number of Households with access to free Electricity (Municipal Area)	555	N/A	500	500	0	500	509	Target achieved and exceeded This target is based on the number of customers who also come in and apply for free Electricity under Indigent.	509

iDP Ref	New IDP 2017 Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	Actual Annual 30 Jun 2016	Backlog	2016/2017					2016/2017	2017/2018	
							uMhlathuze before Ntambanana		Annual and amended targets		Combined actual achievement 30 Jun 2017	Corrective action for Annual target not met / remarks	Annual Target			
							Baseline		Annual Target	Amended Annual Target				Ntambanana Census 2011 figures	Combined Annual Target	
2.4.1	2.1.1.4			To improve access to domestic solid waste removal services to the community	Provide a weekly domestic solid waste removal service to the community	% Households with access to waste disposal	77.30%	22.70%	79.61%	79.61%	5.14%	75.08%	79.55%	Target over achieved The purchase of 20 (5.5 cubic) and use of EPWP in rural areas has assisted in meeting the target. The over achievement was due to addition of EPWP who helped educating community and cleaning the areas.	67.29%	
2.2	2.1.1.4					Number of Households with access to waste disposal	66947	19662	68947	68947	288	69235	73356		The total number of households used to calculate the % access is 92210. The figure of 2223 reflect the number of households from Ntambanana serviced with skip. Total achieved UML 71133 households = 73356	74356
2.4.1	2.1.1.4					Number of new Households with access to waste disposal	1995	N/A	2000	2000	0	2000	6409			1000
2.4.1	2.1.1.4	Improving access to basic services	Basic Service Delivery and Infrastructure Development	To improve access to domestic solid waste removal services to the community	Provide a weekly domestic solid waste removal service to the community	Number of Household with access to free waste removal	20549	N/A	22549	22549	288	22837	29891	Target achieved and exceeded Including the free skip services in ex NTA wards serving 2223 households	30000	
2.3.1	2.1.1.5	Improving access to basic services	Basic Service Delivery and Infrastructure Development	To improve access to roads	Provision of public transport facilities and infrastructure in the urban areas	Kilometres of rural gravel roads established	59.2	N/A	48	48	0	48	45.20	Annual target achieved within 95% Additional budget is required for hiring of plant during breakdowns. The Rural Roads Section needs to have an As and When tender in place when operators are required.	26	
2.3.2	2.1.1.5					Kilometres of tarred roads established	0	0	2.20	2.20	0.00	2.20	2.26	Target achieved and exceeded	3	

iDP Ref	New IDP 2017 Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	Actual Annual 30 Jun 2016	Backlog	2016/2017					2016/2017	2017/2018
							uMhlathuze before Ntambanana		Annual and amended targets		Combined actual achievement 30 Jun 2017	Corrective action for Annual target not met / remarks	Annual Target		
							Annual Target		Amended Annual Target	Ntambanan a Census 2011 figures				Combined Annual Target	
2.6.2.1	2.1.1.7			To ensure provision of recreational facilities and environmental services to the community	Provision and upgrade of Sport and Recreational facilities	Number of sport field upgraded	2	N/A	5	5	0	5	0	Annual Target not achieved. Contractors were appointed late due to the delay of reports at different bid committees Projects have been rolled over and the estimated date for completion of all five projects is 31 August 2017. Bid reports will in future be fast tracked to ensure that the target date is met.	10
2.6.3.3	2.1.1.7				To provide and upgrade community Halls	Number of community halls upgraded	6	N/A	3	3	0	3	2	Annual Target not achieved. Two projects are complete but due to contractors still attending to snag lists, completion certificates remains outstanding. Contract management will in future be fast tracked to fast track signing of completion certificates.	5
3.2.4	6.1.1.3	Actions supportive of the human settlement outcome	Local Economic Development	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	To upgrade public sector hostels	Number of Hostel Units upgraded	0	90	54	54	0	54	54	Annual Target achieved.	0
3.2.4	6.1.1.3				To provide low-cost Houses (Urban)	Number of Houses completed	60	N/A	0	0	0	0	0	No target for the financial year. For 2017/2018 the performance indicator will be amended to reflect the "Number of Post 1994 Housing stock transferred" with the target of 400 housing unit for 2017/2018.	400
3.2.4	6.1.1.3				To accelerate development of houses in rural areas	Number of Houses completed	1966	N/A	0	0	0	0	0	No target for the financial year, since provision of bulk services are currently in progress The KPI will be removed from the 2017/2018 financial year	0
3.1.1	3.1.5.3			To create an environment conducive to economic growth	Capacitate community through training in scarce skills	Number of trainings provided	6	N/A	3	3	0	3	5	Target achieved and exceeded	5

iDP Ref	New IDP 2017 Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	Actual Annual 30 Jun 2016	Backlog	2016/2017					2016/2017	2017/2018
							uMhlathuze before Ntambanana		Annual and amended targets		Combined actual achievement 30 Jun 2017	Corrective action for Annual target not met / remarks	Annual Target		
							Annual Target		Amended Annual Target	Ntambanana Census 2011 figures				Combined Annual Target	
3.1	3.1.5.1			and development	Jobs created through the municipality's Capital Projects (EPWP)	Number of jobs (Cumulative)	731	N/A	840	840	0	840	2079	Target achieved and exceeded	1000
4.1.1	4.1.1.2	Implement differentiated approach to Municipal financing, planning and support	Municipal Transformation and Institutional Development	Promote equal opportunity and fair treatment in employment through the elimination of unfair discrimination	Implementation of Employment Equity Plan	Number of women employed by the municipality	806	N/A	826	826	0	826	762	The annual target for 2016/2017 Financial Year was to employ 20 women and the section achieved this target and beyond by employing a total of 44 women. However, it should be noted that during this financial year, there were also employees who exited the organisation due to resignations, dismissals, death, ill health, and retirement.	782
4.1.1	4.1.1.2		Municipal Transformation and Institutional Development	Promote equal opportunity and fair treatment in employment through the elimination of unfair discrimination	Implementation of Employment Equity Plan	Number of Youth employed by the municipality	730	N/A	750	750	0	750	594	The annual target for 2016/2017 Financial Year was to employ 20 youth and the section achieved this target and beyond by employing 87 youth. However, it should be noted that during this financial year, there were also youth employees who exited the organisation due to resignations, dismissals, death, ill health, and retirement.	614
4.1.1	4.1.1.2					Number of people with Disability employed by the municipality (Target additional to baseline)	8	N/A	12	17	0	17	16	The annual target for 2016/2017 Financial Year was amended to include the categorisation of 5 existing employees as employees living with disability and the target was achieved within 94% as 2 additional employees with disabilities were employed as from 1 July 2016.	20
4.1.2.2	4.1.1.4	approach to Municipal financing, planning and support	Municipal Transformation and Institutional Development	Improve the performance of employees.	Development and appropriate training and assistance to employees	Workplace Skills training programs conducted	84	N/A	60	60	0	60	103	Annual target achieved and exceeded	100
4.1.2.2	4.1.1.4					% Budget Spent on Workplace Skills Plan	94.11%	N/A	94%	95%	0	95%	96.38%	Annual target exceeded by 1.38%	95%

iDP Ref	New IDP 2017 Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	Actual Annual 30 Jun 2016	Backlog	2016/2017					2016/2017	2017/2018
							uMhlathuze before Ntambanana		Annual and amended targets		Combined actual achievement 30 Jun 2017	Corrective action for Annual target not met / remarks	Annual Target		
							Baseline		Annual Target	Amended Annual Target				Ntambanan a Census 2011 figures	Combined Annual Target
						(cumulative)									
4.1.2.2	4.1.1.4					% Operating Budget spent on implementing Workplace Skills Plan	0.79%	N/A	0.80%	0.80%	0	0.80%	0.81%	Annual target achieved and exceeded.	0.80%
1.1.3.2	1.1.2			To ensure monitoring and evaluation of municipal performance	Implementation of Individual Performance Management System	Number of S\$7 Performance Agreements signed	7	N/A	7	7	0	7	5	Target not achieved as the vacant post of DMM I&TS has been splitted into two positions i.e. DMM Electricity and Energy Services and DMM Infrastructure Services. The post of DMM Community Services also remains vacant and all three vacant posts will be filled in the 2017/2018 financial year.	8
5.2.1	5.1.1.4	Implement differentiated approach to Municipal financing, planning and support	Financial Viability and Financial Management	Debt Control	Debt coverage ratio(cumulative)	(Total operating revenue received - operating grants) / debts service payments (interest & redemption due for the year) (x 1000)	2 222 620 /189 144= 11.75	N/A	2 337 599 /223 249= 10.47	2 574 844/228 873=11.25	0	2 574 844/228 873=11.25	2 833 711 /242 517=11.68	Target met as debt services payments were within budget. The interest budgeted for was less than the interest incurred, hence the slight difference in the ratio when compared with the budgeted amount.Achievements are based on the interim financial results as at 30 June 2017 and subject to validation together with the Annual Financial Statements	2 569 081 /223 897=11.47
5.2.1	5.1.1.4				Outstanding service debtors to revenue	Outstanding service debtors / revenue actually received for services	287 697 355 / 2 059 395 619 = 13.97	N/A	337 531 960 / 2 152 704 288 = 15.68	337 531 960 / 2 160 326 400 = 15.62	0	337 531 960 / 2 160 326 400 = 15.62	288 525 129 / 2 447 382 911 = 11.79	Amended annual target achieved and exceeded Outstanding service debtors were below expectations and actual revenue received for services were more than expected. Achievements are based on the interim financial results as at 30 June 2017 and subject to validation together with the Annual Financial Statements.	358 806 160 / 2 296 488 960 =15.62

iDP Ref	New IDP 2017 Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	Actual Annual 30 Jun 2016	Backlog	2016/2017					2016/2017	2017/2018
							uMhlathuze before Ntambanana		Annual and amended targets		Combined actual achievement 30 Jun 2017	Corrective action for Annual target not met / remarks	Annual Target		
							Baseline		Annual Target	Amended Annual Target				Ntambanan a Census 2011 figures	Combined Annual Target
5.1.2.1	5.1.1.4	Implement differentiated approach to Municipal financing, planning and support	Financial Viability and Financial Management	Debt Control	Cost coverage ratio (cumulative)	[(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly fixed operating expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	379 968 / 184 279 = 2.06	N/A	465 225 / 170 072 = 2.74	551 252/ 209197 =2.64	0	551 252/ 209197 =2.64	543 144 / 209 197 =2.60	Amended annual target achieved within 99%. The variance of 0.04 is minimal and is due to marginal increases to operating expenditure, specifically in the rural areas. Achievements based on the interim financial results as at 30 June 2017 and subject to validation together with the Annual Financial Statements.	5920178 / 206 626 = 2.87
5.1.2	5.2.1.6		Expenditure control	Percentage Capital Budget spent on Capital project i.t.o. IDP	Capital Budget amount spent on Capital Projects / Total Capital Budget x 100 = Percentage spent YTD	392 837 689 / 501 160 500 = 78.39%	N/A	455 427 245 / 479 397 100 = 95%	521 097 515/ 548 523 700 =95%	0	521 097 515/ 548 523 700 =95%	504 641 804 / 548 523 700 = 92%	Amended annual target achieved within 96% of the target. The variance of 3% short at 92% is minimal. With that said the Capital Grants were overspent. The capital expenditure is better than 2015/2016 financial year .Achievements are based on the interim financial results as at 30 June 2017 and subject to validation together with the Annual Financial Statements.	495 192 345 / 521 255 100 = 95 %	

Priority (General KPI's)

CoGTA (Indicators)

Additional /Departmental

Comments:
<p><u>Access to potable water and basic sanitation services:</u> The annual target for additional households to be connected was based only on capital projects provided for in the budget. The additional households from the former Ntambanana Municipality did not form part of the target since there was no grant funding provided for in the 2016/2017 financial year. The information was subject to validation by the Infrastructure and Technical Services department through a study/survey to determine the backlog.</p> <p>The Sanitation Report obtained from King Cetshwayo District Municipality reflects a zero percent backlog on sanitation. The total number of households used for sanitation is based on 2011 Census.</p> <p>Although there is infrastructure in certain areas at Ntambanana, there is no running water coming out of it. As a result, these households are regarded as part of the backlog. The municipality has also taken an initiative to conduct its own audit to validate the completeness and accuracy of number of households, to establish the backlog and options available to eradicate the backlog. An audit of the first two wards has been completed.</p>
<p><u>Access to domestic solid waste removal:</u> The annual target for additional households to be connected was based only on capital projects provided for in the budget. A total number of 2223 households previously receiving a refuse removal service from the former Ntambanana Municipality were taken over by the uMhlathuze Municipality refuse removal unit and continued receiving this service through 20 skips, which were already placed strategically and emptied three times per week.</p>
<p><u>Access to electricity (New connections):</u> The quarterly targets and achievements for this KPI are dependent on the number of applications received from residents in the municipal licenced area only(excluding the Eskom supplied area, all three wards taken over from Ntambanana fall under the Eskom licenced area)</p>
<p><u>Access to electricity (New connections):</u> The quarterly targets and achievements for this KPI are dependent on the number on applications received (excluding the Eskom supplied area, all three wards taken over from Ntambanana fall under the Eskom licenced area).</p>
<p>Free basic service</p> <p>Households with access to free water supply: The quarterly targets and achievements for this KPI are dependent on a combination of factors, i.e. the number of indigent applications received, consumer usage below 6kl per month, value of property. The additional households from Ntambanana are considered as backlogs since there is no running water from the existing infrastructure.</p> <p>Households with access to free sanitation: The quarterly targets and achievements for this KPI are dependent on the number of factors, i.e. for urban areas based on indigent applications received, the value of property, water usage and for the rural areas based on the number of household provided with VIP's.</p> <p>Households with access to free electricity: The quarterly targets and achievements for this KPI are dependent on the number of indigent applications received and consumer usage.</p>
<p><u>The total number of households</u> as reflected in the IDP has been revised from 86609 (Census 2011, uMhlathuze Municipality) to 92210 to include the additional (5601) additional households from former Ntambanana Municipality (Census 2011) as a result of the re-determination of municipal boundaries in August 2016.</p>
<p><u>ACHIEVEMENTS:</u> The annual achievements as reported in the Actual (June 2017) column audited by the Internal Auditors (SekelaXabiso, PriceWaterHouseCoopers and Deloitte & Touché) and subject to the Auditor General and final adjustments to be made together with the Annual Financial Statements and the AG Report.</p>

CHAPTER 3: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Office of the Municipal Manager



NI MTHETHWA
CHIEF OPERATIONS OFFICER

Introduction

The cities of the 21st century are the largest sites of human settlement today, and are increasingly acting as critical nexus points of social, economic, ecological and technological change. The City of uMhlathuze has significantly improved service delivery and developed strategies to drive economic growth, human development and access to basic services. Against this backdrop, The Office of the Municipal Manager (OMM) remains the epicenter of driving city strategy, innovation and service delivery excellence. In this regard, the city continues to receive accolades for its achievements in service delivery and good governance.

The Office of the Municipal Manager is supported by the Chief Operations Officer, as well as specialists responsible for integrated development planning, performance management, internal audit, communications, and enterprise risk management. The strategic role of the OMM is to ensure a coherent and integrated approach to service delivery by all departments and alignment of programmes and projects in order to achieve maximum impact. Access to basic services by all residents of the city remains a priority and this can be only be achieved through good governance and financial prudence.

To this end, the following key achievements have been recorded in terms of basic service delivery:

1. Percentage of households with access to water is at 93.39%
2. Percentage of households with access to sanitation is at 90.44%.

3. Percentage of households with access to electricity in areas serviced by the city is at 100% excluding infills.
4. Percentage of households with access to solid waste removal is at 79.55%.
5. Number of public hostel units upgraded in the 2016/2017 financial year was 54 units.
6. Jobs created through EPWP in the 2016/2017 financial year was 2079.
7. The city received a Back to Basics Provincial Scoring of 94% for the 2016/2017 financial year.
8. Capital expenditure for 2016/17 was 93%.

During 2016/2017 financial year, the OMM, pioneered the following strategic projects in partnership with other municipal departments:

- Strategic Roadmap for Economic Development,
- Transformation and Job Creation,
- Smart City Initiatives,
- International Relations and City to City Twinning Arrangements,
- Customer Care and Service Standards,
- Knowledge Management,
- Ward Profiling,
- Business Continuity,
- Packaging of catalytically projects
- Establishment of a Mayoral Advisory Panel

The Office of the Municipal Manager also adopted and aligned internal shop to Institute of Internal Auditors Standards including the development of Internal Audit Universe etc to enhance the Municipality's internal audit strategic capabilities.

These diverse strategic projects are critical in positioning the city as an investment destination of choice, which will contribute towards the realisation of economic transformation, sustainable economic growth and service delivery excellence.

Integrated Development Planning

Business Function

The IDP entails processes through which a municipality, its constituencies, various sector departments and interested and affected parties come together to prepare clear objectives and strategies which serve to guide allocation and management of resources within the municipal area of jurisdiction.

Key Deliverables

Our primary functions include:

- Facilitating and coordinating the development of a credible Integrated Development Plan
- Facilitating and coordinating the development of the Corporate Plan
- Championing the Development of Sector Plans and Ward Profiles
- Ensuring alignment between the IDP and Budget and Performance Management Systems
- In producing a credible IDP, the unit works tirelessly to ensure proper planning and coordination. Various structures have been established to ensure proper co-ordination; this includes the IDP Steering Committee.
- Our role is very important towards the growth of the city. If the IDP is not credible and poorly implemented, service delivery can be compromised.

Performance Management

Business Function

The unit is responsible for ensuring that the municipality inter alia complies with the Municipal Planning and Performance Management Regulations (2001), which stipulate that:

“ a municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players”.

Key Deliverables

The Performance Management Unit coordinates and ensures timeous submission of required performance monitoring and reporting through the Performance Audit Committee to the Council and to various organs of state. This is performed through quarterly Organisational Performance Report, quarterly Non-Financial Performance Targets in terms of the Service Delivery Budget Implementation Plan, monthly Back to Basic's reporting to National CoGTA, quarterly Back to Basic's reporting to Provincial CoGTA and the preparation of the annual Performance Report, reflected in Chapter 2 of this report.

The unit is continuously studying improvement opportunities, participating in workshops with various organs of state, attending of seminars and training sessions to stay abreast of development. It provides guidelines and information on best practices on Performance Management and ensures implementation and management thereof at the municipality to ensure continuous improvement on service delivery to the community.

Internal Audit

Business Function

The Internal Audit Activity (IAA) of the municipality is established and regulated by section 165 of the Municipal Finance Management Act No. 56 of 2003 (as amended) (MFMA) read together with the MFMA Circular no. 65 of 2012 issued by the National Treasury and by the Municipal Systems Act, No. 32 of 2000 (MSA) which provides for the establishment of the IAA so as to regulate the function and to provide for matters incidental thereto.

Internal audit exists to provide independent objective assurance and consulting insights on the effectiveness, economy and efficiency of the City of uMhlathuze's governance, risk and controls in order to create and drive innovation, responsiveness and sustainability of the service delivery value chain.

Key Deliverables

The critical success factors and deliverables for an effective Internal Audit unit include:

Three year rolling strategic and annual operational plans that are:

- Aligned to strategic objectives of the organisation.
- Covering the strategic risk areas facing the organisation
- Risk based – addresses the key risks areas/concerns of management.

- Prepared in consultation with management, the audit committee and external auditors and other stakeholders.
- Matching assurance needs with available resources.
- Trusted advisors to management
- Promoting the sustenance of an effective internal audit function
- Promoting accountability
- Performing consulting activities in accordance to client needs
- Assisting management with the enhancement of the overall governance, risk and internal control environments
- Conducting performance audits to derive value for money on operations
- Maintaining a Quality Assurance and Improvement Programme:
 1. That covers all aspects of the internal audit activity.
 2. The programme includes an evaluation of the IAA's conformance with the definition of Internal Auditing and the Standards, and an evaluation of whether the internal auditors apply the Code of Ethics.
 3. The programme also assesses the efficiency and effectiveness of the internal audit activity, and identifies opportunities for improvement.

Enterprise Risk Management

Business Function

The City of uMhlathuze defines risk management as a holistic and smart approach to managing threats to the achievement of its objectives, as well as identifying and pursuing opportunities that may improve achievability of objectives. We understand the importance of thinking ahead so that services are delivered to our communities, on time and according to the highest standard. We are of the belief that this thinking ahead can only be achieved through active, entrenched Enterprise Risk Management.

Key Deliverables

- Management of the risk management process including Strategic, Operational and Project Risk Management
- Ethics & Fraud, Bribery and Corruption Prevention
- Business Continuity Management; and
- Legal Compliance Risk Management.

The organisation has in place risk registers in which threats and opportunities which are present or may arise in the fulfilling of its mandate, are recorded, assessed, acted on, monitored and reviewed as per legislated and best practice requirements. Top rated risks for 2016/2017 have been listed. (Refer to Appendix T pages 349-354)

Communications, Marketing and Outdoor Advertising

Business Function

Communications plays a critical strategic central role to disseminate and cascade council resolutions and programmes to relevant internal and external audiences through proper and formal mediums of communication in a timely manner. The vision and the mission of the City of uMhlathuze ought to be carried to greater heights through robust marketing and promotions in order to achieve its objectives of being a port city that is hard at work and poised for economic growth and beneficiation to its people.

The city is on a drive to change the landscape for the better through catalytic projects that will see the relocation of its regional airport and the development of an Airport City, development of an International Convention Centre (ICC) with a shopping complex and entertainment amenities, a state of the art world class water front, container terminal and harbor expansion, The Ridge up market suburb and many others. These projects will transform the look and feel of the city and shall certainly position the city into attracting tourists as well as investors, while creating jobs and beneficiation for the local business community.

Key Deliverables

Communications and Marketing therefore plays a central role in packaging all these products and services then sell them to different markets to solicit strategic partnerships for investments. The Communications Unit is the custodian of the brand City of uMhlathuze. This unit has a sole role to promote, protect and develop the brand through different creative programmes and awareness activations. The City of uMhlathuze's demographics dictates massive effective public relations and media campaigns in order to meet expectations, communicate services and product offering, facilitate feedback from stakeholders, sector groups, companies and multilingual and multi-racial communities living side by side in the city.

Outdoor advertising By-laws provide for the regulation of all outdoor advertising on municipal property to ensure the health and safety of the public and to protect the environment. Outdoor

advertising is one of the most cost- effective forms of advertising on the market. Billboards and other signs as well as banner programs are a great way to reach the masses where they live, commute, work and socialize and cost far less and are more environmentally friendly than other mediums of advertising.

Unlike a radio or television advertisement, with outdoor advertising the audience can't simply change the channel. Whether you're targeting morning commuters or pedestrian traffic in a densely populated area, when people are on the move they are typically more aware of their surroundings and pay more attention to advertising in their field of vision.

Each form of outdoor advertising (transit, billboards, bus shelters, etc.) is unique in the sense that advertisers have the ability to use the space in unorthodox ways that can be extremely eye-catching to the viewer.

People are spending more time out of their homes whilst they work, shop or socialise, and it is becoming increasingly difficult for brands to engage with them. Thanks to technological advancements and an increasing ownership of smart devices, people can act instantly on advertising messages, making outdoor more relevant and meaningful now than it has ever been.

Outdoor advertising offers the perfect solution to reach these busy audiences while they are on the move. Council's Outdoor Advertising By-laws are aligned with the South African Manual for Outdoor Advertising Control. They are designed to create opportunities for the private sector to participate in a process whereby various types of advertising media can be applied for in order to advertise, which also affords service providers an opportunity to benefit financially. The By-laws make provision for organisations to advertise their activities and to make the community aware of social, religious and sport fund raising events. This gives Council the opportunity to gain funds from the community, but to also allow advertising in a formal way, whereby the public can be informed of opportunities and events.

The unit is continuously moving towards establishing the same standards of management and control throughout the city in respect of outdoor advertising so as to expose more opportunities in municipal areas outside EMpangeni and Richards Bay.

CORPORATE SERVICES



SS Masondo

DEPUTY MUNICIPAL MANAGER CORPORATE SERVICES

The Corporate Services department comprises 3 sections, namely:

1. Administration
2. Human Resources; and
3. Information Communication Technology

Section: Administration

The section comprises the following 4 subsections:

1. Diverse Administration
2. Legal Services
3. Public Participation and Councillor Support
4. Records Management

Diverse Administration

Customer Service Desk / Call Centre / Switchboard/ Secretariat

Customer Service Desk

The Customer Service Desk attends to the following:

- Attend to walk-in customers;

- Receive applications for water and electricity connections;
- Distribute tender documents once they have been paid for;
- Register new electricity meters; and
- Direct customers to relevant officials.

The Customer Service Desk also provides information to the community relating to any interruption of service delivery matters e.g. load shedding information, the whereabouts of Government Departments, etc.

Table 9: Issues attended by the Customer Services Desk during 2016/2017

Months	July 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	April 2017	May 2017	June 2017	Total for the year
New water connections	21	26	22	18	26	25	24	31	34	18	22	23	290
New electricity connections	29	15	24	24	29	26	19	16	26	17	27	16	268
Tender documents issued	39	12	205	122	115	-	9	39	69	5	33	24	672
Water faults	-	-	-	-	-	-	60	56	55	45	90	55	361
Electricity faults	-	-	-	-	-	-	66	40	37	20	127	38	689
General Queries Reports	-	-	-	-	-	-	99	40	52	26	26	37	280

Call Centre

The Call Centre attends to telephonic complaints using the toll free telephone system and operates 24 hours, 7 days a week. The Call Centre is tasked with the following:

- Department Infrastructure and Technical Services - Currently, this is the only Department that is programmed in the Municipal Issue Tracking System (MITS), and deals with service delivery complaints and issues such as burst pipes, water leaks, power outages, meter faults, repairing of potholes, streetlight complaints, illegal water/electricity connections and street cleaning. Complaints are logged through MITS

which is then distributed to the relevant section to attend to. The system automatically generates the reference number that goes to the customer in the delete a form of a SMS as well as to the relevant ward councillor and the relevant department via email. Once the call has been logged with the relevant department, a SMS will be generated with the works order number and then sent to the complainant and the ward councillor.

- Department of Financial Services - The Call Centre receives a large number of calls regarding accounts' status, unblocking of accounts, requests for water and electricity reconnections, etc. During office hours these calls are transferred to the Financial Services Department but after hours and on weekends or Public Holidays, the Call Centre Operators perform the duties of unblocking accounts and also facilitate water reconnections after establishing that accounts have been paid and are up to date.

The Call Centre also provides information to the public relating to any interruption of service delivery matters e.g. load shedding information, the whereabouts of Government Departments, their contact numbers, etc.

Table 10: Incidents logged through the call centre 2016/2017

Months	July 16	Aug 16	Sept 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Total for the year
Incidents logged through Call Centre	1 261	1 745	2 006	1 145	1 148	1 067	1 381	1 352	1 248	2 614	1 507	1 242	17 716

Switchboard

- While the Call Centre deals with service delivery complaints, the switchboard screens calls and transfers them to these sections:
- Department of Community Services - The Switchboard receives calls regarding waste removal, booking of the sports facility and halls, complaints about overgrown grass/trees, etc. which are forwarded to the relevant sections.
- Department of City Development - Calls requesting information and also queries on building plans, housing matters, outdoor advertising, informal business licenses, land sales, property evaluations and property leasing are transferred to the relevant sections.
- Department of Corporate Services - Calls regarding public participation, business licences, records management, legal matters, tender notices, etc. are referred to the relevant sections.
- Department of Financial Services - Calls regarding Expenditure and Income, which are further divided into various divisions and sections to cover the spectrum of related functions and actions being delivered to the community i.e. account enquiries, final demands, new accounts, Rates Clearance Certificates, Revenue, Budget, Creditors and Supply Chain Management, etc. are referred to relevant sections.
- Department of Infrastructure and Technical Services - Calls regarding electricity supply, Transport, Roads and Storm water, Water and Sanitation, Engineering Services are referred to relevant sections.

The Switchboard operates from 07:20 to 16:00.

The following are the number of calls that were received and routed through Switchboard:

Table 11: Calls received and routed through Switchboard 2016

Months	July 16	Aug 16	Sept 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	April 17	May 17	June 17	Total for the year
Incoming Calls	-	20 915	49 958	46 990	79 959	53 914	65 948	73 066	83 946	62 745	83 974	76 275	697 690
Outgoing Calls	-	34 985	84 016	79 294	141 045	104 995	123 079	129 792	145 569	112 283	143 921	133 417	1 232 396

Secretariat

The work of the "Committee Section"/Secretariat Services focuses on keeping Councillors informed and ensuring that well-presented reports are submitted timeously and regularly for Councillors to consider matters of community concern. Without accurate minutes and well researched reports, service delivery will be severely compromised. By ensuring that the Secretariat functions effectively, Council's mandate to serve at the level of government closest to the community is strengthened by a well-oiled machine that ensures that all decisions of Council are well presented within the constraints of governing legislation.

Sadly, Councillor D J Xulu (David July) who served as a Ward Councillor in Ward 30 for the City since 1 June 2011, passed away on Thursday, 28 April 2016 after a short illness. Cllr D J Xulu was accorded a Civic Funeral in recognition of his tremendous contributions made towards the upliftment of the community he served, as well as the uMhlathuze City Council. Late Councillor D J Xulu played a very prominent role in promoting service delivery to the community and actively participated in the various committees on which he served. His passing was a great loss to the municipality.

Shortly thereafter Council received the sad news of the passing of another former Councillor, Riot Mkhwanazi, who had served on Council and various committees during the 2000/2006 term of office having been inaugurated as a councillor in August 2002 after replacing the then ward Councillor B Mkhwanazi who had passed away. Having served the Community of Ward 10, Council resolved to contribute towards the funeral related costs in the amount of R50 000. Former Councillor, Mr Riot Mkhwanazi was a prominent member of this Community, not only locally but on a national level. A freedom fighter and former Robin Islander, he was a political stalwart. At the time, The New Age Newspaper quoted the Presidency in saying, "We have lost a disciplined veteran and a true revolutionary who sacrificed his youth and risked his life for the liberation of South Africa." The Mercury was quoted in stating that, "One of the highlights of Mkhwanazi's political career was when he stood as a councillor against an IFP candidate on the North Coast (uMhlathuze) when it was taboo to do so, and won." Mr Mkhwanazi was an inspiration to many. Many benefited from his well of wisdom.

The year 2016 heralded the end of another era in the ever changing face of the uMhlathuze Municipality. The City of uMhlathuze said farewell to a number of Councillor Stalwarts who had served the City with distinction. One of our longest serving Councillors, Ntombizethu Gumbi, who had joined the former Richards Bay Negotiating Forum in 1994 and who had served the people of Richards Bay and surrounds right up to the seamless uMhlathuze as we know it

today, finally laid down the sceptre after 23 years of dedicated and unwavering service to the City. *In brief she is remembered mainly for the following accomplishments:*

Table 12: Longest serving Councillor, Ntombizethu Gumbi's accomplishments

1994	Local Government Transition Phase – Joined Negotiating Forum
1995	Member Of Richards Bay Transitional Local Council
1997	Appointed Member Of The Executive Committee
1996 - 2000	Elected As Ward Councillor Representing The African National Congress
2000 – 2006	Proportional Representative (Anc) As An Ordinary Councillor
2006 - 2016	Ward Councillor For Ward 19 Esikhaleni
2011 - 2016	Deputy Mayor

COGTA, during this period, also gazetted that the Amakhosi would become more involved in Local Government matters and that with effect from a date to be determined in 2017, one could look forward to the Traditional Leadership attending more Portfolio meetings and Executive Committee meetings over and above the Council meetings to which they are currently being invited.

The ratio of returning councillors to newly elected councillors this time round was very different from previous terms of office. The newly elected Council has seen many younger representatives serving, which will bode well for the development of youth and pursuing youth issues vigorously along with continuing to develop the many other issues that have been initiated by the older guard in previous terms of office. July 2016 was a quiet month with the last Council meeting of the outgoing Council being held on 13 July whereafter aspiring councillors and political parties refocused their efforts on the upcoming Local Government Elections.

KZ282 as we knew it expanded its borders with the incorporation of a portion of the dis-established Ntambanana Municipality resulting in 30 Wards with 60 Councillors expanding to 34 Wards and a Council of 67 councillors following the Local Government Elections on 3 August 2016. The Inaugural Council meeting was held on the 19th of August 2016 and councillors committed themselves to serving the community of uMhlathuze when, after reading the Oath of Office, they were sworn in by Senior Magistrate AB Ntshangase.

On 23 and 24 August 2016, Councillors attended an internal training and induction session presented by officials of the municipality that afforded Councillors a bird's eye view of the

administrative and other strategic processes that are in place. After settling into their respective roles (attending numerous training sessions - (e.g. ward committee training, SALGA and COGTA and MPAC training) and ultimately concluding the establishment of ward committees, various Portfolio Committees started meeting, and by February 2017 all Section 79, 80 and other committees were fully functional and meeting on a regular basis.

During the period of July/August 2016 to June 2017 a phenomenal 263 Council, Executive Committee, Portfolio Committee, Bid Committee and other ad hoc meetings were held with a total of 2 801 reports being considered by Council after having been scrutinised by the relevant portfolio and other committees, resulting in resolutions being taken by the Executive Committee and Council. The following table refers:

Table 13: Council, Executive, Bid, Portfolio and Other Committees 2016/2017

	COUNCIL Ordinary & Special		EXCO		BID		PORTFOLIOS		OTHER		TOTAL	
JUL 16 – SEP 16												
Meetings held	3		2		38		4		5		52	
Agenda items		87		67		142		62		40		398
OCT 16 – DEC 16												
Meetings held	4		4		37		13		4		62	
Agenda items		214		248		178		181		33		854
JAN 16 – MAR 16												
Meetings held	4		4		44		16		4		72	
Agenda items		190		158		150		161		33		692
APR 16 – JUN 16												
Meetings held	3		3		37		30		4		77	
Agenda items		207		196		131		273		50		857
Total for the year												
Meetings held	14		13		156		63		17		263	
Agenda items		698		669		601		677		156		2 801

Achieving this goal would have been impossible were it not for the efforts of the Secretariat Staff who spent many a night burning the midnight oil to ensure that reports were well presented, agendas and minutes prepared, copied and delivered to each and every councillors' doorstep. To this end 1 030 Paid and Unpaid overtime hours were worked.

This Section is also responsible for the control of the Council Chamber Complex meeting venues and Auditorium and Restaurant. *During 2016/2017 2 255 meetings were accommodated in these venues as follows:*

Table 3.8 Schedule of meetings housed in Council Meeting Venues 2016/2017

VENUE	JULY TO SEPT 16	OCT TO DEC 16	JAN TO MAR 17	APRIL TO JUNE 17	TOTAL
Committee room 1	64	46	52	51	213
Committee room 2	63	51	56	65	235
Committee room 3	90	94	83	139	406
Executive	96	86	81	82	345
Council Chambers	38	61	77	85	261
Auditorium	90	80	71	86	327
Restaurant	67	62	52	42	223
Lounge	17	14	12	13	56
Banquet Hall	37	44	47	59	187
TOTAL OF BOOKINGS MANAGED	562	538	531	622	2 253

Legal Services

Contracts/ Conveyancing/ Business Licenses

Goals and achievements

The Legal Services Sub-Section aims:

- to manage the provision of a comprehensive, efficient and effective legal service to the Municipality,
- to safeguard the Municipality's interests in all legally related matters and to ensure that all the Municipality's operations are conducted within the parameters of the law.

- to strengthen the capacity of the Municipality to fulfill its mandate as stipulated in terms of Sections 152 and 153 of the Constitution of South Africa, 1996 and other applicable legislations.
- to provide a supportive and advisory role to the Municipality in order to fulfill its objectives
- to enhance organisational efficiency by promoting an environment that complies with corporate governance which enables the Municipality to achieve its objectives

Services Rendered by Legal Services

1. Legal Agreements

- Draft and/or vet all Council contracts to ensure that they comply with Council's Policies as well as relevant applicable legislation.
- Implement and manage contracts register of all contracts drafted and vetted to which Council is a party.
- The table below illustrates the agreements that were drafted and/or vetted for the period under review.

	1 st Quarte r	2 nd Quarte r	3 rd Quarte r	4 th Quarte r	Total for 2016/17
Lease Agreements	0	3	1	2	6
Lease agreements: Public Open Spaces	0	0	0	0	0
Operational Lease Agreements				3	3
Encroachments	2	1	2	2	7
Sale Agreements	2	0	1	1	4
Service Level Agreements	36	49	80	24	189
Sale Agreements: Public Open Spaces	0	0	0	2	2
Memorandum of Understanding, Railway Facility Agreement, Grant Funding Agreements, Servitude Agreements, etc	46	42	19	42	149
EEDBS Agreements	22	0	0	34	56
TOTAL	108	95	103	110	416

2. Conveyancing

- ensure that transfers of Council owner properties to purchasers are in compliance with all applicable legislation and take place as anticipated per the various Council Resolutions and/or the Supply Chain Management Policy, authorising same.
- ensure registration of EEDBS (Enhanced Extended Discount Benefit Scheme) transfers to the beneficiaries as identified by Council.

- Attend to registration of subdivisions, consolidations, General Plans and SG Diagrams in order to obtain Title Deeds for Council owned properties.
- The table below illustrate the total amount of transfers that took place to third parties and/or Council during the 2016/2017 financial year.

Properties Registered	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total Amount
1	R57 000				R 57 000
2		R252 600			R 252 600
3			R2 822 900		R 2 822 900
4				R4 300 ,000	R 4 300 000
Total value of transfers registered					R 7 432 500

3. Business Licenses

- ensure that all businesses within Council's jurisdiction that are required to be in possession of a valid business license authorising them to conduct a business, as provided for in terms of Item 1, Schedule 1 or Item 2, Schedule 1 of the Businesses Act, No 71 of 1991, are in possession of a valid Business License; and
- ensure that business licenses are renewed annually. Should illegal business activities take place without the required business license, the appropriate legal action is to be taken in order to ensure that such illegal activities are ceased promptly.

3.1 Business Licences issued

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total
Licences issued <u>Item 1 (Foodstuff)</u>	07	02	08	26	43
Licences issued <u>Item 2 (Entertainment)</u>	0	0	12	1	13
Total New Business Licenses Issued	07	02	20	27	56
Duplicate Licenses Issued	01	0	02	04	07
Renewals	07	176	189	7	379

4. Meetings/Opinions/Administrative Support

- Provide legal support, advice and opinions on Council related matters to officials, to ensure compliance with relevant legislation and to ensure that Council's interests are protected at all times.

5. CURRENT DEVELOPMENTS

Following the Cabinet presentation on the KZN Business Bill the Department of Economic Development, Tourism and Environmental Affairs (Province of KwaZulu-Natal) was to engage in a public participation process to which the business public and neighbouring Local Municipalities within the King Cetshwayo District were expected to attend as the Bill, once enacted, will bring about change to their daily operations. Council's Auditorium was utilised as venue for 3 May 2017 during which a very interactive and informative public participation process was hosted and well attended. The anticipated date of promulgation of the act is envisaged to be towards the end of 2017 or early 2018.

LEGAL SERVICES (LEGISLATION, LITIGATION AND OPINIONS)

Council as a statutory body, in order to fulfil its mandate of providing services to the community in its jurisdiction, has to ensure that there is compliance with Legislation, Bylaws and Policies. This is done in a representative and participatory manner; incorporating the concepts of accountability, transparency and public involvement. To do this properly, there needs to be a legal team that guides the process so that everything is above board and within the arms of the law. This is where Legal Services Unit comes in who contribute greatly to the smooth running of the Unit.

Through its supportive and advisory role, the Legal Services Unit will strengthen the capacity of the Municipality to fulfil its Constitutional and other legislative mandates. The functions of the Legal Services are to provide support to the municipality in many ways.

This Unit within Legal Services is responsible for Legislation; Litigation which involves instituting and defending actions taken against the Municipality; providing written and /or oral opinions; legal support to Administration, Council and Committees.

1. Legislation

The Unit provides support and advise to internal departments in Legislative Drafting and issues impacting on local government. We also monitor new legislation in order to keep all units updated on changes to the laws governing our operations.

In this financial year, Council adopted the uMhlathuze Spatial Planning and Land Use Management Bylaw which was done in terms of the Spatial Planning and Land Use Management Act No 16 of 2013.

2. Litigation

The Unit works with any claims or matters that go to either the Magistrate or High court. There is one manager and one legal officer. In terms of the Magistrate Court, eviction matters and insurance issues are very common. These are damage to vehicles, maybe through a pothole etc. Whilst with the High Court it is usually contractual issues like reviews of administrative decisions (the awarding of tenders).

The municipality was able to maintain a low record of litigation.

3. Opinion

The Unit provides written and/or oral opinions. The opinions provided relate to municipal legislation, Criminal Law as well as the interpretation of the Standing Orders for the Council and its Committees.

Public Participation & Councillor Support

Public Participation / Councillor Support/ Special Programmes/ Youth Development/ Operation Sukuma Sakhe

Public Participation

The Constitution of the Republic of South Africa in Section 152 lists the objects of local government. Amongst them is to provide democratic and accountable government for local communities and to encourage the involvement of communities and community organisations in the matters of local government.

Pursuant to these noble objectives, as set out in the Constitution, Council has taken a deliberate decision to strengthen and intensify its public participation drive. Department: Corporate Services has this unit called Councillor Support and Public Participation. It is charged with ensuring that there is an organised and structured manner in which the Municipality communicates and/or consults the community on their developmental needs, so that intervention programmes can target real community needs.

After the inauguration of Councillors which took place on 19 August 2016, the following training was arranged for Councillors: Internal Induction, SALGA Induction, CoGTA Sector Based Induction, MPAC Training and Computer Induction.

Ward Committees

As it is embedded in the Constitution for the democratic government, public participation is central in deepening democracy. Public participation is described as an open, accountable process through which individuals and groups within selected communities can exchange views and influence decision-making. It is a process of engaging people, deciding, planning and playing an active role in the development and operation of services that affect their lives. Public participation narrows the social gap between the communities and the elected representative. Communities are defined as wards and each ward has to elect a Ward Committee which is a central representative structure that links the community with Council and ensures that communities take part in decisions and affairs that affect their lives.

To fulfil the abovementioned objective, Council has undergone a programme of electing Ward Committee members, 10 members per ward. With the amalgamation of Ntambanana Municipality our Ward Councillors have increased from 30 to 34, now making it 340 Ward Committee Members.

The Election of Ward Committee Members

All in all, a total of 79 meetings were held, and for this a word of gratitude goes to both the officials and the Ward Councillors who's key contributions made it possible for the Department of Corporate Services to deliver on the establishment of the Ward Committees. The Ward Committee Election Programme commenced on Saturday, 15 October 2016 and the last meeting was held on the 9th of April 2017. It bears noting that challenges were experienced in other Wards as the meetings were disrupted by some community members.

Meetings were scheduled to accommodate all community members to cover the geographical spread of the Ward. In some wards the community had raised that the meetings should be separated according to voting stations, some called for a meeting and then disrupted it. In other areas the municipality had to use Identity Documents as people from other municipalities and wards were called in to destabilise the meetings.



Figure 9: Ward Committee election meeting on 22 October 2016



Figure 10: Ward Committee Induction at eMpangeni Civic Centre



Figure 11: Ward Committee Induction at eMpangeni Civic Centre



Figure 12: Ward Committee Budget Review at eMpangeni Civic Centre

As part of Council's commitments to motivate ward committee members, budget is set aside for out of pocket expenses, including a monthly stipend. In addition, Ward Committees received the following training: Ward Committee Induction and Minute Taking.

Ward Committee Meetings and Public Meetings held in all Wards

279 Ward Committee Meetings were held and 149 Public or Community Meetings. Council's policy on Ward Committee stipulates that Ward Committee meetings shall be held at least once a month, and public meetings shall be held every quarter.

Councillor Support

Councillor Support provides the Councillors with assistance for all administrative requirements including human resource and pension fund support. In addition, the section also focuses on capacitating the Councillors through various trainings in order to better equip them for improved service delivery.

August 2016 saw the end of term for the 60 Councillors who had been in office for the 2011 to 2016 period. Due to new Ward Demarcation, uMhlathuze went from having 30 Wards to 34 wards and the number of Councillors increased from 60 to 67. Subsequent to the 2017 Local Government elections, 22 Councillors from the previous term of office returned and 45 new Councillors were elected for the 2016 - 2021 term of office.

In terms of Tools of Trade for Councillors, new laptops were provided for all Councillors. The municipality is investigating the provision of fully furnished offices for all Ward Councillors in their respective wards.



Figure 13: Joint IDP with King Cetshwayo District Municipality



Figure 14: Councillors attending back to Basics Programme in Pietermaritzburg.



Figure 15: City of uMhlathuze Mayor, Councillors, Youth Council and beneficiaries from different schools



Figure 16: School uniform programme at Musi Primary School



Figure 17: The Speaker Cllr MW Mthenjana supporting the Sikhakhane Family in ward 32

Public Participation

State of the City Address

The annual State of the Nation Address (SONA) delivered by the State President is followed by the State of the Province Address (SOPA) delivered by the Premier as well as the State of the District Address (SODA). The State of the City Address, affectionately SOCA, is an annual statutory municipal event that takes place after the aforementioned.

SOCA presents the platform whereby the Mayor of the City, Cllr M G Mhlongo outlines service delivery achievements of the past financial year and forthcoming service delivery programmes ahead of the new financial year. All 34 Wards are invited to attend the SOCA and are given an opportunity to raise their concerns and inputs.

Synergistic Partnership with Amakhosi

Through the integration of communities, political leadership must ensure the participation of everyone within their communities in the activities of the municipality. Act 117 of 1998, The Municipal Structures Act, Section 81 (1) regulates that Traditional Authorities that traditionally observe a system of customary law in the area of a municipality, may participate through their leaders. To this end, the Provincial Gazette Volume 10 No. 1717 of 16 August 2016 provides a list of Amakhosi or Traditional Leaders that may participate in the uMhlathuze Municipal Council proceedings.

Table 14: Amkhosi participating in the uMhlathuze Municipal Council Proceedings 2016/2017

NAME OF INKOSI	TRADITIONAL COUNCIL
Inkosi Mandla Mbeki Mkhwanazi	KwaMkhwanazi Traditional Council
Inkosi Zenzo Khulumangifile Zungu	KwaMadlebe Traditional Council
Inkosi Nolwazi Brightness Khoza	KwaBhejane Traditional Council
Inkosi Musawenkosi Dube	KwaDube Traditional Council
Inkosi Bonginkosi Shilo Mthembu	KwaSomopho Traditional Council

Provincial Notice 149 of 2016, Circular SP 1-0816, which was received from the Department of Cooperative Governance and Traditional Affairs, outlines the responsibilities of Municipal Managers in dealing with identified Traditional Leaders. Traditional Leaders are not limited to Council meetings only but can also attend Portfolio Committees as well. This is to ensure that Traditional Leaders are involved in issues relating to their areas. The municipality is requested to prioritise and enable the participation of Traditional Leaders in Council Committees.

Section 81 (1) of the Act provides that Traditional Leaders identified by the MEC, must be allowed to attend and participate in any meeting of Council, meaning that they will be invited to all ordinary and special Council meetings.

Traditional Leaders identified in accordance with Section 81(2) of the Act have full participation rights except that they cannot vote in any Council or Council Committee meeting.

In terms of Portfolios; the Traditional Leaders identified will serve on the following Portfolios:

- Inkosi MM Mkhwanazi - Corporate Services Portfolio Committee
- Inkosi BS Mthembu - Financial Services Portfolio Committee
- Inkosi NB Khoza - City Development Portfolio Committee



Figure 18: Handing of water wheelbarrows at Mayoral Imbizo in wards 31, 32 and 33

Special Programmes

The mandate of the Special Programmes unit is to promote, co-ordinate and monitor the realization of the rights of children, senior citizens, people with disabilities, people with HIV/AIDS, Men and Women. It is a fully fledged unit that by and large deals with vulnerable groups within the society where the municipality, through the initiatives that come from this unit, touches people lives.

Uniforms and Sanitary Towels

Children from various communities throughout the year were assisted on a continuous basis with school uniforms and sanitary towels as part of easing their life and breaking the barriers that limit their development and performance at school. Although these initiatives get to be allocated a stake on the municipal budget, but the challenges of children from poor family background and those from child-headed families require more contributions including donations from 'good Samaritans'. The handovers are always accompanied by Child Protection Awareness Campaigns and talks on social ills. This programme has gained momentum with more sponsors making their contributions.



Figure 19: City of uMhlathuze Deputy Mayor and beneficiaries

Children from child-headed families were pampered with a Christmas Party with municipal leadership and also get take-home hampers.

Senior Citizens

The municipality has also developed a Senior Citizens Forum where, amongst other things, it tries to assist the aged on issues of their well-being. Participation on Mental Health Capacity Sessions enlightened the municipality on the importance of continuously hosting awareness campaigns on Alzheimer's, Dementia and the abuse that the affected people usually suffer, including physical, sexual, financial and emotional abuse and even killings resulting from accusations of witchcraft. Partnerships have been sought from Departments of Health, Social Development, Sports and Recreation, SAPS and Retired Nurses Association.

Awareness Campaign Against Abuse of Senior Citizens began at Port Dunford with representatives from Wards, Councillors, Traditional Leadership, Municipal Forums (for Senior Citizens; Women; Men, People with Disabilities), Youth Council, Government Departments and Municipal Officials. These campaigns will from now on be done on a regular basis in all the municipal clusters.

Senior citizens were pampered with a Christmas party with municipal leadership and also get a take-home hamper.

People with Disabilities

The municipality has a Disability Forum that has a term of office coinciding with that of Council, meaning it is elected after every 5 years. The forum is comprised of members with disabilities directly elected during a conference. After the conference has elected the forum, Council receives a report and thereafter nominates Councillors who will form part of the forum. The Disability Forum has other stakeholders that sit in the forum, being representatives from sports and recreation, health, social development, human settlement, employment equity, and organised NPOs of people with disabilities. The forum meets on a quarterly basis to discuss issues of mainstreaming, and evaluate existing programmes such as a Mini Library for the Blind, sporting activities, training and internship programmes. Continuous disability campaigns have led to better acceptance of people with disabilities, with noticeable improvement on their employment within the municipality and also by the Independent Electoral Commission and the private sector.

The initiatives the unit has conducted on an annual basis and institutionalized in the municipality are as follows:

Albinism Awareness Campaign

The campaign held in June 2016 will henceforth be an annual programme meant to dispel myths, misconceptions and superstitions around albinism.

Profiling of People with Disabilities

The municipality profiled persons with disabilities residing within the jurisdiction of the City of uMhlathuze. 27 wards were completed during the reporting period. We are, however, pressing to complete all 34 wards. The data gathered through the project will guide municipal planning and development, as well as impact on the formulation of municipal policy on people with disabilities.

Gender Development and HIV/ Aids

Women and Men Forums were launched by the municipality in August 2014. The existence of forums had contributed to the municipality, successfully driving campaigns on Commemoration of 16 Days of Activism of No Violence against Women and Children and The World AIDS Day. The 2016 campaign against gender based violence was held in different phases in a form of build-ups towards Commemoration of 16 days of activism to end gender-based violence, including the Women Imbizo held on 17 November 2016 at Council Chambers, Richards Bay and Dialogue between Men, Ministers of Religion & Traditional Leadership held on 23 November 2016 at Madlankala Community Hall.

The main event, commemoration of 16 Days of Activism was held at Ntambanana, Ningizimu Sports Ground on the 28th of November 2016 as a joint programme between the Municipality and the Department of Social Development. Upon submission of recommendations from community engagements on gender based violence, *Council resolved that:*

- Consideration be given to launching Men and Women forums in all wards and ensuring involvement of all relevant stakeholders including Religious Leaders, Amakhosi, Izinduna and Councillors;
- Consideration to be made to budget for campaigns such as Youth Manhood Coaching and Men's Health Awareness; and
- An item on gender based violence to be made part of the agenda for all Wards and/ or Community meetings.

Gender Policy formulation processes have started with intention of having a Policy finalised and adopted by the end of November 2017.

Other programmes held were Phila Mama Awareness Campaign that focused on Women Health and the promotion of an active lifestyle and the Women Business Workshop that advised women on the new developments with regards to Municipal Supply Chain Management Policy that allow prioritization of women in the 40% of municipal procurement, the importance of database registration and business opportunities available in other sectors of government including the Department of Agriculture, Department of Health and Department of Social Development.



Figure 20: The Deputy Mayor Cllr SG Mkhize providing support to Mr Mabuyakhulu and his team

Human Rights and Freedom Day Celebration

The uMhlathuze Municipality joined millions of other citizens in celebrations of our democracy across the country and in replicating on the achievements South Africans have made as a nation through celebrating National Human Rights and Freedom Day. The theme for the 2017 Celebration was, ***The Year of OR Tambo: Unity in Action in Advancing Human Rights Together Deepening Democracy***. Stakeholders included Office of the Premier: Human Rights Directorate; Department of Cooperative Governance and Traditional Affairs and the Religious Sector. The involvement of the Department of Cooperative Governance and Traditional Affairs and the Religious Sector was based on a belief that sometimes acts that seem to undermine human rights are sometimes linked to religion, traditional and/ or cultural beliefs.

The programme was characterized by presentations from various stakeholders and information sharing, stage drama with the intention of making the audience visualise the acts that violate

human rights in the name of exercising ones freedom, an address by municipal leadership and entertainment and was attended by community representatives from eSikhaleni and KwaDlangezwa Clusters, Councillors, Izinduna, Municipal Forums, Government Departments, Executive Management Committee and municipal officials.

Youth Development Unit

The Youth Development Unit creates a conducive environment within the City of uMhlathuze Municipality for young people between the ages of 14 and 35 to become viable citizens who will effectively contribute in further development of their communities. The Youth Development Unit further interacts / consults with various stakeholders i.e. municipal officials, Government Departments, Private Sector and young people generally regarding Youth Development.

Further to that, the City of uMhlathuze has its own Youth Council Structure that has a term of office which co-incides with that of Council. Over the years, the Youth Development Unit has since developed a Youth Policy for uMhlathuze Municipality where all the structures and initiatives emanate from.

Youth Council

The Youth Council is elected in a conference which is held every 5 years with annual summits held within the 5 year term. The year under review co-incided with the end of term of the Youth Council which started in 2011 and ended in 2016. The Youth Council conference was convened on 18 and 19 October 2016 in Richards Bay.

Delegates were invited according to the Youth Council Guidelines and Constitutional mandate of the Youth Development Policy, amongst the stakeholders that the Youth Development Unit has as strategic partners is the National Youth Development Agency (NYDA), which the municipality has assisted to establish an office within the city that does not only assist uMhlathuze as a municipality, but the entire Northern KZN region.

The following table is a list of the Youth Council Executive elected for the next five year term:

Table 15: Youth Council Executive elected for the 2017-2022 term

GENDER	SURNAME AND INITIAL	PORTFOLIO
Male	Gumede S	Chairperson
Male	Makhathini S	D/Chairperson
Male	Mthembu T	Secretary

GENDER	SURNAME AND INITIAL	PORTFOLIO
Female	Mbatha Z	D/ Secretary
Male	Mhlongo K	Youth Economic Participation
Male	Mthiyane I	National Youth Services
Female	Zondo T	Education
Female	Sithole T	Skills Development
Female	Ngidi T	Youth Social Cohesion
Female	Mthembu S	Health

Partnership with National Youth Development Agency (NYDA)

There has been an outcry how young people in general are being serviced by the youth agencies which have been established over the years until National Government took a decision to amalgamate Umsobomvu Youth Fund and the National Youth Commission to establish the NYDA. The NYDA full-services branch is now operational at EMpangeni Civic Centre.

The National Youth Development Agency is a South African-based agency established primarily to tackle challenges faced by the youth towards Education and Skills Development thought grants provisions for young entrepreneurs. The objectives of the Grant Programme which starts from R1 000 to a maximum of R100 000 are to provide young entrepreneurs an opportunity to access the financial business development support to establish their business. For those who excel academically the focus is on scholarship provisions, NYDA programmes are also extended to the second chance matriculates, career guidance and out-of-school. The services provided by NYDA are needed to tackle some challenges faced by the youth locally.

Tertiary Assistance Grants

The City of uMhlathuze provided Tertiary Education Assistance Grants to young residents wishing to pursue their studies in academic fields of their choice at accredited government Tertiary institution. The grant of R600 000 was set aside to support 100 students within the City of uMhlathuze.

Partnership with Foskor

Foskor partnered with uMhlathuze Municipality by making available an amount of R400 000 aimed at skills development for young people. With a shopping mall coming soon at eNseleni it

was deemed necessary to skill young people on trades that are needed for the construction and operations of the Mall. Young people between ages 18 to 35 years, unemployed, with or without educational back ground were recruited around eNseleni Township and Reserve areas. The following accredited skills were provided. The SMME business training was recruited across the Municipality.

Table 16: Accredited skills provided

Skills	Number
Forklift Training	20
Intro to Computer Level 1	20
Carpentry & Bricklaying	(10)(10)
Point of Sale (Cashier Course)	20
Front-End Loader Course	04
Overhead Crane Course	06
SMME Business Training	30

The programme will continue across all 34 wards within the municipal boundary in future.

Operation Sukuma Sakhe (OSS)

Operation Sukuma Sakhe (OSS) is a Provincial programme that was founded on the premise of taking government to the people in a coordinated manner. *Sukuma Sakhe* is a Zulu phrase which means *stand up and build*. The programme has been launched in all municipalities, and involves coordination amongst sector departments.

KwaZulu-Natal is characterised by vast rural areas. A greater number of people living in rural areas are unemployed and depend on state social grants for survival. The housing structures in such areas are often not suitable for human habitation. Hence in profiling households during OSS field trips, it is evident that there is a high and urgent demand for housing.

The OSS initiative prioritises households that need urgent interventions. Once a need is identified through the Sukuma Sakhe war rooms, relevant officials in the department are notified. The departmental inspectors and project managers visit the identified site to assess the problem, and then the extent and urgency is confirmed and recorded. The programme

prioritises the poorest of the poor, mostly falling within the definition of vulnerable groups. These include the indigents, women, children and disabled persons.

Traditional Health Practitioners (THP) Launch

The Launch was informed by THP Act 22 of 2007, and the report from 2016 International AIDS Conference that mentions that there is a need of alternative medication in particular traditional medicine.

The fact that 80% of African people consult traditional healers for health and other related issues, OSS must take a lead in the partnership between THP and DOH and other departments to fight against the scourge of HIV/AIDS without discrimination and stigmatising.



Figure 21: Traditional Health Practitioners (THP) Launch

Democracy week

This program took place in partnership with the IEC in different schools around uMhlathuze Municipality. The aim was to educate learners about the importance of democracy. There were debates in each school whereby the fruits of democracy were discussed in details. The LAC deputy chairperson was among the guest speakers.



Figure 22: Democracy week at Qantayi High School, Port Durnford

South African Aids Conference

uMhlathuze Municipality representatives attended a conference that was held at the ICC Durban from 13 to 15 June 2017. The purpose of the conference was to outline the status of HIV, TB & STIs in the country and comparing South Africa with other African countries and the International society.

The conference launched the first ever in the world LGBTIQ, HIV, TB & STI Health Strategy 2017-2022. The reason for sending a delegate to the conference was to have a report back, create forums, campaigns and other related activities based on the findings of the conference.

Civil Society's Funders Symposium

The symposium was held on 16 February 2017 at EMpangeni Civic Centre. The symposium was a result of the previous symposium that was addressing the relationship with NGOs, municipality and Government departments. In that symposium it transpired that NGOs do not have funds to properly do their work, the Funders Symposium came into being.

War Rooms

War Rooms are defined as integrated service delivery structures comprised of government, municipality, Community Based Organisations, private businesses and other stakeholders at ward level. Operation Sukuma Sakhe war rooms are comprised of officials from various sector departments. The different regions within the department must ensure that they have a representative attending war rooms respectively.

Needs of vulnerable households are identified by community development workers and households are profiled accordingly. Such information is discussed at war rooms and allocated to relevant officials/departments. Each department then has to coordinate the implementation of the task, taking the sense of urgency into consideration. In summary, War Rooms is a bottom up approach in addressing the community needs.

uMhlathuze Municipality consist of 34 wards. All wards have functional war rooms with an exception of ward 2 and ward 3. During 2017, war room administrators have gone through various forms of training in order to improve functionality. In 2017/2018, war rooms will be receiving computers from Provincial Treasury. Mentors from uMhlathuze Municipality will also be allocated to war rooms in order to assist with administrative duties.

Local Task Team (LTT) & Local AIDS Council (LAC)

LTT meetings are constituted by all war rooms and stakeholders. These meetings sit monthly where issues that have been elevated from war rooms are discussed and resolved at LTT level. The LAC, which consists of Councillors, municipal officials, Government Department representatives and Civic Society, sits quarterly and is chaired by our Municipal Mayor. Its duties are to deal with specific HIV/AIDS related issues.

Records Management

The purpose of Records Management is to ensure that the management of all the municipal records are in accordance with the records management principles contained in the National Archives and Records Service Act 196. The Records Section handles all incoming and outgoing mail and is responsible for ensuring that there is proper records management in place. Mail is received through various means, i.e. daily postal collections, via email or facsimile and hand delivered.

Table 17: Record of mail received

Records	Jul16-Sep 16	Oct 16-Dec 16	Jan 17-Mar 17	Apr 17-Jun 17	Total for the year
Incoming mail	1028	1035	633	917	3613
Cheques received	52	64	60	47	223
Outgoing mail	3959	5309	4513	5100	18881
Emails	9526	9217	10134	836	29713
Fax similes	860	716	766	1095	12937
Total items handled	15425	16341	16106	17495	65367

Access to Information

The following is the statistical information of Access to Information applications received in terms of the Promotion of Access to Information Act 2 of 2000 for the reporting period **1 April 2016 to 31 March 2017** as per legislative requirement:

Report in Terms of Section 32 Report

Table 18: Statistical information of Access to Information applications 2016/2017

Reporting period:01 April 2016 to 31 March 2017	Total Number	Comments
(a) number of PAIA requests received	24	Of the 24 applications received 17 were standard applications
(b) number of requests granted in full	17	17 applications granted in full.
(b) (1) number of applications not finalized	1	Awaiting documentation
(c) number of requests granted despite there being a ground for refusal	nil	nil
(d) number of requests: (1)refused in full	nil	nil
(2) refused partially	nil	
(3) number of times a provision of PAIA was relied on to refuse a request in full/partially	2	Third party information
(4) number of requests not granted due to their being no record	3	nil
(e) number of instances where the 30 day period to deal with a request was extended	nil	nil
(f) number of internal appeals: (1)lodged with the relevant authority	nil	nil
(2) number of cases where the requests were granted as a result of an internal appeal	nil	nil
(g)number of internal appeals lodged on account of a deemed refusal	Nil	nil

Reporting period:01 April 2016 to 31 March 2017	Total Number	Comments
(h)number of applications to court on the grounds that the internal appeal was dismissed by the relevant authority failing to give advice of its decision during the timeframes stated in section 77(3)	nil	nil
Comments including those relating to implementation, application, requests, or areas of the Act for which reforms are recommended	1	One applicant did not make payment

Section: Human Resources Management

Human Resources Administration

The main function of the Human Resources Administration Unit is to develop policies, processes and procedure guidelines regarding the uMhlathuze employee benefits, recruitment and selection functions; Employee Records Management, Leave Management and Employment Equity to ensure the correct implementation thereof. The division ensures compliance with the Bargaining Council directives, Conditions of Service issues and the implementation of Council Resolutions and application of legislative imperatives. The HR Administration unit is further responsible for facilitating, directing and maintaining the organisational recruitment and appointment of employees.

Main functions and activities

- Render provision and support to departments and employees;
- Implementation of legislative imperatives;
- Implementation of Collective Agreements on Conditions of Service;
- Implementation of legislative imperatives;
- Implementation of an intergraded recruitment and selection process;
- Development of policies, procedures and guidelines;
- Ensure the uMhlathuze Municipality's compliance with Employment Equity Act (EEA)
- Creation of an enabling environment through various sensitisation programmes (i.e. Diversity Management programmes);
- Development of a workplace strategy in order to mainstream issues relating to gender, youth and employees living with disabilities;
- Exit Management;
- Diversity Management
- Statutory reporting

Achievements

Employment of youth; a total number of 87 youth employed for the period 1st July 2016 to 30th June 2017;

- 127 new appointments were made;
- 65 internal promotions were made;
- 4 people with disabilities were permanently employed;
- Co-ordination of the EPWP processes;
- Finalisation of placement of ex-Ntambanana employees.
- Completion of EE Plan with departmental targets for the City;
- Submission of annual compliance reports to the department of Labour;
- Work shopping of Management Team on Talent Management Strategy;
- Conducted HR administration road shows for Council employees.

Awareness campaigns



Figure 23: Women's and Heritage Day celebrations



Figure 24: People with disabilities awareness

Human Resources Maintenance and Development

Employee Assistance Programme (EAP)

EAP is a programme that aims at the early identification and resolving of the employees' personal and work related problems that might adversely affect their work performance and productivity in order to ensure effective and high quality of service delivery in our communities.

EAP believes that productive employees are as a result of them being taken care of and in return they are loyal and engaged in the organisation.

Programs and Events co-ordinated by EAP

- Training for managers and supervisors on EAP referral procedure (IDIR Principle)
- The Stress Management workshop
- The Financial Management Workshop
- The Drug and Alcohol abuse awareness workshops
- Emotional Intelligence Training
- Trauma Management Workshops
- Counselling to different human concerns
- Employee Wellness day event

Awareness Campaigns

- Consumer Rights Awareness Campaign
- Employee wellness Day
- Spiritual Upliftment (Prayer Day)
- Emotional Intelligence Workshop



Figure 25: Wellness day exhibitors



Figure 26: Wellness day- Sports Activities



Figure 27: Wellness day- Sports Activities

Occupational Health and Safety (OHS) Management

Occupational Health and Safety strives to ensure zero incidents impacting on the safety, health and work environment in order to assist employees, employee representatives, supervisors and management to manage occupational risk exposure.

Main functions:

1. Identification of Occupational Risk exposures.
2. Development of a management system that is OHSAS18001 compliant in order to manage occupational risks.
3. Communication of the system and standards to all.
4. Evaluation of the effectiveness of the Occupational Health and Safety management system.

OHS Training

Table 19: OHS Training for Employees

In House Safety Inductions	Number of Sessions	Number of Employees
Contractors Safety Induction	148	1200
Employee Safety Induction	8	163
Interns Induction	8	145
TOTALS	164	1508
In House Safety Workshop or Training	Number of Sessions	Number of Employees
Risk Assessment	11	65
Sexual Harassment	2	52
Noise Induced Hearing Loss (NIHL)	2	15
OHS Policy Guidelines	9	70
Baseline HIRA	1	07
Emergency Co-Ordination Workshop	1	29
Injury on Duty	2	24
HSEC Training	9	130
Step Ladder	3	28
Incident Investigation Procedure	1	12
PPE	2	35
Mega Juice	1	09
Intoxication Policy	2	22
TOTAL	47	498
Compliance external training	Number of Sessions	Number of Employees
SHE Rep Training	2	63
Basic Fire Fighting	1	09
TOTAL	3	72

OHS Compliance Inspections

Total number of OHS Compliance Inspections including contractors = **83**

OHS Committee Structure

Table 20: SHE Committee Structure Meetings

Department	Number Meetings held
City Development	4
Corporate Services	4
COMS – Health	4
COMS Emergency Services	4
COMS - Public Safety and Security	3
COMS Horticulture and Cemetery	3
COMS Arts and Culture	3
COMS Sports and Recreation	2
Financial Services	4
ITS Transport, Roads and Storm water	4
ITS Engineering Services	4
ITS Water and Sanitation	4
ITS Electricity Supply Services	3
TOTAL	46

Occupational Hygiene Surveys

Table 21: Occupational Hygiene Surveys Conducted

NO	DOCUMENT	DMS NUMBER	ACT REF
1.	Asbestos Survey – King Cetshwayo, Mandala and Sakhisaboni Hostels of City of uMhlathuze Municipality. Isidingo Trading.	1154867	Asbestos Regulations
2.	Asbestos Survey – Chief Albert Luthuli Hostel of City of uMhlathuze Municipality – Isidingo Trading.	1219127	Asbestos Regulations
3.	Hazardous Chemical Substance Survey – Mechanical Workshop	1162909	Hazardous Chemical Substances Regulations

Emergency Evacuation Exercises



Figure 28: Richards Bay Civic Centre



Figure 29: Building and Structures Section



Figure 30: OHS Representatives Workshop

Training and Development

The Training and Development Unit ensures that Council has a skilled and capable workforce to support inclusive growth and development of skills within the City. This is achieved through the co-ordination and provision of quality assured skills development training interventions for Council employees to ensure that they function at an optimal level, thus contributing to effective and efficient service delivery. Skilling of Council employees and Councillors is achieved through relevant training interventions and sustainable development initiatives that cascade skills to all disciplines on all levels within the organisation. The Workplace Skills Plan (WSP) serves as the strategic document that gives direction to training and development within the Municipality. The WSP is aligned to the National Skills Development Strategy, the Skills Development Act 97 of 1998, as well as the Skills Levies Act 09 of 1999. The WSP and Annual Training Report are submitted annually to the LGSETA. Submission of these reports ensures that the Municipality receives its Mandatory grant. Council's Skills Development Facilitator (SDF) is a member of the Provincial Skills Development Forum (PSDF), Provincial LGSETA SDF Forum and District Human Resource Development Forum. Council has a fully functional Training Committee that meets quarterly.

Council also has a Bursary Scheme, which provides for bursaries for its employees and their children.

Table 22: Training Interventions for Employees

Training Interventions for Employees	Number of Sessions	Number of Employees
Induction for new employees	16	255
Computer Induction	11	108
SALGA Senior Management Induction	2	2
Minimum Competency Training	3	25
SCM and Bid Committee Training	1	51
Internal Audit Training	1	59

Training Interventions for Employees	Number of Sessions	Number of Employees
GCC 2015 Contract Management Training	1	7
EAP Training for Supervisors	2	60
Talent Management Training	1	63
Performance Management Training	1	2
BCP Validation Training	3	154
Project Management Training	1	18
Manager / Supervisor Training	1	41
Peace Officer Training	2	40
Traffic Officer	1	1
Quality Assurance Training for building Inspectors	2	5
Building Control Masterclass	1	9
Tree / Pole Pruner Training	1	5
Operate a Chainsaw Training	1	5
Asset Management Training	5	143
HR Roadshows	4	450
Financial Literacy Training	6	343
Basic Fire Fighting Training	1	8
HSS Practical Training	1	8
Safety Representatives Training	2	62
Hazard Identification and Risk Assessment Training	2	12
Labour Relations Training for Shop Stewards	3	65
Employment Equity Training	1	11
GAPSKILL Training	1	3
Assessor Training	7	33
SDF Training	2	5
Electrical Trade Test Training	3	10
Advanced Switching Training	1	6
Diesel Mechanic Training	2	2
Road Marking Training	1	8
Local Government Accounting Learnership	12	29
MS Excel Training	1	11
Registry Management Training	1	4
Report Writer Training	1	71
Advanced Office Management	1	4
SALGA Training for Committee Officers	1	4
TOTAL NUMBER OF SESSIONS		
TOTAL NUMBER OF EMPLOYEES TRAINED IN ALL SESSIONS	111	2202

Table 23: Training Interventions for Councillors

Training Interventions for Councillors	Number of Sessions	Number of Councillors
Internal induction	1	66
SALGA Induction	1	65
CoGTA Sector Based Induction	3	50
MPAC Training	2	11
Computer Induction	2	27
TOTAL NUMBER OF SESSIONS TOTAL NUMBER OF COUNCILLORS TRAINED IN ALL SESSIONS	9	219

In-Service Training / Internships

Council placed 150 learners on in-service training at Council, whilst during the 2015/2016 financial year; Council placed 97 learners on in-service training at Council.

A Memorandum of Agreement (MOA) was signed between the City of uMhlathuze and the Umfolozi TVET College. Umfolozi TVET College provided off-the-job training, and Council provided in-service training for learners to be able to graduate. Council offered in-service training to learners from various tertiary Institutions.

Graduate Development Programmes

Council is currently hosting a Graduate Development Programme that is funded by National Treasury through the Infrastructure and Skills Development Grant (ISDG). Graduates have been placed within the following Departments; Infrastructure and Technical Services and Corporate Services and City Development. These graduates are paid a salary that has been funded by National Treasury. The aim of this programme is to enable the learners to work towards registration with their relevant professional bodies.

Labour Relations

The core function is to maintain and control the application of specific procedures associated with sound industrial relations climate, by attending to and guiding disciplinary and grievance processes, reporting to specific Committees on the status of the function, capacitating Management Representatives on the application and interpretation of policies and agreements, in the long run thus ensuring proper function of Council. All disciplinary processes and grievances are dealt with in terms of the Collective Agreement agreed upon by SALGA and organised labour, therefore ensure that the organisation complies with same. Labour Relations co-ordinates frequent meetings with Organised Labour to keep abreast with internal labour

related developments within the sector and, in particular, the Municipality and facilitation of LLF meetings.

Disciplinary Matters

There were 38 disciplinary hearings that took place during this financial year. The following schedule indicates the type of misconduct committed, incidents of such misconducts and sanctions emitted. Cases that were postponed and or pending do not feature in the table below:

Table 24: Schedule of misconducts committed, and sanctions

TYPE OF MISCONDUCT	NUMBER OF CASES	CHARGES WITHDRAW	WRITTEN WARNING	FINAL WRITTEN WARNING	DISMISSAL
Absenteeism	9		1	3	5
Abscondment	4	1		1	2
Dishonesty	8	1		3	4
Insubordination	5	2	1	2	
Negligence	2	Nil	Nil	2	Nil
Sexual Harassment	Nil	Nil	Nil	Nil	Nil
Damage to Property	Nil	Nil	Nil	Nil	Nil

Disputes Referred To the SALGBC and Awards

Table 25: Disputes Referred To the SALGBC and Awards

NATURE OF DISPUTE	NUMBERS	SETTLED	DISMISSED	AGAINST EMPLOYER	REFERRED TO LABOUR COURT
Interpretation and application of a collective agreement	Nil	nil	nil	nil	Nil
Unfair Dismissal-Protected disclosure	6	3	nil	nil	Nil
Unfair Dismissal – Resigned upon Discipline	Nil	nil	nil	nil	Nil
Unfair Dismissal-Sexual Assault	Nil	nil	nil	nil	1
Unfair Dismissal-Dishonesty	Nil	nil	nil	nil	Nil

Organisational Development and Change Management

This unit aims at improving the overall effectiveness of the organisation through planned, comprehensive and systematic processes. It involves intervening in the processes, structure and culture of the organisation. There is a strong emphasis on organisational behaviour, human resource development and organisational change.

Organisational Development

Organisational design refers to the process of aligning the structure of the organisation with its objectives, with the ultimate aim of improving the efficiency and effectiveness of the organisation.

Change Management

Managing change and transition cuts across all the phases of the organisational structuring process. It includes communication and consultation with staff and key stakeholders. How effectively change and transitions are managed has a major impact on the final outcome of the organisational structuring processes or any other changes the organisation have to deal with.

Main Functions:

- Productivity and continuous improvement:
 - Efficiency studies;
 - Utilisation studies;
 - Feasibility studies.
- Business process re-engineering:
 - Cause and effect studies;
 - Process analysis;
 - Process improvement and workflow analysis.
- Job evaluation facilitation.

Information Communication Technology

ICT is at the heart of the municipal operations and is therefore viewed as an important strategic partner to ensuring efficient service delivery. ICT must be seen as an integral part of any well-functioning municipality to further ensure effective administration and socio-economic development.

ICT Governance

- ICT performance is continuously assessed on a monthly, quarterly and yearly basis by various structures as follows:
- ICT Steering Committee: The committee meets monthly to assess the performance of the ICT Section and discuss the reports submitted. The members of the committee are the Municipal Manager, Deputy Municipal Managers and the ICT Manager. Officials representing various departments with ICT interests sit in the committee but do not take part in decision making.
- Corporate Services Portfolio: The ICT Section also submits performance and progress reports to the Corporate Services Portfolio Committee.
- Internal Audit Services: The ICT Section is audited on a regular basis, and submits performance reports to the Internal Audit Services as and when required.
- Audit Committee: On a quarterly basis, the ICT Section submits progress reports to the Audit Committee with special focus on the progress in addressing the critical issues listed in the ICT Risk register.
- Auditor General: The ICT Section is audited annually by the Auditor General to ensure compliance with relevant legislation, frameworks and performance targets thereof.

ICT Service Delivery

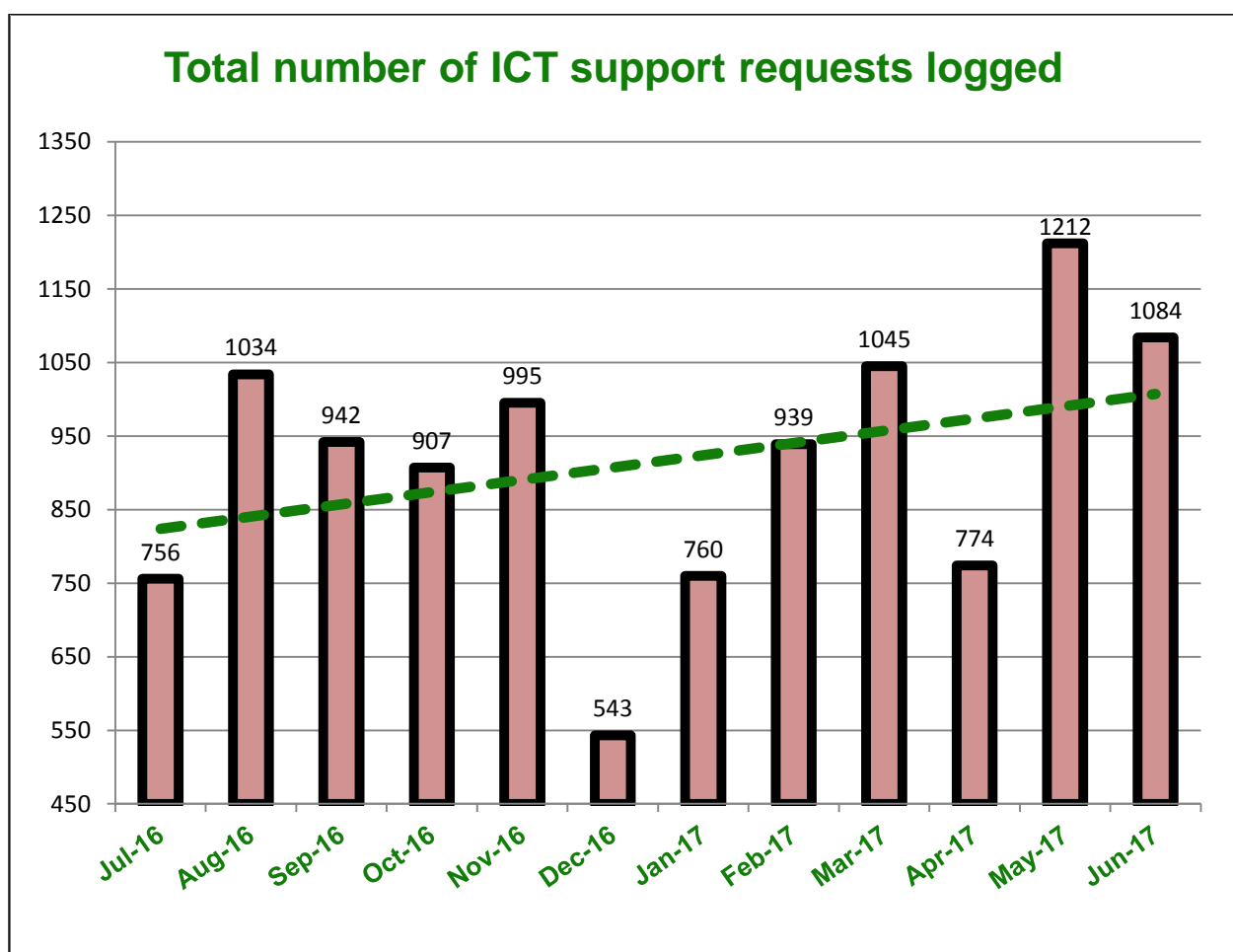
The Service Delivery sub-section of ICT is responsible for the following:

- Establishment, management and maintenance of a functional and effective ICT Service Desk.
- Provision of ICT support services to the end-users as per logged support requests.
- Reporting on logged, resolved and closed support requests.

- Planning, installation, upgrade and relocation of end-user equipment including office automation.
- Planning, installation and upgrade of end-user software.
- Maintenance of the ICT Asset Register

The graph below shows the number of requests logged with the ICT Service Desk for the reporting period by month:

Table 26: Number of requests logged with the ICT Service Desk



Number of support requests per Ticket State (status) on the date of reporting:

The following statistics show the number of calls opened with and closed by the ICT Service Desk for the reporting period:

Table 27: Calls opened with and closed by the ICT Service Desk 2016/2017

STATUS	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
OPEN	9	36	13	35	14	6	4	31	2	17	68	12
CLOSED	747	998	929	872	981	537	756	908	1043	757	1144	1072
Total	756	1034	942	907	995	543	760	939	1045	774	1212	1084

The following chart shows the number of calls opened with the ICT Service Desk for the reporting period per department.

CS = Corporate Services, COMMS = Community Services, FS = Financial Services, ITS = Infrastructure and Technical Services, CD = City Development, MM = Municipal Manager's Office, EXT = External

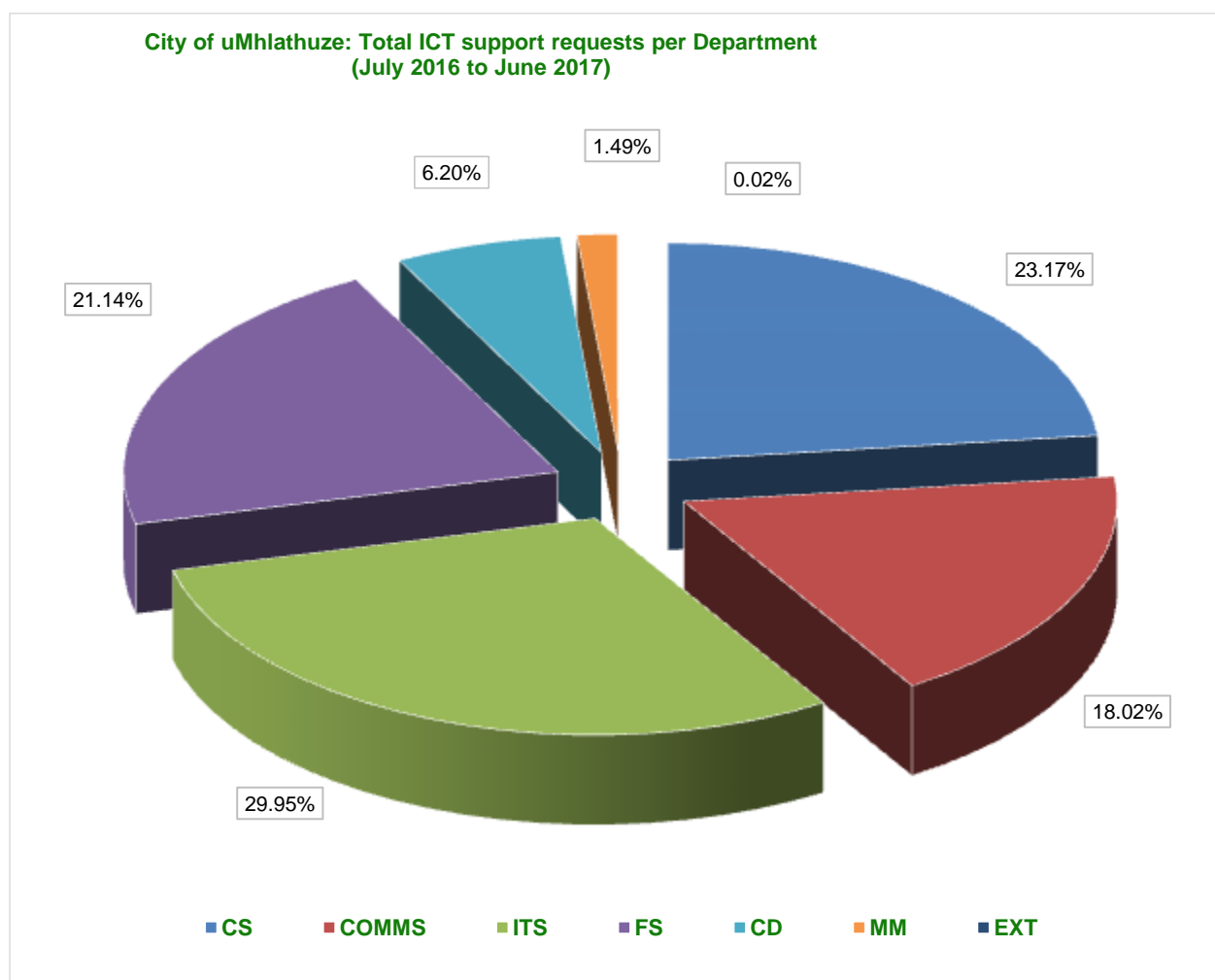


Figure 31: Number of Calls opened with the ICT Service Desk 2016/ 2017

ICT Infrastructure

There are two focus areas of the ICT Infrastructure sub-section:

- Network Connectivity Infrastructure that entails planning, installation, configuration, support, maintenance and management of all voice and data network devices including access control and CCTV cameras. This sub-section is also responsible for cabling including fibre and wireless radio network infrastructure.
- Server Infrastructure including planning, installation, configuration, support, maintenance and management of all servers within the City of uMhlatuze, including backup, DRP (Disaster Recovery Plan) and ICT Service Continuity planning, implementation, testing, and maintenance.

As part of good governance, the ICT is required to develop and implement sound security policies to ensure that employee data and all other Council information assets are adequately protected at all times.

Completed ICT Projects:

- Fibre Route Phase 2 between eMpangeni, Vulindlela and eSikhaleni;
- Fibre Route Phase 3 between Richards Bay and eNseleni;
- IP PABX Telephone System with Call Centre functionality;
- Printer Rental Solution;
- GWAVA RETAIN Renewal;
- Councillor Tools of the Trade;
- Enterprise Resource Planning Solution (ERP) Phase 1 (Planning/ *Feasibility Study*);
- Richards Bay Internet link: Supply, Install and Commission
- eMpangeni Internet link: Supply, Install and Commission
- Network Infrastructure Replacement Phase 4
- Ntambanana ICT Network Link to EMpangeni

COMMUNITY SERVICES



BV Nzuza

ACTING DEPUTY MUNICIPAL MANAGER COMMUNITY SERVICES

The Community Services department comprises the following sections:

1. Public Health and Emergency Services
2. Protection Services
3. Recreation and Environmental Services

Section: Public Health and Emergency Services

Waste Management and Cleansing:

This service is primarily about collection and disposal of waste. The primary intention here is environmental protection. Secondary activities are in the form of waste minimization, re-use and recycling of waste, plus community education and awareness. This is an economic component which helps with job creation in the city. The service area is highly regulated and requires much compliance with related legislation.

The Waste Act fundamentally reforms the law regulating waste management, and for the first time provides a coherent and integrated legislative framework addressing all the steps in the waste management hierarchy.

Strategic Goals

The eight strategic goals around which the uMhlathuze Waste Management Strategy, in line with National Waste Management Strategy (NWMS), are structured as follows:

Goal 1: Promote Waste Minimisation, Re-Use, Recycling and Recovery of Waste

A recycling program has been implemented in order to minimise waste that goes to landfill sites.

Recycling

Two Material Recovery Facilities (MRF) that have been built and are operational, including drop off-points, such as Alton MRF, eNseleni MRF, Essenwood Drop Off, Meerensee Drop Off and 5 nodes in which recyclables are collected. There currently a partnership with Wildlands Conservation Trust and other small scale recyclers in which the City is working with in order to optimise recycling.

The main aim here is the implementation of a hierarchy, as shown below:

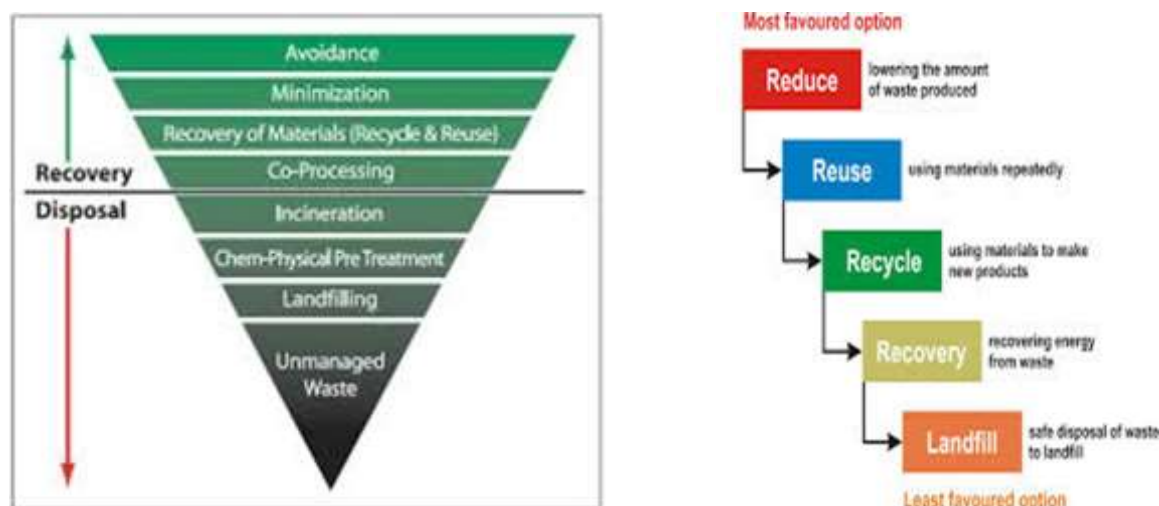


Figure 32: Proposed Recycling Hierarchy

The following table shows the breakdown of different waste streams recycled in the year at hand:

Table 28: Waste Streams Recycled 2016/2017

MONTH	RECYCLABLES IN TONS	% WASTE MINIMISATION
Quarter 1	2 284	21 %
Quarter 2	3 246	23 %
Quarter 3	3 833	26 %
Quarter 4	11 986	32 %
TOTAL	21 349	26% average

This reflects that an average of 26 % of the total waste generated and landfilled within the City of uMhlathuze boundaries was recycled, or reused.

This program has benefitted a number of individuals in the green economy, referred to as “Wastepreneurs”.

City believes that ***Waste is a resource out of place.***

All this further contributes to **Goal 3**, which deals with contribution of waste sector to green economy.

Material Recovery Facilities

Two Material Recovery Facilities have been constructed, in which one is already operating, and the other will officially operate in the Next Financial Year.

The Mzingazi Material Recovery Facility (MRF) has just been finalized, even though there are some areas of improvement in terms of infrastructure. This will be operational in the next financial year, and this contributes a lot to green economy and empowering communities.

ENseleni material recovery facility (MRF)

Work has commenced by community members from eNseleni on the site since the start of the second week of January 2017; however; much more improvement is expected as soon as electricity challenges are resolved with Eskom.

Goal 2: Ensure The Effective and Efficient Delivery of Waste Services.

The following are the core daily operations:

- Weekly waste collection and disposal thereof at an approved landfill site.
- Street and rank litter picking and public ablution facilities cleaning.
- Recovery of re-usable and recyclable material from the main stream of waste.
- Clearing of illegal dumping within the City of uMhlatuze.
- Plans to eradicate backlog.

A total of 80% (73 356) on average of total households (92 210) had access to the basic weekly solid waste removal service at the end of June 2017 in all wards.

Goal 3: Grow the contribution of the waste sector to the green economy

It should be noted that the achievement of this goal is reported under Goal 1: Promote Waste Minimisation, Re-Use, Recycling and Recovery of Waste.

Goal 4: Ensure that people are aware of the Impact of Waste on their health, well-being and the environment

Waste Management has partnered with the National Department of Environmental Affairs under the Youth Jobs in Waste Program in which youth members identified in the Community work with the municipality in educating communities on the negative environmental effects of improper management of waste.

19 waste management environmental awareness campaigns were conducted at schools and in communities in a form of clean up campaigns, school talks and door to door campaigns, all aimed at ensuring that people start recycling and discouraging illegal dumping so as to promote a healthy environment and ensure environmental protection. In conducting these campaigns, several awards have been bestowed upon the municipality.

Goal 5: Achieve Integrated Waste Management Planning

The City of uMhlathuze has finalized its updated integrated waste management plan (IWMP), which is currently being implemented and the City is currently busy with study on “Diversion of waste away from landfill site”, funded by German Government through National Department of Environmental Affairs.

Goal 6: Ensure Sound Budgeting and Financial Management for Waste Services.

The section has managed to expand services to rural areas including wards from the former Ntambanana Municipality and conducted surveys with its current business customers, so as to ensure that customers receive the service they pay for at all times.

Goal 7: Provide Measures to Remediate Contaminated Land

The section has managed to expand service to rural areas, where services was never provided before.

Goal 8: Establish Effective Compliance With and Enforcement of the Waste Act

In terms of the Waste Act, all handlers of waste should be registered with the Waste Management Officer of the municipality. Currently, more than fifty (50) waste handlers have registered already, which assists to ensure that waste is properly profiled.

Fire, Rescue and Disaster Management Services

Fire Rescue and Disaster Management: this area is primarily about emergency responses in instances of fire, various forms of accidents and management of hazards and disasters. Included is community education and awareness. Also included under Fire is the formal Hazmat training.

During the year, the Fire Brigade personnel rendered the following services:

- 421 Fire related incidents, 426 Rescues and Medical Emergencies, 3 Hazardous Material incidents and 66 Special Services were attended to.
- 1 914 Fire Prevention inspections were carried out.
- The Fire Brigade Control Centre processed 21 886 fire related and 7 404 non-fire related telephone calls.
- 35 780 Fire Service Radio Messages and 328 non fire Service radio messages were attended to.
- The total value of property lost through fire was R20 801 420 whilst the estimated value of property threatened by fire was R559 391 700.

Achievements

- Construction of Esikhaleni Fire Station
- New Year's Eve Celebrations
- Fire Awareness Campaigns
- Fire Fighter I and Hazmat Awareness Course
- Fire Fighter II and Hazmat Operational Course
- Disaster Relief due to Heavy Rains as a Result Of Cyclone Dineo

Air Quality Management

Air quality Management: this area is about air quality monitoring. Specialised equipment is engaged for accurate air quality readings. This process is coupled with inspection of emissions from particular industries. Community awareness is also significant. Consequently, programmes are run at schools and clinics. Secondary to air quality Management are services linked to indigent burials, pauper burials, monitoring of ritual slaughters, pest control and cleaning of unkempt private stands, at a cost.

The role of Air Quality Management is to ensure that the environment is protected by providing reasonable measures for prevention and enhancement of air quality for the sake of the citizens within the City of uMhlathuze.

Main functions:

- Ensure compliance with the Constitution, NEM: AQA 2004 & other related pieces of legislation
- Alignment with the NAQF in attaining compliance with ambient air quality standards, and give effect to the Republic's obligations in terms of international agreements
- Effectively communicate air quality status information to all levels of the society, from experts in the field to primary school children and the ordinary citizen on the street
- Improve information sharing with other spheres of government and relevant institutions dealing with air quality.

The City of uMhlathuze manages and operates three Ambient Air Monitoring Stations, which include meteorological stations. These are located at eSikhaleni Library, Arboretum Mzingazi Water Treatment Plant and Brackenham Cemetery (Figure 1). The pollutants measured by these stations include sulphur dioxide (SO₂), nitrogen dioxide (NO₂), particulate matter with an aerodynamic diameter less than 10 microns (PM₁₀), particulate matter less than 2.5 microns (PM_{2.5}) and ozone (O₃). The stations also monitor meteorological data, including Wind direction (WD), Wind speed (WS), Temperature (T), Relative Humidity (RH) and Rain Fall (RF).

Table 29: Shows Pollutants Measured In Each Monitoring Station

Station Name	SO ₂	NO _x	PM ₁₀	PM _{2.5}	O ₃
Arboretum	√	√	√	√	√
Brackenham	√	√	√	√	√
eSikhaleni	√	√	√	√	√

Table 30: Shows Meteorological Station And Parameters That Are Monitored

Station Name	Int Temp	Amp1	WD	WS	RH	RF
Arboretum	√	√	√	√	√	√
Brackenham	√	√	√	√	√	√
eSikhaleni	√	√	√	√	√	√

Achievements:

Inspections

There were 122 inspections conducted. These inspections include various types of industries such as smelters, pulp and paper mills, chemicals, harbour, iron steel, fertiliser, coal exporters, mineral mining, forests, blasting and sugar cane.

Complaints

There were 192 complaints attended to. These complaints include spillages, odour, burning, industry stack emissions etc. Out of 192 complaints, 160 were related to overgrown private owned properties

Awareness Programmes

The awareness programmes are based on bringing awareness to various stakeholders including schools, clinics, ward meeting and informal industries. The awareness focuses on:

- Sources of air pollution
- Effects of air pollution on the environment and human health
- Indigent Burial Assistance Policy

A total number of 6 school awareness programmes were conducted.

A total number of 4 awareness campaigns were conducted at clinics.

1. Bhukhanana Clinic	2.Meerensee Clinic
	

3.Mkhontokayise Clinic	4.Ntuze Clinic
	
1. Bhekikusasa High School	2. Obizo primary school
	
3. Old mill	4. Sabokwe primary school
	

Scheduled Trade Permits

There were 11 Scheduled Trade Permits issued and 24 applications received including renewals.

<i>New Scheduled Trade Permits issued</i>	<i>Renewal Permits application</i>	<i>New Applications in progress</i>
11	7	17

Notices

There were 129 Non-compliance notices issued, 1 for industries, 112 overgrown properties and 16 swimming pools.

Pesticides

There were 18 pesticides brought forward and investigated.

Indigent and Pauper Burial Assistance

There were 307 indigent burials at a cost of R684 727, 00 and 10 Pauper burials at a cost of R24 968, 00 applications that were processed.

Ritual Slaughter

A total number of 52 ritual slaughter applications were processed and permission granted.

Overgrown privately owned properties

A total number of 160 overgrown properties were cut and cleared to ensure safety of the community

Protection Services

This service area includes Traffic, Security, motor-vehicle and driver licencing and testing and by-law enforcement services. Road Safety education is also key.

Traffic Services

The Traffic Section participated in and assisted with the following events during the 2016/2017 financial year:

- State of the City Address 2016

- uMkhosi Womhlanga
- Walk Against Crime- King Cetshwayo District Programme
- Matric Dance Farewell 2016
- SATMA Awards
- Last Dance
- Beach Festival
- Thanda Royal Zulu Games

Scholar Transport Operation

The MEC for Transport & Liaison called on provincial authorities in January 2017 to intensify enforcement on vehicles transporting school children. An integrative provincial plan was put together by RTI in collaboration with the local traffic section.

By-law Enforcement Training

In May 2017, traffic wardens and some other officials from various departments of the municipality were trained in the enforcement of municipal By-laws and regulations. This is a positive step towards a comprehensive enforcement programme to reclaim the streets and the city from the hands of illegal traders, mechanics, illegal squatters and those perpetuating nuisances. Once the appointments have been completed, swoop operations should begin targeting By-law violations in the city.

Road Safety

Child-In Traffic Programme

This programme has continued throughout the year and has educated learners on the use of public roads and crossing at school zones. As a result there have been more than 2500 learners trained in over 20 schools throughout the city by means of the Traffic department's Child-in-Traffic program.

New Traffic Vehicles

On 5 April 2017, the Traffic Department received a delivery of 13x vehicles for use in visibility patrols and law enforcement services. This fleet consists of 9x Ford Focus Eco-boost vehicles, 1x Toyota quantum minibus, 1X Nissan 4x2 bakkie and 2x VW Caddy bakkies. These vehicles have been going through processes of branding and fitting of communication equipment before the vehicles can hit the road.



Figure 33: New Traffic Vehicles

Occupational Health Clinic

Occupational Health Clinic: this service is set up for employees. The service is run by qualified, professional nurses. Areas of work include primary health care, medical surveillances, and chronic disease management.

The following services are rendered by the occupational health services:

- Surveillance management
- Pre-employment medicals
- Periodical medicals examination
- Exit medicals Examinations
- Audiometry
- Spirometry
- Vision
- Divers Medicals
- Medical Fitness
- Primary Health care: attending all the primary health care issues affecting employees including preventative and curative models
- Outreach programmes for health awareness
- Occupational health and safety: attending to health and safety issues working hand in hand with OHS representatives in minimizing injuries in work place.

Recreation and Environmental Services

Horticulture Services

Horticulture: this area involves parks development and maintenance, keeping of all other open spaces, tree felling, keeping a nursery, floral arrangements and displays.

Operations: (Grass Cutting, Displays, Horticulture and Technical Workshops)

Grass cutting: takes place in all suburbs that are under the jurisdiction of the uMhlathuze Municipality. The suburbs are Esikhaleni, Vulindlela, EMpangeni, Dumisane Makhaye, Felixton, Hill view, Old mill, Ngwelezana, ENseleni, Madlanzini, Mzingazi, Mereensee, Arboretum, Veldenvlei, Wildenweide, Brackenham , Birdswood , Alton , CBD, Aquadene and Kwabhejane . All public open spaces, parks, main streets, behind the properties, municipal buildings, halls such as Port Dunford, Madlankala, Brackenham, Mzingazi, Vulindlela, Veldenvlei, ENseleni, Mandlanzini, Ntuzi, Gobandlovu, Msasandla, Eniwe, libraries and offices are maintained.

In the suburbs of Mereensee, Arboretum, Veldenvlei, Wildenweide, Birdswood, Brackenham, Vulindlela, EMpangeni, and Hillview, residents assist by maintaining their own verges. In the rest of the suburbs the Council maintains the majority of verges.

With the recent incorporation of Ntambanana, grass cutting in for the following areas are now also included in the maintenance schedule:

- Bhukhanana: Parks and Municipal Buildings
- Mambuka and Maqedipleti: Halls, Crèches and KwaMthiyane Traditional Authority
- Obizo: Hall, Pay Point and Obizo Traditional Authority
- Macekane: Hall, Pay Point, Library and Traditional Authority

The cutting cycle takes place over 6-8 weeks. Due to vast areas, various contractors were employed to assist with grass cutting and functions with great success during growing season. The contractors were tasked to cut twice a month during the period from 1 September to 30 June 2017.

Illegal dumping remains a serious problem and it severely impacts on our city's aesthetics and negatively impacts on the execution of planned tasks. This sub-section together with Waste Management regularly clears areas that have been identified as illegal dumping zones.

Technical Workshop: The unit also deals with procurement of parts, repairs and maintenance of all the machinery and equipment used to cut grass, prune trees, and mark sports fields and

therefore plays a crucial role in terms of repairing and maintaining the equipment and machinery used by the various depots.

Horticulture is further responsible for floral arrangements and displays at events hosted by the City of uMhlathuze. Such events included inter alia the following during the 2016/2017 financial year:

- State of the City Address that was held in Esikhaleni.
- IDP Road show, eMacekane Sports Ground, Ngwelezana, and Umzuvukile Sports grounds.
- Memorial Services for staff members.
- Long Service Awards at EMpangeni Civic Centre hall.
- IDP road show, Umzuvukile sports ground in ENseleni.



Figure 34: Floral arrangement and displays eMacekane sports ground

IDP road show at eMacekane sports ground



Figure 35: Floral arrangement and displays

City Beautification

The intention of city beautification is to develop and improve specific earmarked areas and to create impact and improvement of the environment.

Tree planting

In an attempt to promote indigenous vegetation through tree planting, a total number of 605 trees have been planted during the period of 1 July to 31 March 2017. Due to the unavailability of trees in the second quarter of the current financial year, the process was slightly hampered but the annual target was met by the end of the year. Areas concentrated on were Dumisani Makhaye Village and Ngwelezana.

Parks Development

The primary focus for the year was on previously marginalised areas such as Dumisani Makhaye Village, ENseleni, Esikhaleni and Ngwelezana. The purpose of development is for these public, open spaces to be used for multiple functionality to satisfy various needs and be used in various ways to develop communities.

eSikhaleni Park

The construction of park walkways at Esikhaleni Park ERF 396 was completed in June 2017. The second phase of planting matured trees at the same park continued during the fourth quarter of 2016/2017. The installation of park furniture (garden benches, picnic seats, and dustbins) was completed in the financial year. The project created employment for EPWP workers. The second project that is also currently underway at the same site is the construction of ablution facilities and permanent fences, and this project is funded by the Department of Environmental Affairs. The construction of the ablution facility has commenced and a number of braai stands have been completed on the same park. The second project funded by Department of Environmental Affairs also created a number of EPWP employment opportunities for the local community.

Dumisani Makhaye Village Park

The first phase of park development at Dumisani Makhaye Village has commenced. Earthworks were completed during the third quarter followed by the supply and delivery of top soil, soil levelling and the planting of matured trees, as well as planting of trees.

Aquadene Park

The development of a public open space in Aquadene commenced in November 2016 and the first phase was completed by 31 March 2017. The first phase included the site clearing and earthworks, supply and delivery of top soil, leveling of top soil, site barricading using bollards and planting of trees.

Landscaping of Community Halls



Figure 36: Landscaping and garden development

Sports and Recreation

Sport and Recreation: this area is about sport development, mass participation and various recreational services. The area of recreation includes swimming pools and various activities at the beach.

During the 2016/2017 financial year, various sports facilities were upgraded and developed and a number of sports and recreational programmes were presented. These developments and programs include the following:

Facilities

1. New 50 x 2kw high mast floodlights estimated at the value of R12 million were installed at uMhlathuze Stadium to enable Thanda Royal Zulu FC to play some of their Premier Soccer League matches at night.
2. Sport fields in the Ntambanana area at Mquzankunzi, Nqutshini and Obizo were upgraded.

3. New outdoor gym equipment was installed in Ngwelezana for the community to exercise at any given time thus being encouraged to lead a healthy lifestyle.
4. Construction of Madlebe Sport Field which includes a soccer field, combo court, guard house, ablution facilities and palisade fencing, commenced.
5. Upgrade of Ngwelezana New Field which includes grassing and irrigation system, renovation of ablution facilities and fencing, commenced.
6. Tenders for the resurfacing of combo courts at Muzuvukile, Veldenvlei, Vulindlela and KwaTsheka were initiated.

Programmes Presented and Hosted

Mass participation and recreational events which included Disability Fun Day, Senior Citizens Golden Games, uMhlathuze Beach Games and Indigenous Games were presented in different clusters.



Figure 37: Senior Citizens playing Rugby ball throw as part of the Golden Games

Sports Development programmes/events presented during this financial year included inter alia, Soccer Madness Tournament, Ward and Cluster Games, Mayoral Sport Day, Netball Opening Tournament, Rugby Talent Identification Games and Karate Tournament.



Figure 38: Netball Ward Selection Games where talent is identified and thereafter nurtured.



Figure 39: Athletes preparing for a Karate Tournament



Figure 40: uMhlathuze Beach Festival soccer activities

The KZN Premier's Cup was successfully hosted at uMhlathuze Stadium.



Figure 41: The KZN Premier's Cup

All Thanda Royal Zulu NFD home matches were successfully hosted at uMhlathuze Stadium which eventually saw Amabhubesi gaining automatic qualification to the PSL.

Museum

The museum serves as a base for heritage promotion and preservation. Various collections are housed and exhibitions staged on a rotational basis.

An excellent collection of artifacts have been built up by the City of uMhlathuze. Due to environmental factors, these artifacts can only be displayed on a rotational basis, thus also affording the Museum the opportunity to host other exhibitions during a 12 month period.

Zululand Eisteddfod, High School and Primary School Artwork are always a high point on the exhibitions for the schools as all the schools in the greater King Cetshwayo District Municipality get invited to participate in this event. The works displayed can vary between 400 – 900 pieces entered by the participating schools.

The adjudication of these works is done by external adjudicators, which adhere to very strict standards. Two local ladies from Richards Bay had their solo exhibition at the Museum. A total of 55 works were on display and an article featured in the Zululand Observer on 18 November 2017.

The Museum also had a display of Indian fabrics that was on loan from the Phansi Museum and included fabrics from both Hindu and Muslim origin.

The collection consisted of the following:

- Sari fabric
- Traditional table cloths

- Traditional clothing, hats, waist coats etc.
- Music Instruments

The 50 year celebration of the Rotarian Club of EMPangeni had their official opening on Tuesday 9 May 2017. In this exhibition all the different legs of charity work that the Rotarians get involved with was on display. They donated wheelchairs to disabled people, collected money for the Aids orphans and even handed out bikes to school going children that had to walk long distances to get to school.

Additional to the displays, the Museum also hosted a two day conference and display of the Woman's Institute, hosted at the main hall.

Halls

Community Halls are made available to the community for various activities. These range from programmes organized by City of uMhlathuze, to weddings, youth activities and so forth. Usage is managed through a documented booking system.

Objectives

- To bring government information and services closer to people to promote access to opportunities as a basis for improved livelihoods;
- To promote cost effective, integrated, efficient and sustainable service provision to better serve the needs of citizens;
- To build sustainable partnerships with government, business and civil society; and
- To create a platform for greater dialogue between citizens and government.

The city is currently operating with 23 halls including those taken from the former Ntambanana Municipality Wards 31, 32 & 33, that is:

- Mambuka Community Hall
- Bhuchanana Community Hall
- Ncemane Community Hall
- Madoda Community Hall
- Maqedipleti Community Centre
- Uhlaza Community Hall
- Ubizo Multi-Purpose Centre

Projects funded during the 2016/2017 financial year includes the following:

- Umsasandla Thusong Centre- extension
- eNseleni Hall- fencing
- eNseleni Hall- ramp for disabled people
- Ngwelezana Hall- renovation and extension

Thusong Services Centres

Thusong Service Centre are multi-purpose centres intended for bringing services closer to communities. Apart from municipal services, these centres house various community projects run on a day to day basis.

- uMsasandla Thusong Service Centre (Ward 10). The Thusong Services Centre was completed in February 2017. The centre provides space for the following tenants to render services :
 - Sewing Projects: 10 women within the wards. The Previous Wards Cllr Dube received 5 sewing machines from King Cetshwayo District that will be used by identified women. Training will be conducted.
 - Creative Arts Training: a resident of Ward 10 is offering creative arts classes to interested youth in the area, offered free of charge.
 - Phila Mntwana: the Phila Mntwana NGO is operating from Monday to Friday at the Centre. The project's main objective is to monitor the Nutritional and Health Status of all children under 5 years old at community level on a monthly basis.
 - General Service Counter: this is an administrative reception area where all community members register before getting the services they require, bookings of the hall are also done and general enquires and information.
 - Councillor's Office: the office is based at the centre which is beneficial to the community as they do not have to travel long distances to get proof of residence.
 - Operation Sukuma Sakhe Office.
- Port Dunford Thusong Service Centre (Ward 18). The centre was completed and officially handed over by the Minister of Minerals and Energy on 23 June 2016. The following tenants are currently occupying office space at the centre:
 - Crèche—A fully fledged early childhood development centre is functional, with an enrolment of 55 children.

- Masiphephe Driving School Office.
 - GCIS Office.
 - Arts & Culture Luncheon Club.
 - Cyhle Security Solutions.
- The Port Durnford Thusong Services Centre also provides for the following facilities:
 - Community Hall accommodating 250 people
 - Administration/Reception– registrations for walk ins, enquires, information, hall bookings, sports facility bookings, proof of residence
 - Cyber Cadet Office - The kiosk is used for photocopying, internet, printing, viewing of periodicals, Application of Library Membership, Application of bursaries; employment, research etc.
 - Sports Facilities
 - Operation Sukuma Sakhe Office

Arts and Culture

Arts and Culture programmes are run, with a socio-economic intention. Arts and Culture forms a fundamental part of the social, economic and environmental fabric of the City of uMhlatuze and the life of its residents.

The following events were hosted and assisted with during the year:

- Local operation Siyaya Emhlangeni was held at Hlanganani Community hall (03/09/2016)
- “The other side of Mandela Project” - The event took place on 22 July 2016
- Send Off function was held on 8 – 11/09/2016 (Pictures available) Municipality sent 1000 Maidens to participate at Nyokeni.
- Council contributed & participated in King Cetshwayo Commemoration.
- Maskandi Festival was held at Ntambanana in July 30 2016.
- Jazz Session was converted to Youth Festival which was held on 19 June 2016
- Crafters workshop was held at EMpangeni Civic hall on 06 July 2016.
- Aquadene Library was officially handed over to public on the 6 July 2016
- Crafters Workshop at Madoda Hall from the 21 -25 November 2016.
- District Ingoma Competition on the 26 November 2016.
- Filming workshop in partnership with KAFF at Hlanganani Hall on the 9 December 2016 in partnership with Umhlacufest.

- Indaba workshop in partnership with Imbawula Investments at Auditorium on the 18th of December 2016.
- Last Dance event held on 31 December 2016 at Central Sports Complex.
- Meeting for All Gospel Artist was conducted on 11 February 2017 and the interim Committee was selected.
- Meeting was conducted on 14 February 2017 with Matron and maiden for the preparation for the Reed Dance and planning of other activities for the Maiden.
- Meeting was conducted with Choral expects on 16 February 2017 and the interim committee was selected to prepare the activities of the Choral Music.
- South African Music Industry Council workshop. 200 uMhlathuze artists on 8 March 2017.
- 10 women from uMhlathuze were transported to attend a District Women in Arts and Culture Summit at uMlalazi on 16 March 2017.
- uMhlathuze Corporative Workshop for Arts and Culture was conducted on 22 March 2017 at Esikhaleni New Hall.

Libraries

The Aquadene Library is fully functional after it was officially opened by the Hon. Mayor M.G Mhlongo on the 06th of July 2016. The Ntambanana library was also incorporated by the municipality, which brings the number of libraries under uMhlathuze Municipality to nine.

The Libraries offer the following services over and above the issuing of books and facilities:

- Library for the Blind (Available at ESikhaleni and ENSeleni Library). This (change is basically a service for the visually impaired community members. Specialised books and Daisy machines are available in the afore-mentioned libraries.
- Free Internet services available at all the libraries. Community members and library members have access to this free service called the Cybercafé, free computers and Internet access.
- Gaming at your library, as well as toys in libraries, attracts kids to come to the libraries. At the moment toys are available at Ngwelezana Library, ENSeleni, eSikhaleni, EMpangeni and Ntambanana Libraries.
- Part of the gaming also includes the Chess Clubs in all the libraries, which has drawn a lot of interests from the young to the old.
- Lastly to keep up with the Technological advancements, libraries have also introduced Electronic Books (eBooks) to their library members, and this is one of the popular

attractions to the library patrons, as those with tablets can have access to a variety of books.

There are also outreach programmes done by the libraries to cater for those areas and centres that cannot reach the library and also to promote the libraries. Areas like Mandlazini and Mzingazi. Book delivery service is done in the form of a Block-Loan (approximately fifty books) with different genres and classes to cater for the needs of the people at the centres.

Library statistic for the 2016/2017 Financial Year

Table 31: Circulation

	Richards Bay	EMpangeni	Ngwelezana	Felixton	eSikhaleni	eNseleni	Brackenham	Aquadene	Ntambanana	
2016	45 755	23 991	1 398	4 052	5 031	5 807	3 223	2 389	1 272	
2017	74 367	40 236	3 598	6 358	8 328	9 049	6 277	6 157	2 409	
Totals	120 122	64 227	4 996	10 410	13 359	14 856	9 500	8 546	3 681	249 697

Table 32: Number of People served at the libraries

	Richards Bay	EMpangeni	Ngwelezana	Felixton	eSikhaleni	eNseleni	Brackenham	Aquadene	Ntambanana	
2016	225 874	224 851	85 182	9 130	74 675	107 206	30 245	12 438	9 358	
2017	241 163	230 307	84 717	11 974	14 974***	92 044	21 742	16 973	27 130	
Totals	467 037	455 158	169 899	21 104	89 949	199 250	51 987	29 411	36 488	1 520 283

***Library under construction (Extension and it was closed)

INFRASTRUCTURE AND TECHNICAL SERVICES



S Hlela

ACTING DEPUTY MUNICIPAL MANAGER INFRASTRUCTURE & TECHNICAL SERVICES

The Infrastructure and Technical Services department comprises of the following sections:

1. Transport, Roads, Stormwater and Coastal Management Services
2. Electrical Supply Services
3. Engineering Services

Transport, Roads, Stormwater and Coastal Management Services

Transportation Planning

Achievements

Signalised intersections

Traffic signal upgrades done during the Financial Year 2016/2017 can be summarised as indicated in the list below:

Table 33: Traffic signal upgrades 2016/2017

Description		Area	Completion date
1	Upgrade of traffic signals - Totem and Overhead poles.	John Ross / Alumina Allee and John Ross / Foskop.	October 2016
2	Upgrade of traffic signals - Right turn Arrows.	Alumina Allee / NCA and Nkoninga Road / Fish eagle Flight -	January 2017
3	Cut loops at Traffic Signals	Various at resealed roads – 6 months	June 2017
4	Installation of traffic signals to relieve congestion.	Anglers Rod / Grunter Gully intersection and Krewelkring / Grunter Gully	May 2017
5	Upgrade of signal controllers and reinstallation.	John Ross / Foskop and Anglers Rod / Krewelkring.	December 2016
6	Upgrade of signals	West Central Arterial / South 32 entrance.	February 2017

Description		Area	Completion date
7	Replacement of 4 complete overhead traffic poles.	JR / Esik, NCA/ Bullion Boulevard, Guldengracht / Ceramic Curve, WCA/ Guldengracht	May 2017

This section also executes planning and maintenance contracts, namely:

- Traffic Calming,
- Repairs to Pedestrian Bridges,
- New Traffic Light's Warrants and Designs,
- Walkways,
- Shelters and
- Bus/Taxi Laybys.

Some of the projects can be seen in the photos below:





Figure 42: Bush shelters, Laybys, Traffic calming, Construction of walkways

Transportation Planning

During 2016/2017 Financial Year, the Section executed the following work:

- Assessed Traffic Impact Assessments and Site Traffic Assessments
- Provision of Transportation Related Comments on New Private Developments
- Calculated Roads Contributions

Table 34: Summary of work completed

2016/2017	Planning and Development Act Applications	Traffic Impact Assessment	Road Contributions	Consent Applications	Lease Applications	Rezone	Consolidation	Comments on Plans	Comment on Items
Jul	0	11	7	2	14	4	1	6	3
Aug	1	7	4	1	10	3	1	5	3
Sept	2	3	6	5	6	2	0	4	2
Oct	2	0	0	3	12	0	0	3	3
Nov	7	4	0	4	3	0	2	4	3

2016/2017	Planning and Development Act Applications	Traffic Impact Assessment	Road Contributions	Consent Applications	Lease Applications	Rezone	Consolidation	Comments on Plans	Comment on Items
Dec	2	2	2	1	3	0	2	3	0
Jan	6	5	9	9	7	2	8	2	
Feb	8	6	6	7	6	5	8	3	
Mar	4	3	1	7	5	2	5	2	
April	2	1	2	5	9	2	5	0	
May	3	7	6	5	15	1	13	7	
June	3	7	5	7	7	2	3	5	

MIG Rural Roads Implementation Project

This project was approved by COGTA and funded from the Municipal Infrastructure Grant (MIG) to be implemented in phases.

Phase 1 A. Currently at 60% and the appointed consultants have commenced with the planning of Phase 2 and 1B.

The figure below depicts a site plan for Phase 1A (Rd B001 and A) and 1B (Road - B, C and D) of Mandlazini:



Figure 43: Site Plan Phase 1A and B

Integrated Public Transport Network (IPTN)

The Integrated Public Transport Network (IPTN) project commenced during 2016/2017 and includes the compilation of a business plan to source funding from external institutions such as the Department of Transport (DOT), National Department of Transport (NDOT) and Municipal Infrastructure Grant (MIG). The Service Level Agreement was signed by both parties on 13 April 2017.

Road Projects by Private Developers

Progress of construction works on Council property by private developers is as indicated in the table below:

Table 35: Construction works on Council property by private developers

NO	DEVELOPER	PROJECT	AREA	START	END	PROGRESS
1	Richards Bay Minerals	Upgrade Zulti South access roads.	eSikhaleni - Mdlebe Ntshona West	2016/10/10	2016/11/30	100%
2	IDZ 1A	Upgrade of Medway Road from John Ross to Harbour entrance.	Richards Bay - Harbour East entrance	2016/04/22	2017/08/05	35%
3	IDZ 1F	Upgrade of Alumina Allee from North Central Arterial to South Central Arterial.	Richards Bay - Alton	2017/03/01	2018/05	10%
4	Richie Auto	Construction of a traffic circle on North Central Arterial between Bullion Boulevard and Via Mammalia.	Richards Bay CBD	TBA	TBA	Planning Phase
5	SANRAL	Doubling of the N2 from Mtunzini toll gate to R102 junction	uMhlathuze	2016	2019	Commenced with all bridge structures and sub grade road layers from Mtunzini

Urban Roads & Railway Sidings

The Urban Roads unit services the City of uMhlathuze's total urban area from three main Depots and the main Civic Centre in Richards Bay. The City is divided into the following three areas:

- Western Area: EMPangeni, Ngwelezana and Wards 9, 23 to 29.

- Southern Area: eSikhaleni, Vulindlela and Wards 10 to 22 and 30.
- Northern Area: Richards Bay, eNseleni and Wards 1 to 8.

A total of 570.4 km of urban roads are maintained within the City. Maintenance works carried out in the 2016/2017 Financial Year is as follows:

Table 36: Roads maintenance 2016/2017

ROADS AND STORMWATER OPERATIONS AND MAINTENANCE – ANNUAL REPORT	2016/2017			
	Area	North	South	West
	Unit	Total	Total	Total
Walkways -- Replaced	m ²	30	0	11394
Walkways -- Repaired	m ²	466	0	954.8
Walkways -- Cleaned	m ²	542	1295	46
Kerbing – New	M	57	32	0
Kerbing -- Repair	M	233.9	0	704.495
Potholes -- Repairs	m ²	2028.09	218.48	8926.555
Potholes -- Patching	m ²	825.334	2288.98	7142.958
Potholes -- Preparations	m ²	1473.53	2929.59	0
Potholes -- Resurfacing	m ²	177.379	0	0
Thesen --Replaced	No	0	0	0
Thesen --Repaired	No	3	0	287
Bollards –New	No	0	22	4
Bollards --Replaced	No	457	0	0
Bollards --Repaired	No	362	0	0
Guards Rails -- Repaired	M ²	271	0	0
Guards Rails -- Replaced	M ²	0	0	0
Speed humps	M ²	420	1	545.2
Drive ways --repaired	M ²	52	3	0
Public parking --repaired	M ²	22	0	0
Paving bricks -- replaced	M ²	0	2635.72	1627.8
Small culvet Bridge -- New	No	0	0	0
Sub Soil Drains	No	0	0	0

ROADS AND STORMWATER OPERATIONS AND MAINTENANCE – ANNUAL REPORT	2016/2017			
	Area	North	South	West
Pre-Cast Yard - Concrete slabs	No	0	0	0
New Mainhole NEW	No	0	0	0

Rehabilitation Program for the 2016/2017 Financial Year:

Table 37: Rehabilitation Programme 2016/2017

ROAD NAME	LENGTH	WIDTH	AREA	DATE STARTED	DATE COMPLETED
1. GULDENGRACH ALTON	579m	7m	4 053m ²	31/3/2016	11/4/016
2. DOLFYNDEINING MEERENSEE	385m	7m	2 695m ²	12/4/2016	12/4/2016
3. AURORA CRESCENT EMPANGENI	580m	6.6m	3 828m ²	13/4/2016	14/4/2016
4. CUNNINGHAM EMPANGENI	423.3m	6.7m	2 836.11m ²	15/4/2016	15/4/2016
5. INKANYAMBA UMHLATHUZE VILLAGE	1150m	6.3m	7 245m ²	18/4/2016	27/4/2016
6. PHELANDABA NGWELEZANA	703m	4.7m	3 304.1m ²	4/5/2016	6/5/2016
7. IHLOKOHLOKO ESIKHALENI	559m	7.5m	4 192.5m ²	10/5/2016	11/5/2016
8. HLOBOHIYANE ESIKHALENI	408m	4.5m	1 836m ²	12/5/2016	12/5/2016
9. ISAKABULI ESIKHALENI	520m	5.6m	2 912m ²	16/5/2016	17/5/2016
10. ORLANDO DRIVE FELIXTON	219m	5m	1 095m ²	18/5/2016	18/5/2016
11. TANNER ROAD EMPANGENI	438m	9m	3 942m ²	24/5/2016	1/6/2016
12. MAINROAD EMPANGENI	2291m	18m	41 238m ²	3/6/2016	20/9/2016
13. UBHEJANE ENSELENI	932m	7m	6 524m ²	23/6/2016	12/7/2016
14. H SECTION ESIKHALENI	118m	5m	590m ²	10/8/2016	10/8/2016
15. ALUMINA ALLEE ALTON	1778m	17m	3 0226m ²	12/8/2016	24/10/2016
16. SOUTH CENTRE ARTERIAL ALTON.	1900m	9m	17 100m ²	25/10/2016	4/11/2016
17. BUAXITE BAY	540m	9.5m	5 130m ²	10/8/2016	10/8/2016
18. BUAXITE BAY / BATTERY BANK INTERSECTION ALTON	N/A	N/A	1056m ²	9/11/2016	9/11/2016
19. BATTERY BANK / BRASS LINK INTERSECTION ALTON	N/A	N/A	732m ²	10/11/2016	10/11/2016

ROAD NAME	LENGTH	WIDTH	AREA	DATE STARTED	DATE COMPLETED
20. BATTERY BANK / BETA STRAAL INTERSECTION ALTON	N/A	N/A	499m ²	14/11/2016	14/11/2016
21. BRASS LINK / BETA STRAAL INTERSECTION ALTON	N/A	N/A	985.75m ²	16/11/2016	16/11/2016
22. BRASS LINK / BRONZE BAR INTERSECTION ALTON	N/A	N/A	888m ²	17/11/2016	17/11/2016
23. NKONINGA	500m	8m	4000m ²	18/11/2016	22/11/2016
24. DUNE ROUTE	590m	7.3m	4307m ²	24/11/2016	3/12/2016
25. ANGLERS ROD/JOHN ROSS	587m	8m	4696 m ²	6/12/2016	9/12/2016
26. NORTH CENTRAL ARTERIAL FIRST SECTION	294m	3.29m	967.26m ²	21/9/2016	21/9/2016
27. NORTH CENTRAL ARTERIAL SECOND SECTION	1196m	9m	10764m ²	10/12/2016	2/2/2017
28. KRUGER RAND ; FIRST SECTION	74m	10m	740m ²	2/2/2017	2/2/2017
28. KRUGER RAND ; SECOND SECTION	105m	8.3m	871.50m ²	7/2/2017	7/2/2017
29. INTERSECTION KRUGER RAND / BULLION BOULEVARD ; FIRST SECTION	74m	10m	740m ²	8/2/2017	8/2/2017
29. INTERSECTION KRUGER RAND / BULLION BOULEVARD ; SECOND SECTION	43m	30m	1290m ²	9/2/2017	10/2/2017
30. EUTECTIC POINT	468m	9.5m	4446m ²	13/2/2017	13/3/2017
31. KRAFT LINK	502m	10m	5020m ²	14/3/2017	21/3/2017
32. J SECTION IN ESIKHALENI ;					
ROAD 1	173	4.3m	743.9m ²	7/4/2017	7/4/2017
ROAD 1	14	3.2m	44.8m ²	7/4/2017	7/4/2017
ROAD 2	148	4.3m	636.4m ²	7/4/2017	7/4/2017
ROAD 2	13	3.2m	41.6m ²	7/4/2017	7/4/2017
ROAD 2	16	4.3m	68.8m ²	7/4/2017	7/4/2017
33. THOKOZANI ESIKHALENI	1430	7.5m	10725m ²	10/5/2017	11/5/2017
34. LWANDLE ESIKHALENI	610	5.2m	3172m ²	19/5/2017	20/5/2017
35. IMPALA ESIKHALENI	440	7.5m	3300m ²	20/5/2017	24/5/2017
36. IQHINA ESIKHALENI	245	7.5m	1837.5m ²	25/5/2017	25/5/2017

ROAD NAME	LENGTH	WIDTH	AREA	DATE STARTED	DATE COMPLETED
37. INTOKOZA ESIKHALENI	430	5.5m	2365m ²	18/5/2017	6/6/2017
38. MZWILILI ESIKHALENI	1000	5.5m	5500m ²	17/5/2017	7/6/2017
39. NYEZANE ESIKHALENI	570	7m	3990m ²	30/5/2017	1//6/2017
40. NSEZI ESIKHALENI	1030	5.5m	5665m ²	2/6/2017	5/6/2017
ROAD 1	14	2.4m	33.6m ²	8/6/2017	8/6/2017
41. MTUBATUBA EMPANGENI	500	12m	6000m ²	6/6/2017	13/6/2017
42 YELLOW WOOD EMPANGENI	347	7.4m	2567.80m ²	12/6/2017	12/6/2017
43. WILLOW EMPANGENI	76	7m	532m ²	13/6/2017	13/6/2017
44. WITPEER LAAN EMPANGENI	200	7.2m	1440m ²	13/6/2017	13/6/2017
45. NEIL ARMSTRONG EMPANGENI	559	7.85m	4388.15m ²	14/6/2017	15/6/2017
46. RICHARD GORDON	385	6.6m	2541m ²	20/6/2017	20/6/2017
47. TURN BULL EMPANGENI	342	13.5m	4617m ²	21/6/2017	24/6/2017



Figure 44: Road rehabilitation

Municipal Railway Sidings

The municipality owns and maintains 17 kilometres of rail sidings. The rail maintenance and inspection of rails was carried out on daily bases throughout the entire 2016/2017 financial year. A Rail Safety Permit is annually applied for, of which one of the conditions is that Council

must compile a quarterly report which is sent to the Rail Safety Regulator, a body responsible for the safe operation of all the country's rails on behalf of Transnet.

The unit undertakes day to day maintenance activities as well as major planned maintenance activities.



Figure 45: Railway sidings

The following road markings and signage projects were implemented:

Table 38: Road markings and signage projects

DESCRIPTION	UNIT	QUANTITY
Road Lines: Solid White and Yellow and White Broken Lines	KM	133
Traffic Signs Erected	NUMBER	156





Figure 46: Road markings and signage

Stormwater Systems and Coastal Planning

Stormwater System and Coastal Planning unit is responsible for the Stormwater and Operations and Coastal Management such as Beach Rehabilitation and Maintenance. The following stakeholders are consulted in the process:

- Uthungulu District Municipality
- Transnet National Ports Authority
- KZN Wildlife Authority
- Storm water Systems Operations and Maintenance

The Stormwater Maintenance (unplanned/planned) function work executed during the Financial Year is as follows:-

Table 39: Stormwater Operations and Maintenance

STORMWATER OPERATIONS AND MAINTENANCE - QUARTER REPORTS (2017/18- REFER TO MONTHLY REPORT)	YEAR	2016/2017				2016/2017 TOTAL
	DEPT	NORTHERN/SOUTHERN/WESTERN DEPOT				
	QUARTER	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
	RPT	161257	161709	162212	162757	
	QUARTER	YEAR				
UNIT	TOTAL	TOTAL	TOTAL	TOTAL		
Stormwater Kerb inlet/Catch Pit/Manhole/Wingwall --New	NO	4	10	2	39	55
Stormwater Catch Pit/Kerb Inlet/Manhole/Wingwall --Repaired	NO	82	9	18	63	172
Stormwater Catch Pit/Kerb Inlet/Manhole/Wingwall --Cleaned	NO	603	273	681	992	2549
Stormwater Kerb Inlet/Catchpit/Manhole -- Cover Replaced	NO	5	30	33	12	80
Stormwater Pipes -- Repair/Replace	m	634	0	90	24	748
Stormwater Pipe -- Cleaning/Jetting	m	32	1400	5309	4353	11094
Open Stormwater Concrete Drains -- Repaired	m	0	0	0	0	0
Open Stormwater Concrete Drains -- New	m	0	37	0	0	37
Open Stormwater Concrete Drains -- Cleaned	m	1170	1352	1833	31370	35725
StreetCleaning	m	100190	60050	63617	828312	1052169
Sub Soil Drains	m					0
Walkways Cleaning	m	20	3054		41907	44981
Pre-Cast Yard - Concrete slabs	NO					0

Planned Storm Water Maintenance

The municipality enlisted the services of 14 emerging contractors through the EPWP (Expanded Public Works Programme) by means of 2 year Storm water Servitudes Cleaning Contract, to undertake planned storm water maintenance work as follows:

- Street Cleaning
- Storm water kerb-inlet and manhole cleaning
- Open storm water drain concrete/earth drain cleaning
- Pedestrian walkways cleaning

These contracts have created 210 job opportunities for the unskilled labour force. This project started on 13 March 2017 until March 2019.



Figure 47: EPWP Workers- Stormwater maintenance

Below are the latest records of the progress on the work undertaken during the financial year as follows:

Table 40: Storm water servitudes and street cleaning maintenance

AREA	WARD	NO. OF KERB INLETS, STORMWATER MANHOLES AND HEADWALLS CLEANED	LENGTH OF OPEN DRAIN CHANNEL CLEANED	LENGTH OF ROAD CLEANED	LENGTH OF WALKWAYS CLEANED	MONTHLY NO OF MINIMUM WORKERS REQUIRED	AVERAGE NO OF MINIMUM WORKERS IN ATTENDANCE PER MONTH
		(No.)	(M)	(M)	(M)		
A	1,3		833	11519	6333	15	15
B	3,4	6		17250	195	15	15

AREA	WARD	NO. OF KERB INLETS, STORMWATER MANHOLES AND HEADWALLS CLEANED	LENGTH OF OPEN DRAIN CHANNEL CLEANED	LENGTH OF ROAD CLEANED	LENGTH OF WALKWAYS CLEANED	MONTHLY NO OF MINIMUM WORKERS REQUIRED	AVERAGE NO OF MINIMUM WORKERS IN ATTENDANCE PER MONTH
		(No.)	(M)	(M)	(M)		
C	2,26		153	7894	1650	15	15
D	2			4917	2515	15	15
E	2			18880	2650	15	15
F	2			9789	776	15	14
G	6,7,26	23		16685	572	15	15
H	9,23,27,28	88		3440	1780	15	15
I	9,24	26		5370	120	15	15
J	9	6	937			15	14
K	9		462	8456	462	15	15
L	23	427		1510		15	15
M	16,17,19,20,21,22		1010			15	14
N	23,30			5855		15	15
TOTAL		576	3395	111565	17053		209

A total of 10 new pedestrian bridges were contracted in the following Wards:

Contract	Areas
A	Wards 7, 10 and 11
B	Wards 25, 28, 29 and 30
C	Wards 7, 13 and 18

Stormwater Management Bylaws

The stormwater Bylaw was amended to incorporate additional clauses that will assist Council as well as the public with resolutions on how to deal with the following:-

- Natural storm water-flow disputes between neighbours and/or adjacent properties.

- Illegal dumping of waste and litter within the stormwater servitudes causing blockages or damage to stormwater infrastructure.
- Building restrictions within the floodplain area or within the 1 in 50 year flood-line area.

Coastal Management and Beach Rehabilitation

The unit oversees the engineering aspects through Erosion Protection and Beach/Shore Rehabilitation of the City's Coastal Areas ranging within the following geographical scope:-

- Mzingazi Canal
- Pelican Island and Pelican Bay
- Alkantstrand and Northern Beaches
- Coastal Erosion projects (Geobags) and smaller projects
- Geobags along Alkantstrand

One of the unit's functions is monitoring and reporting of the Dredging and Beach Restoration Operations performed by the Transnet National Ports Authority (TNPA), by supplying sand to Council's northern beaches in an attempt to maintain beach nourishment. Transnet National Ports Authority (TNPA) has undertaken to supply a minimum of 950 000 m³ of sand annually and as of the end of the financial year, an actual volume of 185,000m³ had been deposited on the beach for reclamation purposes against a planned volume of 150,000m³.

Rural Roads

The Rural Road Operations unit attends to the following:

- Rural roads
- Access roads
- Pipe culvert bridges

In the 2016/2017 Financial Year, Rural Roads graded 601 km's of roads, gravelled 45.1 km's, installed 7 Pipe Culvert Bridges and cleaning congested pipe culverts on a continuous basis.

The work carried out is reflected in the following graph:

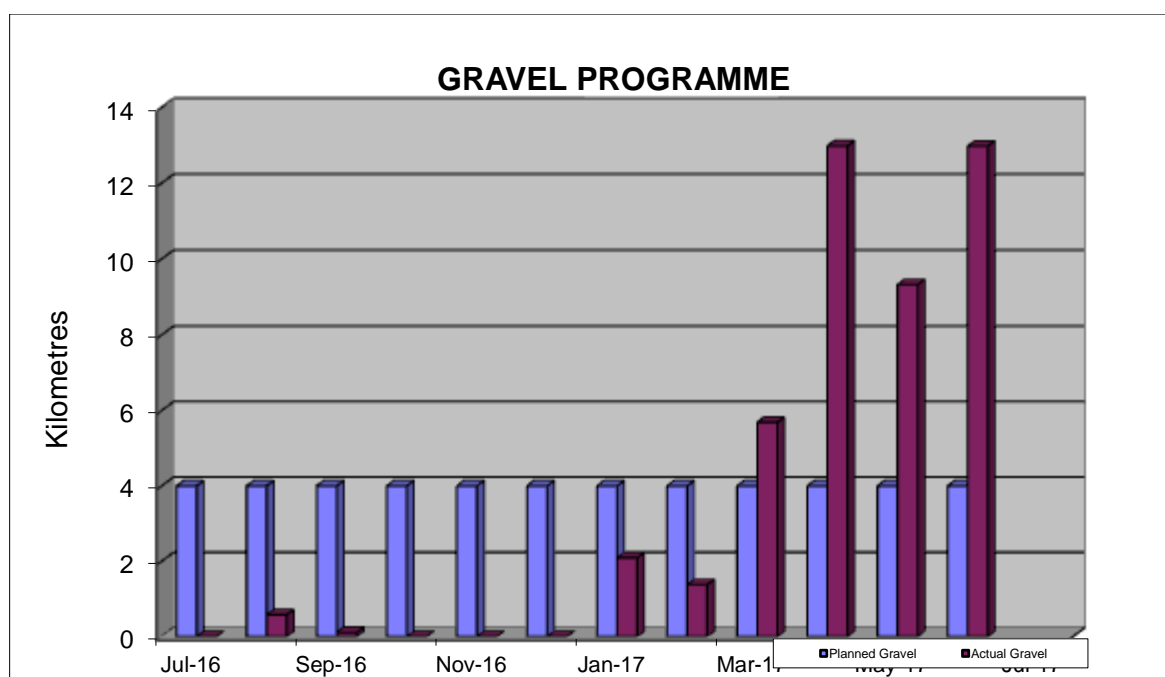
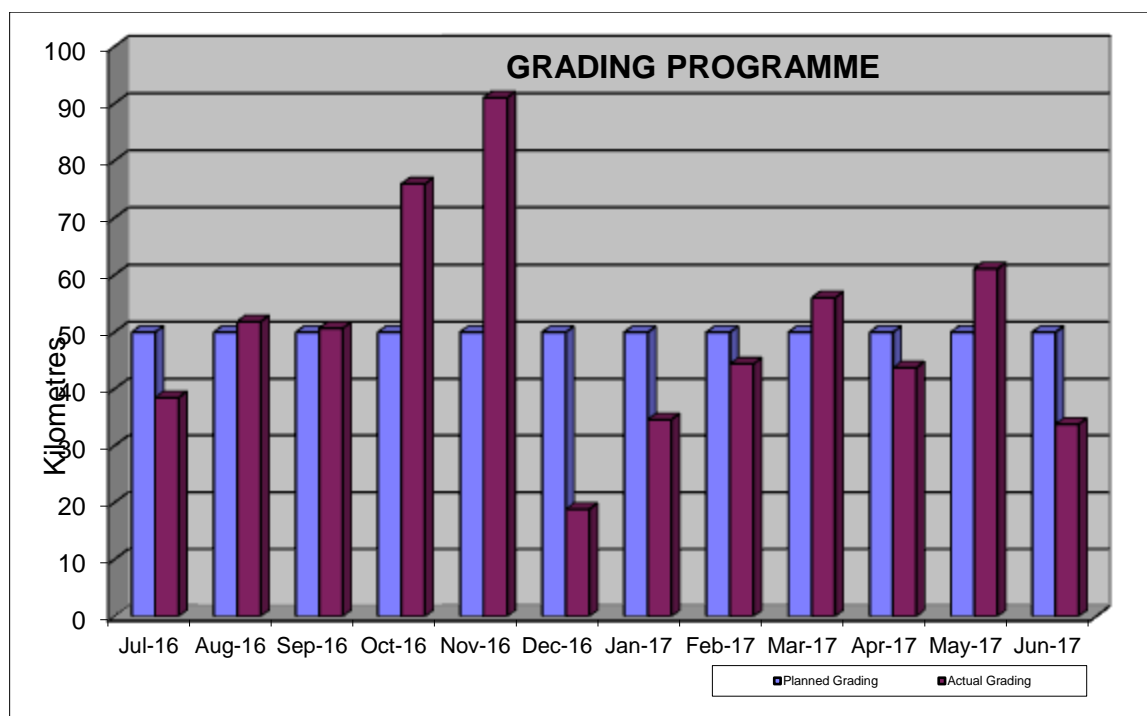


Figure 48: Grading and Gravel Programme

Water & Sanitation Services

The City of uMhlathuze in its capacity as the Water Services Authority and juristic entity is compelled to adhere to the Water Services Act 107 of 1997, which stipulates that Water Services Authorities and local authorities need have the necessary Water Services Policies and Water Services By-laws in place, and to this end, a Water Services Bylaw is in place.

Water Reticulation Network

Asbestos Cement (AC) pipes installed from the early 1970's at the City of uMhlathuze's water network are used to reticulate water to the community. AC pipes were installed mainly because they were an affordable, non-corroding alternative to metallic pipes in areas prone to corrosion.

AC pipes deteriorate as a result of a variety of factors, including working environment, operational conditions over the years with little or no maintenance attention and when stresses such as pressure and soil bearing exceed their strength, consequently they fail.

Pipe degradation depths are correlated with pipe residual strengths, microstructure characteristics, pipe age, water quality, and flow dynamics due to unevenly eroded internal surface of the pipe and soil properties.

The following figure reflects the maintenance activities for 2016/2017 per depot:

NORTHERN DEPOT

Table 41: Water Infrastructure Maintenance for 2016/2017 financial year per depot

Water Infrastructure Maintenance Annual - 2016/2017								
Ward	Pipe burst	Valve maintained	Air Valve maintained	Meter maintained	Meter replaced	New Water Meter connections	New Meter Business / Commercial	Fire hydrant maintained
1	16	9	5	163	139	20	0	100
2	9	8	4	99	70	2	0	17
3	8	11	9	113	78	4	0	151
4	43	17	23	380	249	57	4	141
5	16	0	6	64	230	26	1	18
6	23	0	8	76	223	20	0	14
7	7	6	0	27	75	15	0	5
8	17	4	4	55	67	4	1	16
26	1	5	0	24	39	0	0	15
TOTAL	284	60	59	1001	1170	148	6	477
%	8.86	1.87	1.84	31.23	36.51	4.62	0.19	14.88

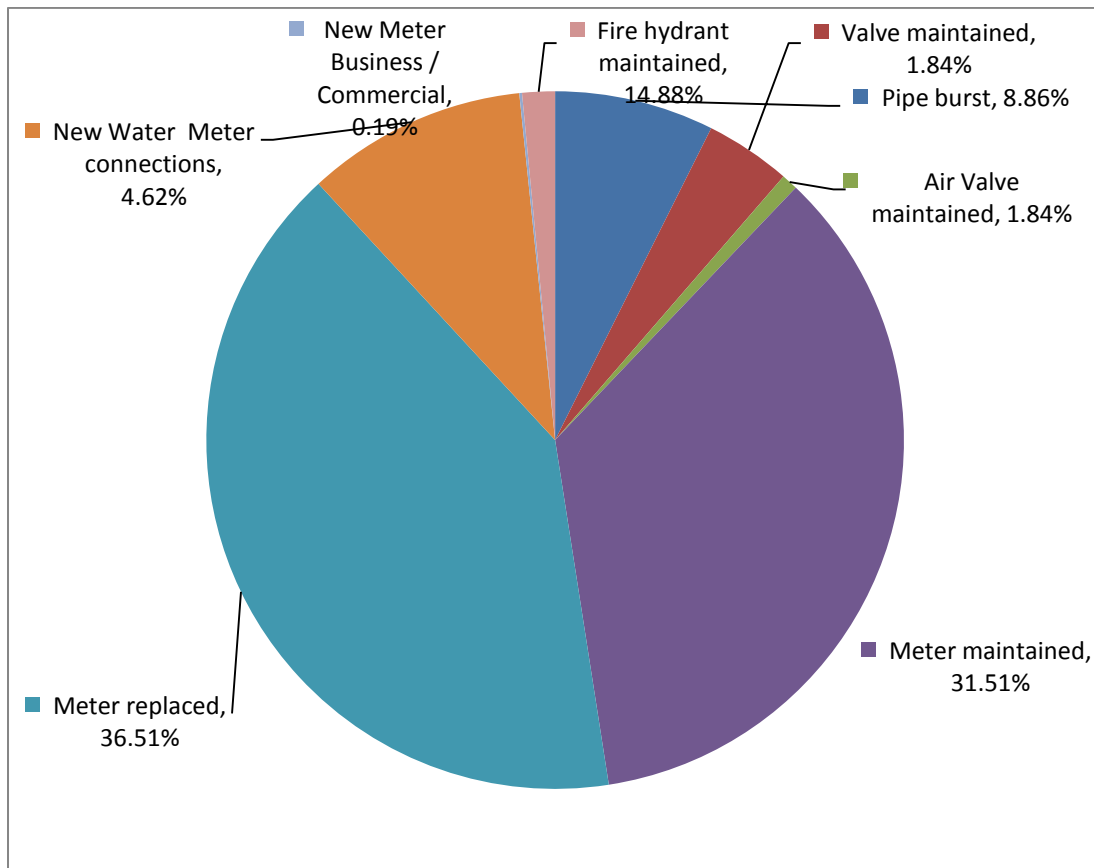
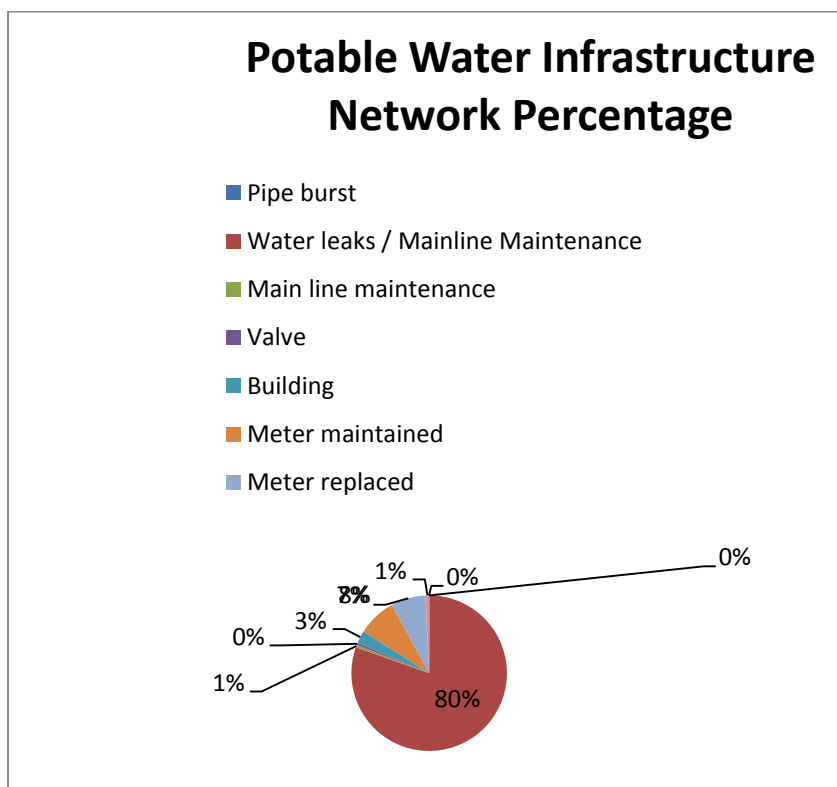


Figure 49: Water Infrastructure Maintenance for 2016/2017 financial year per depot

SOUTHERN DEPOT

Ward	Pipe burst	Water leaks / Mainline Maintenance	Main line maintenance	Valve Maintenance	Building Maintenance	Meter maintained	Meter replaced	New Water Meter connections	Fire hydrant maintained
10	4	1084	9	15	1	5	13	7	0
11		559	0	0	0	0	5	0	0
12		348	3	0	4	2	7	0	0
13		243	0	0	1	8	19	1	0
14		249	0	0	0	2	12	0	0
15	1	338	6	1	57	6	18	4	0
16		113	2	0	13	26	13	0	0
17	1	169	0	0	2	36	17	0	0
18		605	5	2	3	14	42	33	0
19	2	212	1	0	10	82	47	0	0
20		258	1	5	23	90	65	0	0

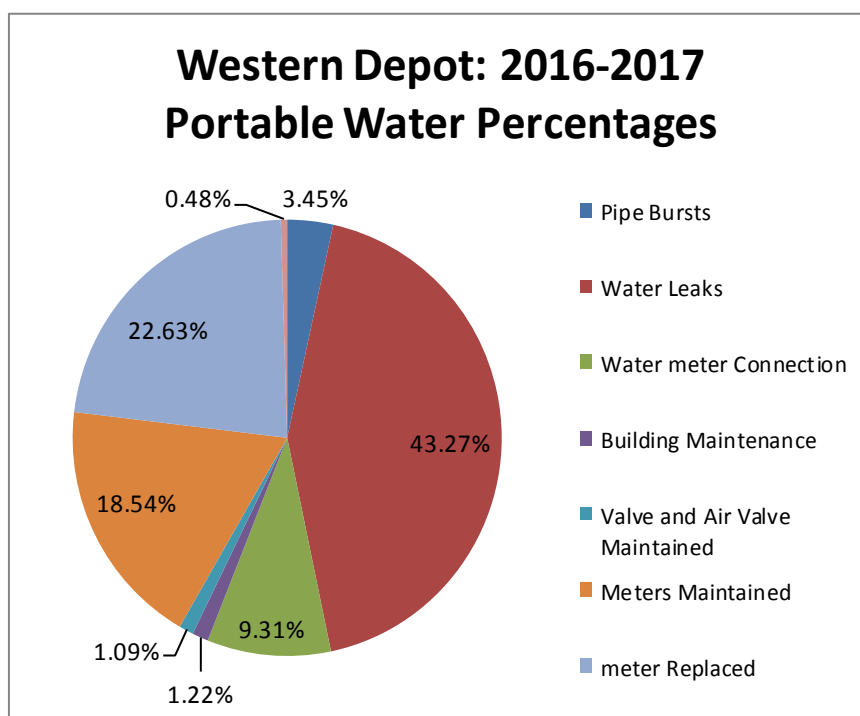
Ward	Pipe burst	Water leaks / Mainline Maintenance	Main line maintenance	Valve Maintenance	Building Maintenance	Meter maintained	Meter replaced	New Water Meter connections	Fire hydrant maintained
21		246	1	3	21	92	71	0	0
22		259	2	1	15	103	78	0	0
30		22	0	0	3	6	16	0	0
TOTAL	8	4705	30	27	153	470	423	45	0
	0.13 %	80.27%	0.51%	0.46%	2.61%	8.02%	7.2%	0.77%	0%



WESTERN DEPOT

ward	Pipe Burst	Water leaks/ installation of pipes	Building Maintenance	Valve and air valve maintenance	Meter maintained	Meter Replaced	New water meter connection	Fire Hydrant maintenance
9	38	488	33	32	238	163	34	18
23	7	436	4	16	274	143	44	4
24	36	569	3	1	137	291	23	0
25	12	156	7	1	21	55	305	0
27	9	126	5	0	61	119	5	0
28	28	204	4	0	73	181	10	0

ward	Pipe Burst	Water leaks/ installation of pipes	Building Maintenance	Valve and air valve maintenance	Meter maintained	Meter Replaced	New water meter connection	Fire Hydrant maintenance
29	28	177	0	0	44	83	5	0
Total	158	1979	56	50	848	1035	426	22
%	3.45	43.27	1.22	1.09	18.54	22.63	9.31	0.48



SEWER NETWORK

NORTHERN DEPOT

Table 42: Sewer Infrastructure Maintenance for 2016/2017 financial year per depot

Sewer Infrastructure Maintenance Annual - 2016/2017					
Ward	Sewer blockages / overflows	Sewer pipe jetting	Manhole repaired	Sewer connections repaired	New Sewer connection
1	131	11	15	2	0
2	127	14	6	4	0
3	153	17	24	6	0
4	94	11	21	6	1
5	0	0	0	3	0
6	0	0	0	0	0
7	0	0	0	0	0

Sewer Infrastructure Maintenance Annual - 2016/2017					
Ward	Sewer blockages / overflows	Sewer pipe jetting	Manhole repaired	Sewer connections repaired	New Sewer connection
8	254	4	0	0	0
26	28	3	2	1	0
TOTAL	787	60	68	22	1
%	83.9	6.39	7.25	2.35	0.11

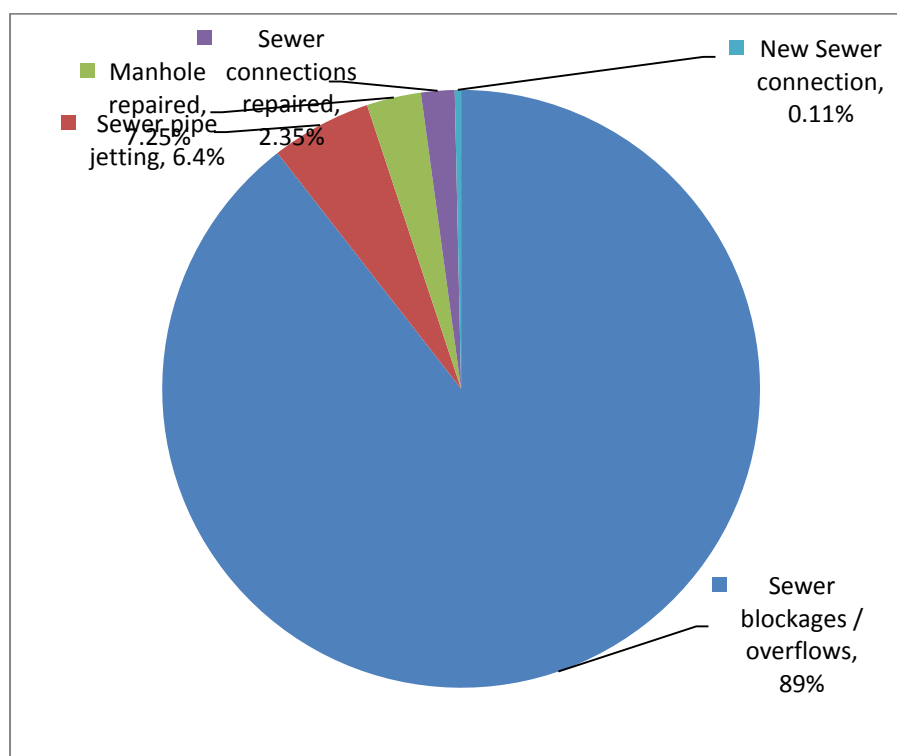
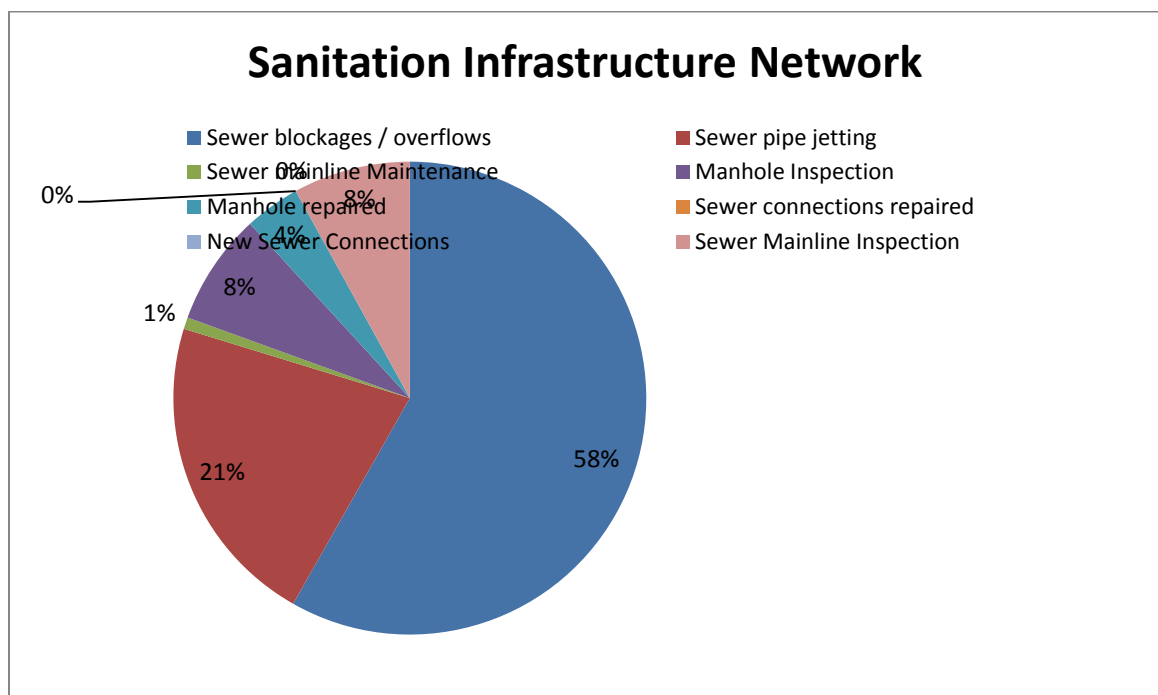


Figure 50: Sewer Infrastructure Maintenance for 2016/2017 financial year per depot

SOUTHERN DEPOT

Ward	Sewer blockages / overflows	Sewer pipe jetting	Sewer mainline maintenance	Manhole Inspection	Manhole repaired	Sewer connections repaired	New Sewer Connections	Sewer Mainline Inspection
10	41	11	4	5	1	0	0	21
11	0	0	0	0	0	0	0	0
12	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0

Ward	Sewer blockages / overflows	Sewer pipe jetting	Sewer mainline maintenance	Manhole Inspection	Manhole repaired	Sewer connections repaired	New Sewer Connections	Sewer Mainline Inspection
15	33	25	0	6	0	0	0	4
16	47	0	0	6	0	0	0	6
17	69	23	0	5	0	0	0	0
18	0	0	0	0	0	0	0	0
19	147	40	0	25	7	0	0	19
20	154	45	0	23	0	0	0	20
21	120	44	2	22	14	0	0	26
22	117	70	0	9	18	0	0	9
30	70	37	5	4	12	0	0	5
TOTAL	798	295	11	105	52	0	0	110
	58.078%	21.47%	0.8%	7.64%	3.78%	0%	0%	8.00%



WESTERN DEPOT

Ward	Sewer blockages / overflows	Sewer pipe jetting	Manhole repaired	Sewer connections repaired	New Sewer connection
9	324	114	24	4	17
23	256	78	10	1	15
24	128	39	1	1	2
27	77	38	2	0	0
28	124	44	1	0	1
Total	909	313	38	6	35
%	69.87	24.06	2.92	0.46	2.69

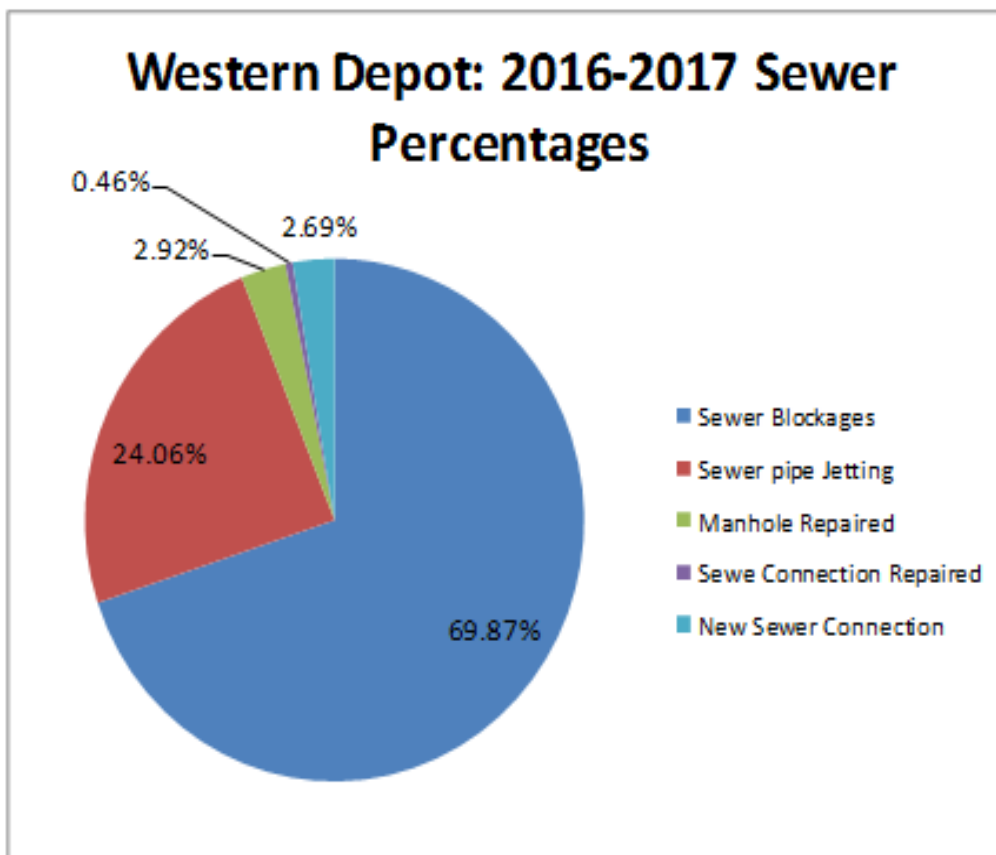




Figure 51: Pipe repairs

Mechanical

In this year the western region had the highest number of pump blockages and overflows due to various reasons but mainly foreign objects and capacity.

The pump stations listed below indicate the activities and achievements of the unit.

Table 43: Operations and Maintenance - 60 Sewerage Pump Stations

PUMP STATION OPERATIONS AND MAINTENANCE							
PUMP STATION	BLOCKAGES	OVERFLOWS	ELECTRICAL/TELEMETRY/LEVEL CONTROL FAULTS	PUMPS, MOTORS FITTED/REPLACED	PUMPS/MOTORS IN FOR REPAIRS/SERVICE	SCHEDULED/EMERGENCY CLEANING OF PUMPSTATIONS/SHUTS	THEFT/BURGLARLY
Northern Region							
Alton							
Alton 1	0	2	3	2	2	2	0
Alton 2	0	0	3	0	0	2	0
Alton 3	0	0	0	0	0	2	0
Alton 4	5	0	4	1	3	2	0
Alton 6 (Stinkgat)	0	0	0	0	2	2	0
Alton 7	3	2	2	0	0	5	0
Alton 8	0	0	2	0	0	1	0
Alton 10	0	0	0	0	0	0	0
Alton Macerator	1	0	0	1	0	5	0
I.O.F 1	2	4	4	1	0	5	0
I.O.F 2	0	0	0	0	0	2	0
Polaris	0	0	0	4	3	2	0
V1 (Industrial)	2	0	0	1	0	1	0
V2 (Industrial)	1	1	0	0	1	1	0
Total	14	4	14	10	11	32	0
Aquadene							
Aquadene 1	10	10	5	0	0	10	0
Aquadene 2	2	2	0	0	0	3	0
Total	12	12	4	0	0	13	0

PUMP STATION OPERATIONS AND MAINTENANCE							
PUMP STATION	BLOCKAGES	OVERFLOWS	ELECTRICAL/TELEMETRY/LEVEL CONTROL FAULTS	PUMPS, MOTORS FITTED/REPLACED	PUMPS/MOTORS IN FOR REPAIRS/SERVICE	SCHEDULED/EMERGENCY CLEANING OF PUMP STATIONS/SHUTS	THEFT/BURGLARLY
Arboretum							
Arboretum 1	3	0	1	1	0	3	0
Arboretum 2	1	2	4	0	0	4	0
Arboretum 3	0	0	2	0	0	2	0
Arboretum 4	6	2	0	0	0	3	0
Arboretum Macerator	2	0	5	2	0	6	1
Arboretum Main	0	2	5	2	2	6	2
Total	12	6	17	5	2	22	3
Birdswood							
Airport	0	0	0	1	1	0	0
Birdswood	4	5	2	0	0	5	0
Total	4	5	2	1	1	5	0
Brackenhams							
Brackenhams	3	4	2	0	0	4	0
Total	3	4	2	0	0	4	0
Central Business District (CBD)							
CBD	6	0	0	6	5	3	0
Civic Centre	1	3	0	0	0	0	0
Total	7	3	0	6	5	3	0
Meerensee							
Alkantstrand 1	0	0	0	0	0	2	0
Alkantstrand 2	5	2	2	1	0	2	0
Alkantstrand 3	0	0	0	0	1	2	0

PUMP STATION OPERATIONS AND MAINTENANCE							
PUMP STATION	BLOCKAGES	OVERFLOWS	ELECTRICAL/TELEMETRY/LEVEL CONTROL FAULTS	PUMPS, MOTORS FITTED/REPLACED	PUMPS/MOTORS IN FOR REPAIRS/SERVICE	SCHEDULED/EMERGENCY CLEANING OF PUMP STATIONS/SHUTS	THEFT/BURGLARLY
Alkantstrand 4	0	0	3	0	1	2	0
Caravan Park 1	1	0	2	0	1	2	0
Meerensee 1	0	6	6	1	1	2	0
Meerensee 2	2	2	0	0	0	2	0
Meerensee 3	3	3	1	0	0	2	0
Meerensee 4	0	3	6	0	1	2	0
Meerensee 5	0	0	0	0	1	2	0
Meerensee 6	0	0	1	0	1	2	0
Meerensee 7	0	0	1	1	0	2	0
Meerensee 8	0	0	0	0	0	2	0
Meerensee 9	1	0	2	0	1	2	0
Meerensee 10	0	0	2	0	1	3	0
Meerensee Main	3	4	0	0	0	2	0
Small Craft 2	1	1	4	5	4	4	0
Small Craft 3	0	0	0	0	1	2	0
V1 (Meerensee)	0	0	2	0	1	3	2
V2 (Meerensee)	1	0	0	1	1	0	1
Total	17	21	32	9	16	24	3
Veldenvlei							
Veldenvlei Main	0	0	4	0	0	14	0
Total	0	0	4	0	0	14	0

PUMP STATION OPERATIONS AND MAINTENANCE							
PUMP STATION	BLOCKAGES	OVERFLOWS	ELECTRICAL/TELEMETRY/LEVEL CONTROL FAULTS	PUMPS, MOTORS FITTED/REPLACED	PUMPS/MOTORS IN FOR REPAIRS/SERVICE	SCHEDULED/EMERGENCY CLEANING OF PUMP STATIONS/SHUTS	THEFT/BURGLARLY
Western Region							
Felixton							
Felixton 1	4	4	4	0	1	4	0
Felixton 2	0	0	0	2	0	2	0
Felixton 3	1	1	0	0	0	2	0
Total	5	5	4	2	1	8	0
EMpangeni							
Hillview Fresh Water	0	0	0	2	1	1	0
Hillview Sewer	1	4	5	0	0	3	2
Kuleka	8	3	0	0	0	3	0
Kritzinger	22	4	0	0	0	4	0
North Road	0	0	2	1	0	1	0
Pearce Crescent	6	2	3	3	0	2	0
Ticor	4	2	1	0	1	5	0
Wilton Park	9	3	0	0	0	5	0
Fiddlewood	0	0	1	1	0	1	0
John Ross Macerator	4	2	2	1	0	6	2
Total	60	20	14	8	1	31	4
Ngwelazane							
uMhlathuze Village 1	17	5	2	1	0	6	0
uMhlathuze Village 2	31	17	3	1	0	3	0
uMhlathuze Village 3	7	6	2	2	2	2	0

PUMP STATION OPERATIONS AND MAINTENANCE							
PUMP STATION	BLOCKAGES	OVERFLOWS	ELECTRICAL/TELEMETRY/LEVEL CONTROL FAULTS	PUMPS, MOTORS FITTED/REPLACED	PUMPS/MOTORS IN FOR REPAIRS/SERVICE	SCHEDULED/EMERGENCY CLEANING OF PUMP STATIONS/SHUTS	THEFT/BURGLARLY
Magazulu Reservoir	3	1	2	0	0	2	0
Total	58	29	9	3	2	13	0
Southern Region							
Esikhaleni							
Esikhaleni Pump F	5	3	2	0	0	2	0
Total	5	3	2	0	0	2	0
Total For Annual	197	112	104	44	39	171	10

In most instances, blockages are caused by foreign objects deposited into the sewer system, damaging the impeller; restricting the volume or preventing the self-priming valve from releasing the air from the pumping system reducing efficiency and in some cases the foreign objects damage the volute. The electrical / telemetry / level control faults include electricity dips by Eskom and faults on level controls leading to some overflows.

Infrastructure Capacity

The pump stations were built more than thirty years ago. As the population increases, the infrastructure becomes overloaded and less efficient, due to the aging system. The municipality is implementing multi-year projects to replace aging infrastructure.

Customer Services, Retail and Marketing

Water sources have drastically increased in comparison to the previous year, due to higher rainfall received in the region and due to the fact that we are in winter season where there is less heat and hence less evaporation. However, the drought is still severe and therefore water restrictions are still in place. Most of the areas in the City of uMhlathuze have reduced their water consumption due to water awareness campaigns within the city.

Table 44: Water consumption for major industries

	Transnet Limited	Hillside aluminium	Foskor (Pty) Ltd (consumable)	Foskor (Pty) Ltd (clarified)	Tronox KZN Sands
July	56 486	38 714	230 465.89	236 549	66 060
August	43 368	47 458	10 817.42	217 811	64 500
September	45 818	43 368	194 881.67	327 022	66 610
January (KI)	54221	10300	244419.7	415582	2131.32
February (KI)	61247.93	59176	196660.9	269264	2125.77
March (KI)	67412.4	48810	196262.8	199768	2136.83
April in KI	72754.46	44073	335341.61	292154	84400
May in KI	78428.69	28381	240975.11	337602	84400
June in KI	78428.69	33552	217938.65	190048	101500

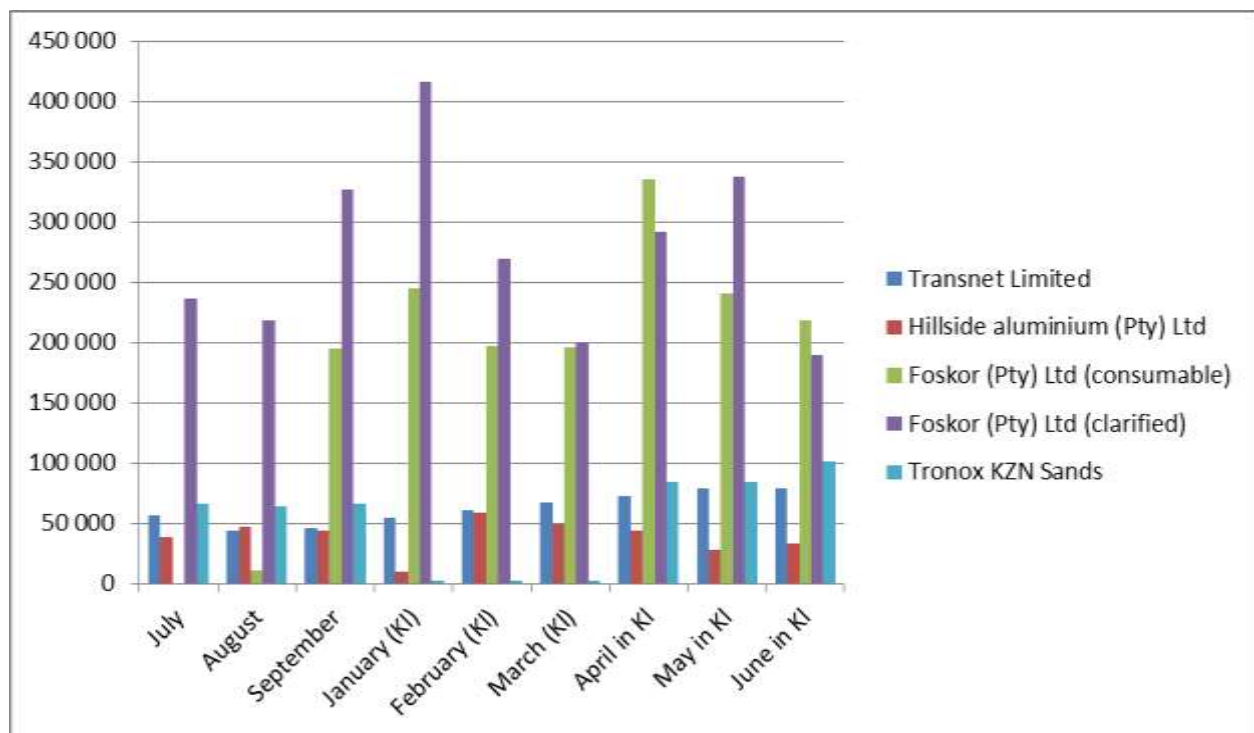


Figure 52: Water consumption for major industries

Table 45: Lake levels for 2016/2017

Water source	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Goedertrouw Dam	17%	19%	30%	34%
Lake Mzingazi	49%	55%	75%	107%
Lake Cubhu	100%	100%	108%	109%

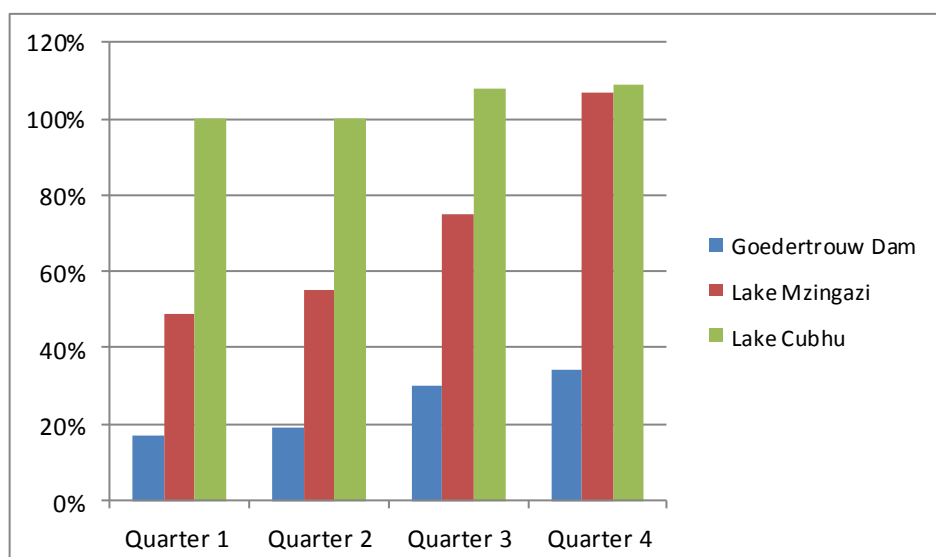


Figure 53: Lake Levels for 2016/2017

Water Awareness Campaigns

Annual Water Week - held by the Department of Water and Sanitation from 27 to 31 March 2017, during which many schools, communities and malls were visited within the City of uMhlathuze. The programme included various activities and programmes to raise awareness and inform community members that the municipality is indeed in drought mode, and their assistance is needed in saving water.

Desalination Plant - officially launched on 12 May 2017 by the Department of Water and Sanitation, officiated by the Honourable Minister Nomvula Mokonyane. This plant will be producing 10M/d into the Meerensee system, and will assist the City of uMhlathuze with enough water to improve supply and ensures security of water supply to new developers.

Business breakfast- the Body Corporate Management breakfast was held on 2 June 2017 and addressed by the Honourable Mayor MG Mhlongo who tabled issues of water and sanitation, with emphasis on water conservation.

Top 5 Water users in Industry - the City of uMhlathuze engaged with industry's top 5 water users to monitor and discuss if these industries comply with level 5 restrictions.

Engagement with Councillors - conducted in different clusters to discuss water status quo and issues that communities have around water supply in their respective areas.

The following schools were visited to promote Water Awareness.

Table 46: School Water Awareness Programme

NAME OF WSA/AREA AND DATE	TYPE OF EVENT e.g. COMMUNITY OR SCHOOLS VISIT	FOCUS OF THE ACTIVITY e.g. message	WHAT TYPE OF MEDIUM OR MATERIAL USED	Dates
Ntambanana School Visit –Obizo Primary and Mkhonto High School	School visit	Water Saving and quality	Pamphlets	27 March 2017
Mandlazini School: Kati Primary School Lizwi High School	School visit	Water Saving	Pamphlets and Banners	28 March 2017
Qhakaza I and Ongoye High School	School Visit	Water Saving	Pamphlets and Banners	29 March 2017
Dlangezwa High and Matshangule Primary School	School Visit	Water Saving	Pamphlets and Banners	30 March 2017
Business Meeting: Body Coporates, Restuarents ,etc	Businesses Water Indaba	Putting emphasis on keeping our importance of water conservation in light of the drought challenges currently facing the region	Presentation to both print media and electronic Media using electronic presentations, reports, banners and water saving leaflets	31 March 2017
Road Show at Vulindlela Township and surrounding areas	Community	Emphasis on water conservation	Pamphlets and Banners	31 March 2017



Water is precious, save every drop

Wellington Makwakwa

'EVERY drop of water is precious'.

This was the strong message during the Save Water campaign at uMkhobese area in eSikhaleni on Wednesday.

Headed by Ward 16 Councillor Thami Phahla, the aim of the campaign was to educate the community about the importance of water and tips

on how to save it.

'The issue of saving water includes everybody. This platform is to spread that message and ensure our people understand its significance and that water is life. Without it there is no life, that is why it is our responsibility to monitor it so we won't run out,' said Phahla.

Involved in the campaign are community volunteers, government officials as well as repre-

sentatives of the Water and Sanitation Department within the City of uMhlatuze.

'Most people think, owing to the rain we have had in the last few months, that the drought is now over, but that is not true. There is still not enough water and the rain is not sufficient,' said Water and Sanitation Customer Service Manager, Thobeka Dlamini.



Volunteers and members of the City of uMhlatuze promoting the Save Water campaign
Wellington Makwakwa



Figure 54: Water awareness campaigns

Scientific Services

Various key functional areas within the Scientific Services contribute to the reliability and credibility of an effective water quality management system. The 2 major units of the Scientific Services are the Laboratory and Water Quality Management sections. Together these sections exist in a cooperative relationship in an endeavour to combat water pollution.

The subdivision attends to the following:

Laboratory Testing Services (Chemistry & Microbiology)

Laboratory Testing

Table 47: Number of Tests per Sample Type from July 2016 to February 2017

MICROBIOLOGY	
SAMPLE TYPE	TOTAL NUMBER OF ANALYSIS
Lakes (Cubhu & Mzingazi)	225
Surface Water	383
Drinking Water	98
Ground Water	56
Grand Total of analysis per sample type	762

Achievements

- A new record of an average z-score of 0.32 in SABS water proficiency testing.
- Establishment of a Chemistry wastewater laboratory.
- Improved extraction system for the Chemistry wastewater laboratory.
- Extension of the Scientific Services Building with new offices and new laboratories.
- Construction of new Microbiology laboratories for water and wastewater.
- Procurement of new Microbiology laboratory equipment e.g. Biosafety Cabinet. (a cabinet equipped with HEPA filter(s), designed to provide personnel or both personnel and product protection from bio hazardous materials that are used as reference materials in the Microbiology lab)

Water Quality Management

Water Quality Functions

- Water & wastewater quality monitoring as per the Water Quality Monitoring Program (WQMP).
- Drinking Water Quality Management (including consumer complaint management).
- Industrial Effluent Permit Management.
- Industrial Pollution Management.
- Industrial Inspections.
- Water pollution incident investigations.
- Storm water Inspection and Pollution Management.

Sample Management

Samples from various sources are collected for analysis of key parameters to determine water quality.

Table 48: Total samples for 2016/2017

SOURCE	SAMPLES
Surface Water (Industrial)	288
Surface Water (Pump station)	404
Surface Water (Urban/Rural Suburbs)	88
Surface Water (Rivers/Streams/Canal)	132
Industrial Effluent	360
Surface Water (Lakes)	600
Alton Landfill (Boreholes)	168
Coastal Water (Blue Flag)	104
External Service Provider (Sampling only) (MW)	848
Richards Bay Cemetery (Boreholes)	28
GRAND TOTAL	3020

Drinking Water and Wastewater Systems

Mhlathuze Water is responsible for the water and wastewater purification and distribution function. An extensive water-quality monitoring program for drinking water and wastewater

quality has been implemented. The monitoring program includes the following water treatment works:

- Esikhaleni Water Treatment Works
- Mzingazi Water Treatment Works
- Ngwelazane Water Treatment Works

Drinking Water Reticulation monitoring

There are a number of test points along the water networks that serve to ensure that the quality of potable water complies with national standards (SANS 241:2015). There are 61 samples tested per week/month by uMhlathuze Water. Waste Water Treatment Works include:

- Alton Macerator Station
- Arboretum Macerator Station
- John Ross Highway Macerator Station
- ENSeleni Wastewater Treatment Works
- Esikhaleni Wastewater Treatment Works
- EMpangeni Wastewater Treatment Works
- Ngwelazane Wastewater Treatment Works
- Vulindela Wastewater Treatment Works

Wastewater Treatment Monitoring

There are 7 test points at the wastewater treatment works and macerator stations, which ensure that the final effluent quality complies with national standards before discharge. Additional monitoring from the Councils own laboratory adds credibility to the monitoring program.

Water Pollution Management

The Water Quality Monitoring Program (WQMP) has been developed and implemented so that Council meets the statutory requirements and for the sustainability of water resources within its area of jurisdiction. This is a monitoring programme that the laboratory follows to conduct its

testing, and it comprises of the standards/guidelines and regulations required to effectively and efficiently monitor the city's water sources.

The following areas are monitored for possible pollution:

Table 4: Sample types being monitored by the WQMP

SAMPLE TYPE	DESCRIPTION
Surface Water	Lakes (Cubhu & Mzingazi)
	Rural/Urban Suburbs (stormwater streams)
	Rivers/Streams/ Canals
	Industrial (stormwater streams)
	Pump-stations (streams close to pumpstations)
Coastal Water	Alkantstrand 1 & 2
Groundwater	Municipal Cemetery
	Landfill Site
Sewage	Industrial Effluent (sewage network)

Water Pollution Control

Water pollution control includes monitoring of waste water treatment works, streams and rivers, water bodies and boreholes. These all are influenced by industrial waste, pump station and sewer overflows, and non-compliances of industry and WSP's to national effluent standards.

Various pollution incidents that occurred are also mentioned, and compliance notices have been issued in terms of contravening specific sections of Water Services Bylaw. The following table lists permits issued in terms of Water Services Bylaw:

Table 49: Compliance Activity of the Water Quality Section

ASPECT	NUMBER	DESCRIPTION
Industrial inspection	14	Inspection of industries for their compliance to Water Services Bylaw requirements
Permits issued	10	Permits issued to companies as per section 88 and 86 of Water Services Bylaw to discharge via municipal sewer system.
Water Complaints	12	Consumer complaints on drinking water quality.
Pollution incidents	8	Incidents that resulted in pollution of open water source or open ground areas.

ASPECT	NUMBER	DESCRIPTION
Forums attended	6	Meetings with industry in presenting their environmental performance to relevant stakeholders.
Internal Non conformances	3168	Non-conformances generated from laboratory results, which are out of the specified range according to WQMP.

Blue & Green Drop Incentive Based Programmes

The Minister of Water Affairs introduced the concept of Incentive-based Regulation on 11 September 2008 to the water sector at the National Municipal Indaba. The concept was defined by two programmes: the Blue Drop Certification Programme for Drinking Water Quality Management Regulation and the Green Drop Certification Programme for Wastewater Quality Management Regulation.

Criteria to be complied with in order to be awarded a Blue Drop Status

The Water Services Authority responsible for the provision of water, is required to ensure that the following criteria are met in each drinking water treatment works:

Table 50: Blue Drop Criteria

Criteria		Allocated Weight (%)	2014 Score per Criteria (%)			
			Mzingazi WTW	Esikhaleni WTW	Ngwelezana WTW	Nsezi WTW
1	Water Safety and Security Plan	35	97	92	100	98
2	Drinking Water Quality process management & control	8	85	75	100	100
3	Drinking Water Quality Verification	30	55	89	82	89
4	Management, accountability & local regulation	10	81	81	89	81
5	Asset Management	14	100	100	100	100



Blue Drop Incentive Based Program

The Blue Drop process measures and compares the results of the performance of Water Service Authorities and their providers, and subsequently rewards (or penalizes) the municipality upon evidence of their excellence (or failures) according to the minimum standards or requirements that have been defined.

The Blue Drop incentive based regulation program endeavours to facilitate and drive a continuous improvement process, seeking sustainable improvement in service delivery, progressive improvement in drinking water quality and steadfast coverage of un-serviced areas.

The tables below for Blue and Green Drop Status reflect the last scoring by the Department of Water and Sanitation as at 2014 and 2013 respectively.

Table 51: Comparative Table – Blue Drop Status

Blue Drop Systems	2010 Score	2011 Score	2012 Score	2014 Score
Mzingazi WTW	81.25%	89.28%	89.91%	85.45%
eSikhaleni WTW	79.75%	90.07%	92.35%	91.85%
Ngwelezana WTW 	79.75%	91.35%	96.37%	95.02%
Nsezi WTW 	NA	88.90%	98.39%	95.38%
The Average Score*	80.4%	89.26%	92.94%	89.60%

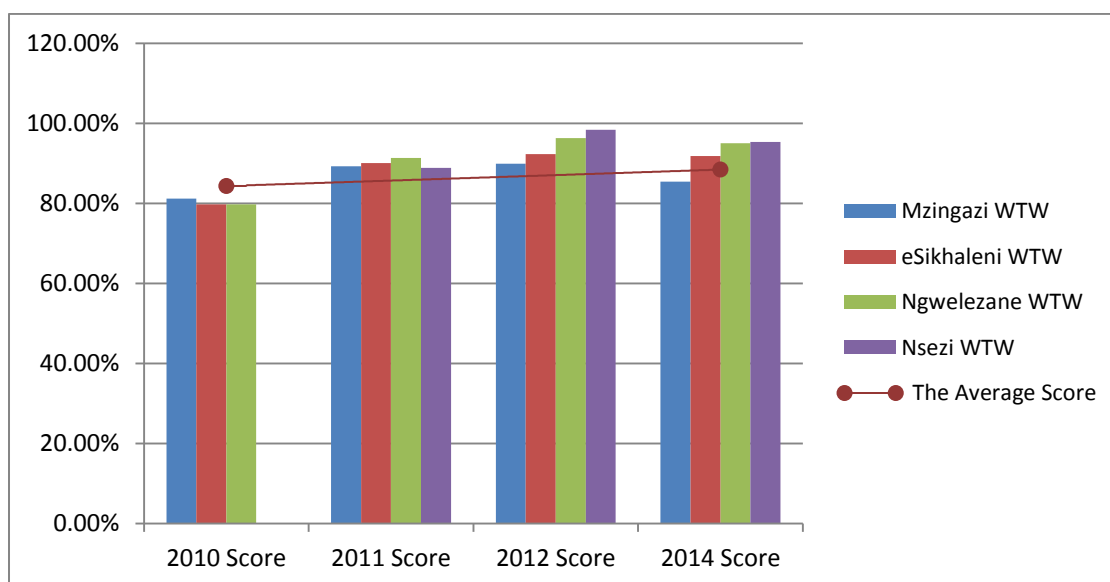


Figure 55: Blue Drop Status

Cumulative Risk Rating (CRR)

DWA risk development has taken place in 3 consecutive stages – each stage providing an improved and more representative risk status of municipal wastewater services in South Africa. The same process of continuous development will be used to broaden risk determination until it also includes wastewater collection systems and eventually the full context of Integrated Asset Management regarding wastewater services. The CRR for the municipal systems are as follows:

Table 52: Blue Drop CRR Scores 2014

Blue Drop Systems	2013 CRR Score	2014 CRR Score
Nsezi WTW	33.62%	32.00%
Mzingazi WTW	39.10%	47.70%
eSikhaleni WTW	39.10%	39.60%
Ngwelezana WTW	64.95%	31.80%
The Weighted Average Score	36.19%	42.00%

a) Green Drop Incentive Based Program

The Green Drop process measures and compares the results of the performance of Water Service Authorities and their Providers, and subsequently rewards (or penalises) the municipality upon evidence of their excellence (or failures) according to the minimum standards or requirements that have been defined.

Criteria to be complied with in order to be awarded a Green Drop Status




The Water Services Authority responsible for the provision of water is required to ensure that the following criteria are met in each wastewater water treatment works:

Table 53: Green Drop Criteria

Criteria		Allocated Weight (%)	2013 Score per Criteria (%)				
			EMpangeni WWTW	eSikhaleni WWTW	Ngwelezana WWTW	eNseleni WWTW	Vulindlela WWTW
1	Process Control & Maintenance Skill	10	92	80	92	84	80
2	Monitoring Program	15	95	95	95	95	95
3	Submission of Results	5	100	100	100	100	100
4	Effluent Quality Compliance	30	10	58	66	90	66
5	Risk Management	15	100	100	100	100	100
6	Local Regulation	5	100	100	100	100	100
7	Treatment Capacity	5	59	59	90	94	90
8	Asset Management	15	93	96	96	100	100

Green Drop Certification seeks to improve municipal wastewater services through the effective and efficient management of wastewater treatment and effluent discharge while promoting transparency and subsequent accountability. A marked improvement in the overall scores for the Green Drop Systems within the City can be noted in the table below:

Table 54: Green Drop Score for the City of uMhlathuze

Green Drop Systems	2009 Score	2011 Score	2013 Score
EMpangeni WWTW	72%	84.30%	77.20%
eSikhaleni WWTW	72%	82.60%	86.73%
Ngwelezana WWTW 	72%	83.20%	91.18%
eNseleni WWTW 	72%	83.20%	95.99%
Vulindlela WWTW 	72%	86.10%	90.74%
The Average Score*	72%	83.3%	84.94%

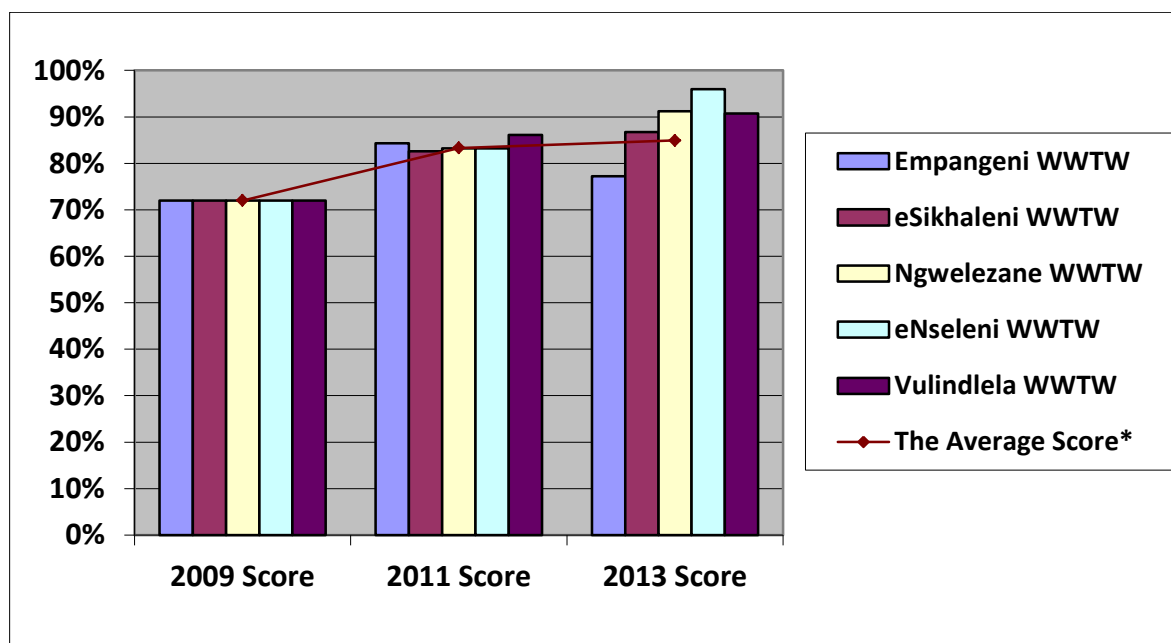


Figure 56: Green Drop Score for the City of uMhlathuze

Cumulative Risk Rating (CRR)

DWA risk development has taken place in 3 consecutive stages – each stage providing an improved and more representative risk status of municipal wastewater services in South Africa. The same process of continuous development will be used to broaden risk determination until it also includes wastewater collection systems and eventually the full context of Integrated Asset Management regarding wastewater services.

The CRR for the municipal systems are as follows:

Table 55: Green Drop CRR Score

Green Drop Systems	2011 CRR Score	2012 CRR Score	2013 CRR Score	2014 CRR Score
EMpangeni WWTW	35%	50%	54.55%	54.50%
eSikhaleni WWTW	52%	50%	50.00%	54.50%
Ngwelezana WWTW	48%	36%	40.91%	31.80%
eNseleni WWTW	33%	35%	29.41%	29.40%
Vulindlela WWTW	22%	35%	41.18%	23.50%
The Average Score	38.1%	41.4%	43.21%	38.70%

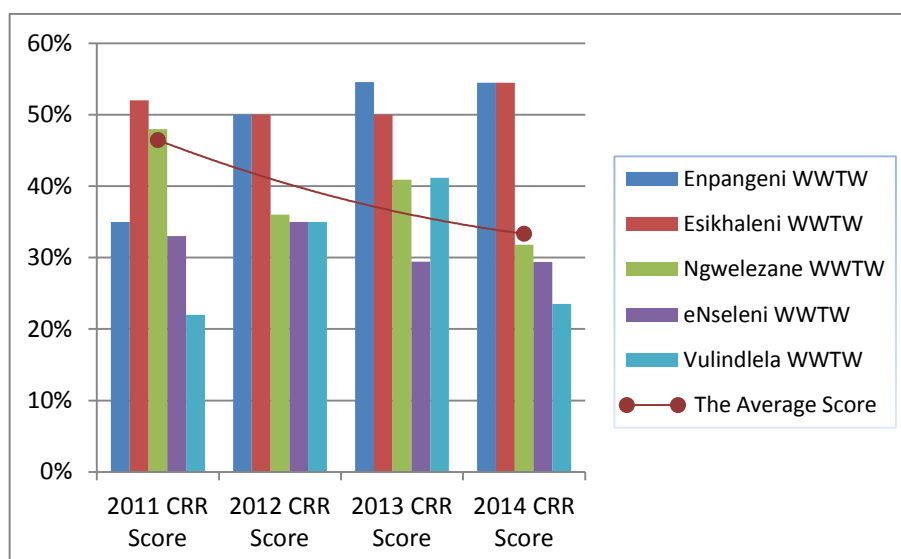


Figure 57: Green Drop CRR Score

Major Projects

Integrated Water Quality Management System (IWQMS)

The Council for Science and Industrial Research (CSIR), as part of the Memorandum of Understanding signed with the City of uMhlathuze is developing an Integrated Water Quality Management System (IWQMS) for the city that could later be rolled out to assist other municipalities.

The system will have components that display the following:

- Management Dashboard with indicators of any out of range alerts and that assist with status tracing of incident investigations.
- Overview in geographic and graphic format that summarises bacteriological, physical and chemical water quality, and quick links to regularly used tables/graphs.
- Tables and graphs created by trending and query that are updated real time and or regularly, to give status reports to management.
- Key water quality results as required for legislative compliance.

Mobile GIS

Linked to the IWQMS is the Mobile GIS project, which provides the capability to collect, manage, manipulate, analyse and distribute information that is tied to a location. A Geographic Information System (GIS) is proven technology that has been used for many years by government departments and other organisations, as a decision support tool and information

management system. The City of uMhlathuze's GIS is a dynamic example of this technology's application in action. The City of uMhlathuze (Richards Bay) Corporate GIS is aiming to incorporate Mobile GIS as part of their Enterprise GIS service, GIS software and computer infrastructure, as technology continues to expand capabilities and introduce new business opportunities.

Lake management

Lake Mzingazi is the only suitable source of domestic water supply for the Richards Bay community.

In order to address the natural degree of changes in the system, as well as the resulting changes in social impacts and reliance of communities on the lake itself, an updated Situational Analysis Report was required. The city's partnership with the CSIR proved the most appropriate opportunity to conduct such a study, which would culminate in the development of a Lake Management Plan.

Landfill Site Project

The Council has approached CSIR to conduct a Forensic Ecological Study for the Richards Bay Landfill site. The main aim of the study is to establish methods in order to achieve sustainable management of the landfill site. Various studies will be undertaken to ensure proper methods are employed.





Figure 58: Site Inspections – Water Quality

Water Demand Management

Water Demand Management Unit focuses on the management of water losses within the uMhlathuze system. The current status quo per system is as follows:

Richards Bay System

Richards Bay is still experiencing a high volume of losses in eNseleni, and this can be attributed to a number of factors. In response to the losses, the municipality is implementing a multi-year Pipe Replacement Project.

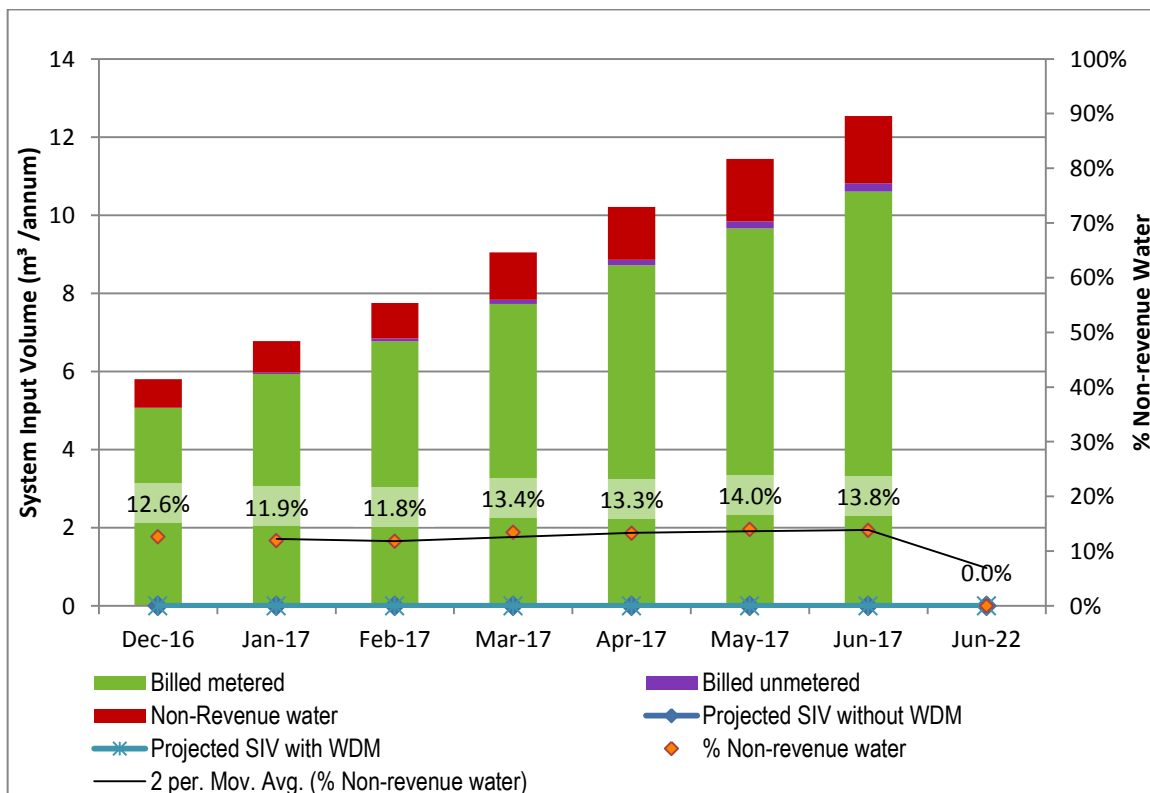


Figure 59: Richards Bay System

Esikhaleni System

Esikhaleni is still experiencing high losses, but the trend indicates that the losses are reducing from a peak of 48% to an average of 30% year on year.

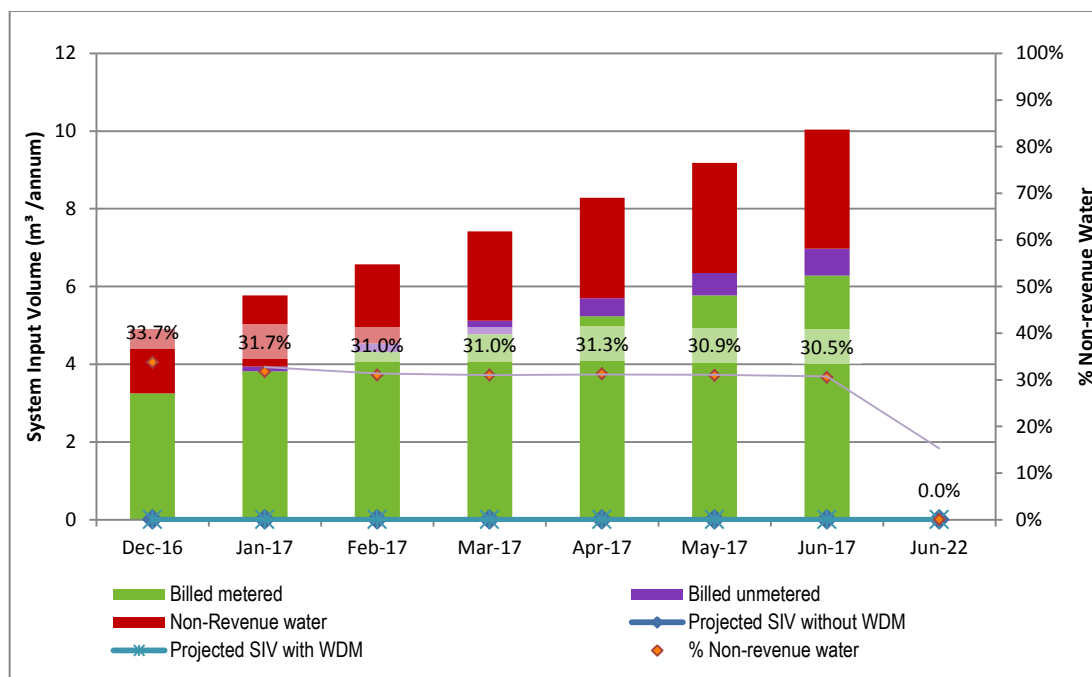


Figure 60: eSikhaleni System

EMpangeni System

EMpangeni is showing some stability due to 3 new zones which were created and PRV's installed. The installation of pressure valves (PRV's) will assist in further reducing pressure in the zone.

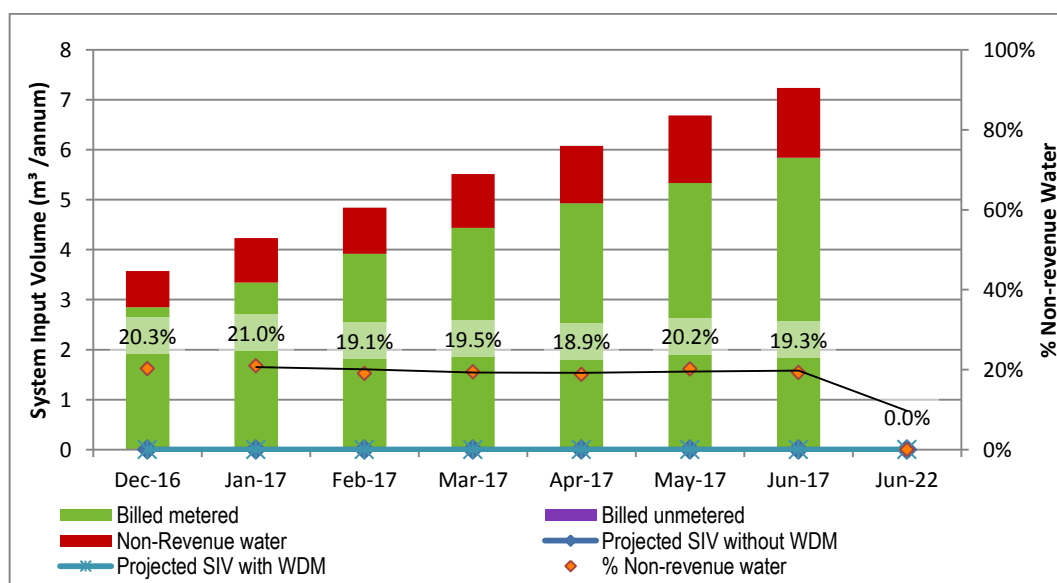


Figure 61: EMpangeni System

Ngwelezana System

Ngwelezana has stabilized due to the introduction of pressure management, resulting in the creation of 3 zones and installation of PRV's.

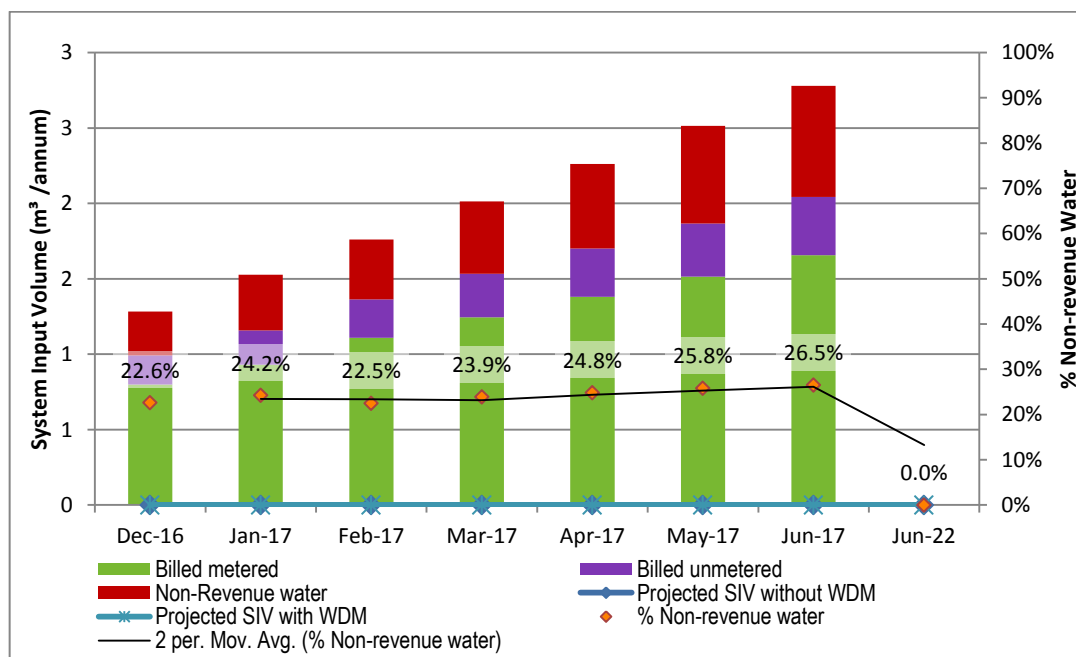


Figure 62: Ngwelezana System

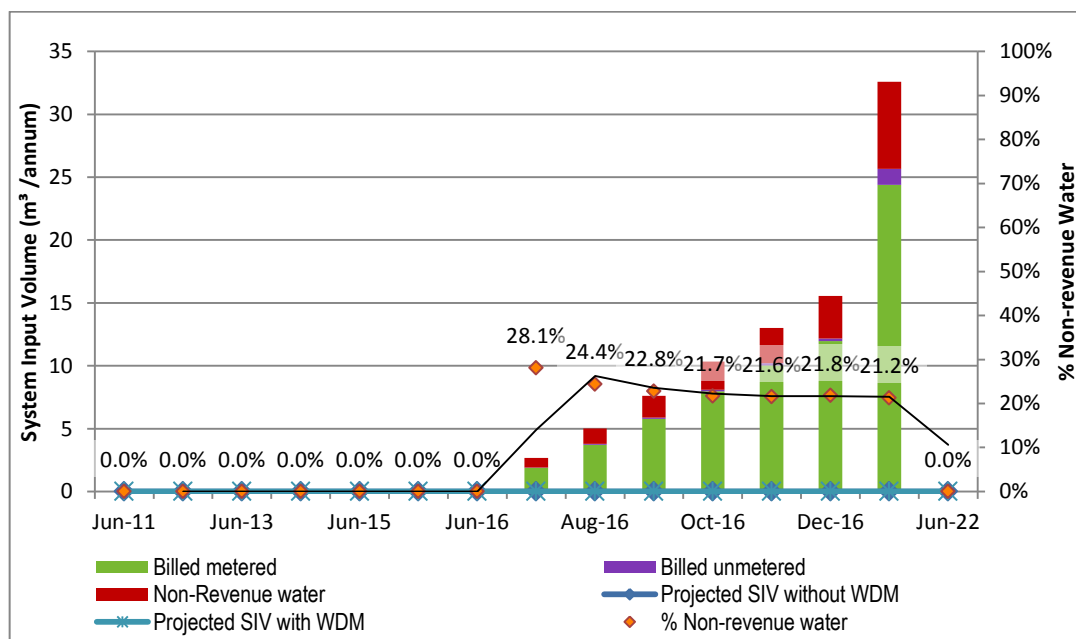


Figure 63: Summary of all City of uMhlathuze systems combined

Engineering Services

This section is responsible for the following:

- Fleet Management
- Project Management Unit (PMU)
- Building & Structures
- Infrastructure Asset Management

Fleet Management

The Fleet and Transportation unit is responsible for the maintenance, servicing and repair of the entire fleet, including yellow plant. All new Vehicles and Plant are procured with a Maintenance Plan where possible. User departments are responsible for the daily operations, control and management of vehicles and plant.

The key deliverables of the unit are as follows:

1. To set out and implement standards to regulate physical management, recording and internal controls to ensure that vehicles, plant and equipment are safeguarded against inappropriate loss or utilisation, thereby maximising useful economic life.
2. To provide a framework within which expenditure on vehicle, plant and equipment can be incurred, including scrapping of such vehicles, plant and equipment.
3. To ensure that vehicles, plant and equipment are acquired, operated, maintained, repaired and disposed of within the applicable regulatory framework, taking into consideration budgetary constraints.





Figure 64: Newly acquired fleet

Project Management Unit

The unit is responsible for the implementation of capital projects on behalf of user departments, which includes the management of MIG and EPWP grants. Capital projects implemented by the PMU during 2016/2017 financial year are contained in Appendix O of this report.





Figure 65: Some of the projects managed by PMU

Building & Structures

The Buildings and Structures unit is subdivided as follows:

- Buildings Maintenance
- Mini Buildings Projects (Maintenance Contractors)
- Lighting Services
- Air conditioning and Refrigeration

This unit is responsible for the maintenance / servicing of building maintenance works. Maintenance initiatives are scheduled and implemented daily by the following teams:

- Carpentry and Glazing Maintenance team,
- Bricklaying & Plaster/Paving/Tiling Maintenance team,

- Painting and Decoration Maintenance Team, and
- Lighting services maintenance team.

Infrastructure Asset Management

This unit is responsible for providing the following services for support:

- GIS in terms of capturing As Build information,
- Survey in terms of internal projects,
- Bulk contributions on civil works,
- Drawing and
- Asset Management programmes together with the finance section.

The unit also deals with the investigations of sites encroachment through City development. The issue of As Built approvals and capturing in the system is vitally important in order to ensure that council runs the asset data across board. Council has looked at the Infrastructure Delivery Management System (IDMS), which is now driven by the Provincial Treasury for all Government institutions.

Table 56: A summary of the Asset Management Maturity plan is indicated below:

NO	PRIORITY	ACTIVITY	DELIVERABLE
1	Infrastructure Asset Register Implementation	Status Quo Investigation	<ul style="list-style-type: none"> Verify current asset register status and formulate an action plan to ensure asset register is updated.
		Data collection and gathering	<ul style="list-style-type: none"> Update databases with all relevant information received as well as updated spatial view of all infrastructure networks to be used to perform a data gap analysis.
		Gap analysis and Reconciliation	<ul style="list-style-type: none"> Reconcile infrastructure networks with financial asset register and plan to address the identified gaps in the network and other immovable assets. This will include condition assessments and criticality determination of each asset. In addition, development of field verification plans.
		Verification	<ul style="list-style-type: none"> Perform field work assessments to ascertain the full extent of the respective network.
		Data assessment and Validation	<ul style="list-style-type: none"> Define the asset register and asset hierarchy. Consolidate all field work assessments and results of the network definitions from the field. Apply directive 7 of Generally Recognised Accounting Practices (GRAP) Standards. Componentisation of networks. Determine appropriate unit rates per component. Define Accounting Policy of the assets relevant to depreciation methods, expected useful lives and residual values. Compilation of Work-In-Progress (WIP) Register.
2	Financial Asset Register Implementation	Financial Asset Registers	<ul style="list-style-type: none"> Updating of WIP Register; Unbundling of completed projects into relevant components including acquisitions; Updating of transfers between asset classifications; Process depreciation calculations (system process); Perform financial Generally Recognised Accounting Practices (GRAP) requirements; Update unit rates component table;

NO	PRIORITY	ACTIVITY	DELIVERABLE
			<ul style="list-style-type: none"> Reconcile asset register totals to the general ledger.
		Reporting	<ul style="list-style-type: none"> Adequate infrastructure reporting addressing condition, remaining useful life, replacement assets and components. Appropriate financial asset register summaries.
3	Asset Management Policy and Procedures	Policy	<ul style="list-style-type: none"> Revise current Asset Management policy to effect changes; Development of an Infrastructure Asset Management Policy.
		Procedures	<ul style="list-style-type: none"> Address the development of Business process/ workflows to support strategic and operational level, i.e. business and operations. Develop Asset Management procedure guideline.
4	Operations and Maintenance		<ul style="list-style-type: none"> Development of SOP's and O&M plans; Implementation of geospatial maintenance management system.
5	Project Acquisition		<ul style="list-style-type: none"> Implementation of Project control system; PMU setup, coordination, capacitation, system and best practices.
6	Organisational Change Management Plan	Change management plan	<ul style="list-style-type: none"> Organisational change management plan.
7	Built Environment – Predictive Capacity of Service Delivery, Integrated, Strategic Planning and implementation		<ul style="list-style-type: none"> Update functional database required for built environment activities; Complete analysis, estimates and forecast models; Lifecycle models per asset group.
8	Municipal Infrastructure and Community Services Backlog Study		<ul style="list-style-type: none"> Municipal infrastructure and community services backlog study.

NO	PRIORITY	ACTIVITY	DELIVERABLE
9	Immovable Asset Management Plans		Immovable asset management plans covering all of the defined sectors. Insert bullet
10	Comprehensive Municipal Infrastructure Management Plan		Comprehensive Municipal Infrastructure Plan. insert bullet
11	Develop and Implementation of Asset Care Centre		Asset Care plan. insert bullet

Electricity and Energy Services

This section is responsible for:

- Customer Services, Marketing and Retail
- Operations and Maintenance (Substation, HV & MV Operations)
- Electricity Planning and Strategy
- Process Control & Telecommunications
- Public Lighting

The City of uMhlathuze receives its electrical supply from 8 of Eskom's Point of Supply, and distribute to about 34 285 customer bases. Of these customer bases, 9 are key customers, which include Richards Bay Alloys, Mondi Group, Transnet Freight Rail - TFR and Transnet National Ports Authority, Richards Bay Coal Terminal (RBCT), BidVest Tank Terminals and Foskor. 59 customers are categorized as large power users (LPU), with a demand of more than @ 11 kV.

The City of uMhlathuze's electricity supply services has continued to provide a safe, zero harm, secure and reliable supply of energy in a cost-effective manner during the 2016/17 fiscal year. The city achieved this by planning its network and making investment decisions in line with Council and GRAP17 Capital Investment Process (CIP) and Asset Management. The Planning and Strategy unit addresses strategic planning relating to capital investments and renewal of electricity assets.

The total notified maximum demand (NMD) is as follows:

1. Richards Bay 230MVA: Maximum (176MVA) – the load is due to an increase with the increased capacity from Richards Bay Alloys that started up the old Tata Steel Plant at the end of November 2016.
2. EMPangeni Main 20MVA: Maximum (11MVA)
3. EMPangeni Western 20MVA: Maximum (21MVA)
4. Felixton 0.7MVA: Maximum (0.5MVA)
5. Vulindlela 1MVA: Maximum (0.86MVA)
6. Esikhaleni 16MVA: Maximum (19MVA of which 11MVA is Eskom load)

7. ENseleni 2.7MVA: Maximum (2.65MVA)

8. Ngwelezana 7MVA: Maximum (6.43MVA)

The City maintains a total of 43 Substations, of which 12 are 132 kV and 31 are 11 kV.

Customer Services, Marketing and Retail

Customer consumption for the reporting period is at a total of 1 068 GWhs, recording an increase of 155 GWh. A total of 1 150 GWh was purchased from Eskom which is an increase of 186 GWh for the reporting period. The total energy loss of 82 GWh amounts to an average loss of 7%.

Graphical Network Loading Performance

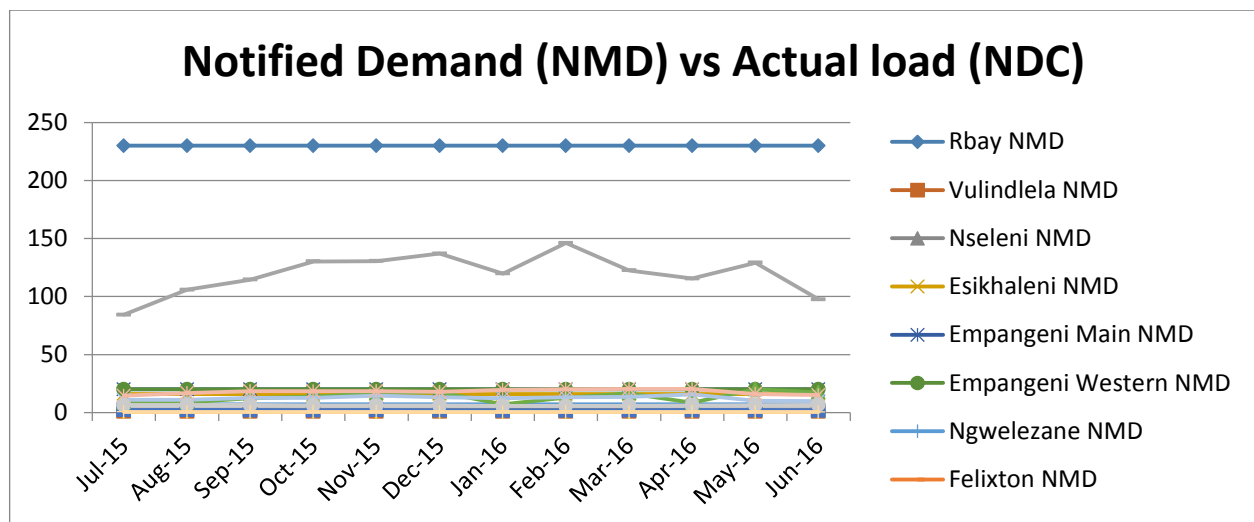


Figure 66: Graphical Network Loading Performance

The total consumption of Municipal installations amounted to a value of 102 955 585 kWh.

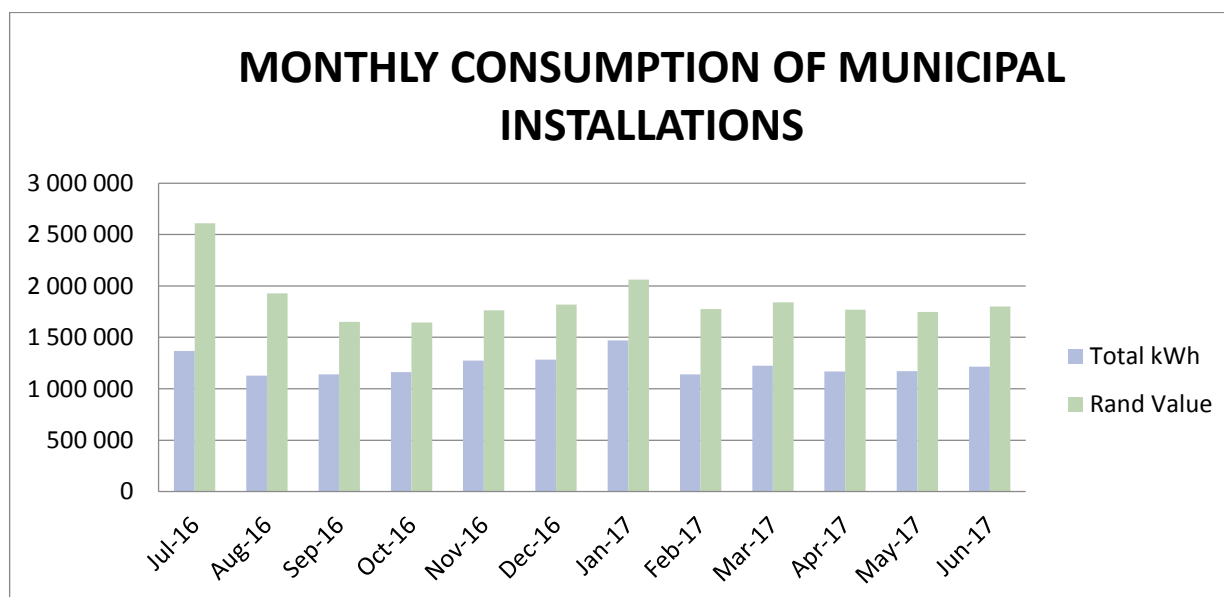


Figure 67: Monthly Consumption of Municipal Installation Graph

Energy losses

Although the national average is 10% and the overall average of the city is 7%, it is a concern that some areas are exceeding the 10% national average.

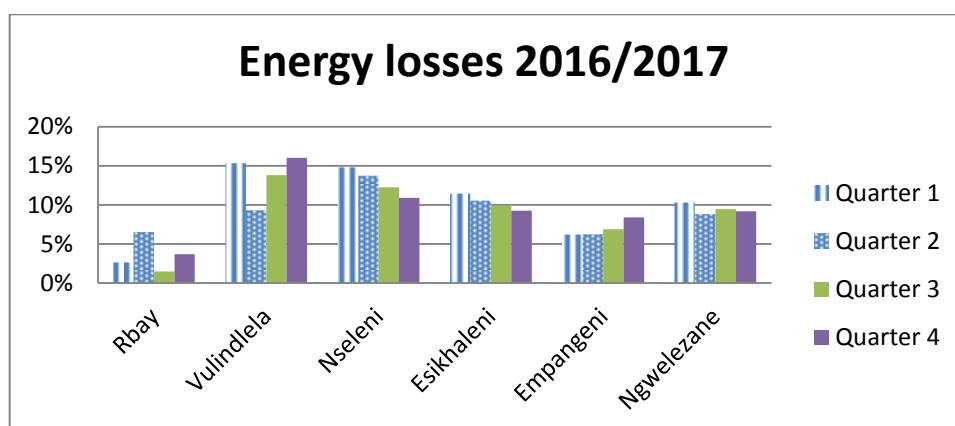


Figure 68: Energy Loss 2016/2017

Revenue Protection

Table 57: Revenue Protection

Prepayment Meter Audits: All Areas	Annual Total
Houses Visited (general audits) ESS	3215
Number of customers billed for Tampering:	661
Number of customers billed for Unpaid Elect Consumed (faultymeters):	61
Number of customers billed for Unmetered Elect Consumed:	18
Clearance certificate audits requested by CFO	1527

Operations and Maintenance (Substation, HV & MV Operations)

Operations & Maintenance constantly seek to deliver reliable electricity supply, maintaining the network to avoid outages, and responding promptly to outages. The network reliability is measured by the frequency and duration of power interruptions.

Table 58: Faults recorded for 2016/2017

	July	August	September	October	November	December
No Power	197	168	156	146	145	158
Streetlight	206	287	259	205	249	219
Meter Faulty	47	144	138	135	112	133
Cable Problem	107	165	186	181	184	174
Minisub Faults	22	20	22	21	51	16
Loadshedding	0	0	0	0	0	0
Overhead Lines	43	71	74	72	72	72
Robots	29	131	34	260	114	129
Maintenance	9	30	6	47	15	22

Inspections	4	7	2	11	6	4
Switching	13	12	22	11	18	14
Cubicles	193	289	241	287	254	196

	January	February	March	April	May	June
No power	109	146	132	99	236	167
Streetlight	205	233	250	215	209	245
Meter faulty	195	175	132	131	174	146
Cable problem	133	179	143	133	250	202
Minisub faults	16	18	12	8	58	52
Load shedding	0	0	0	0	0	0
Overhead lines	69	81	47	60	127	83
Robots	70	122	103	6	136	177
Maintenance	17	26	20	0	19	37
Inspections	9	7	3	0	3	15
Switching	14	9	3	13	26	36
Cubicles	307	294	233	197	422	375

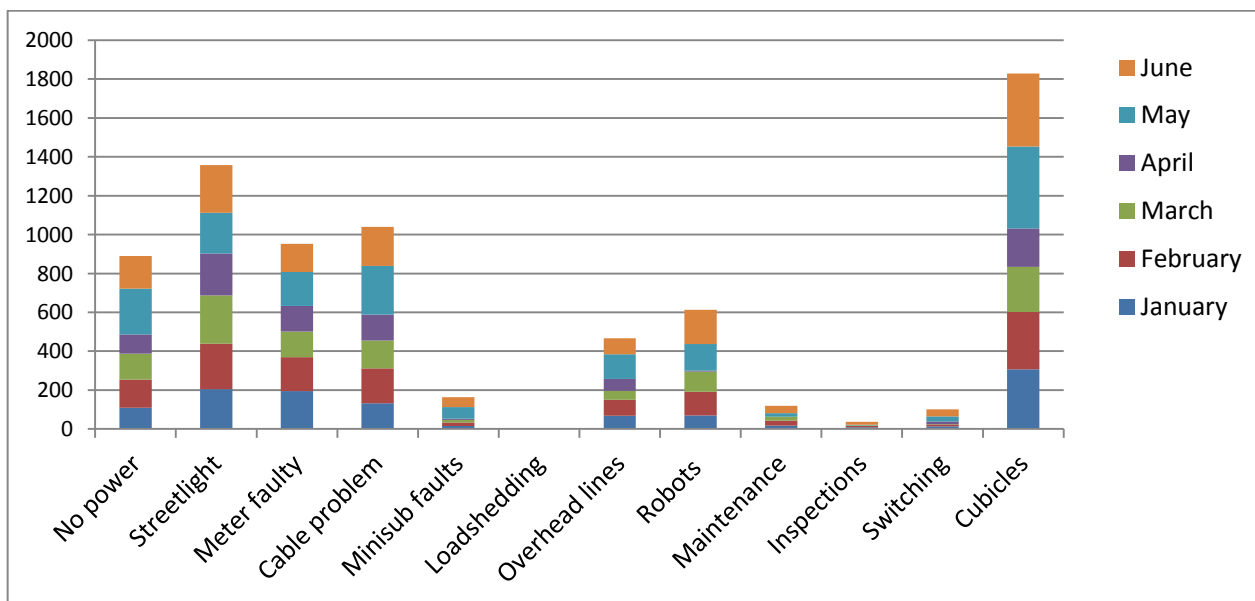


Figure 69: Faults recorded for the year

Network Performance

The city's reliability performance for 2016/2017 is compliant with NRS 048 standards and the SAIFI (System Average Interruption Frequency Index) was notably satisfactory.

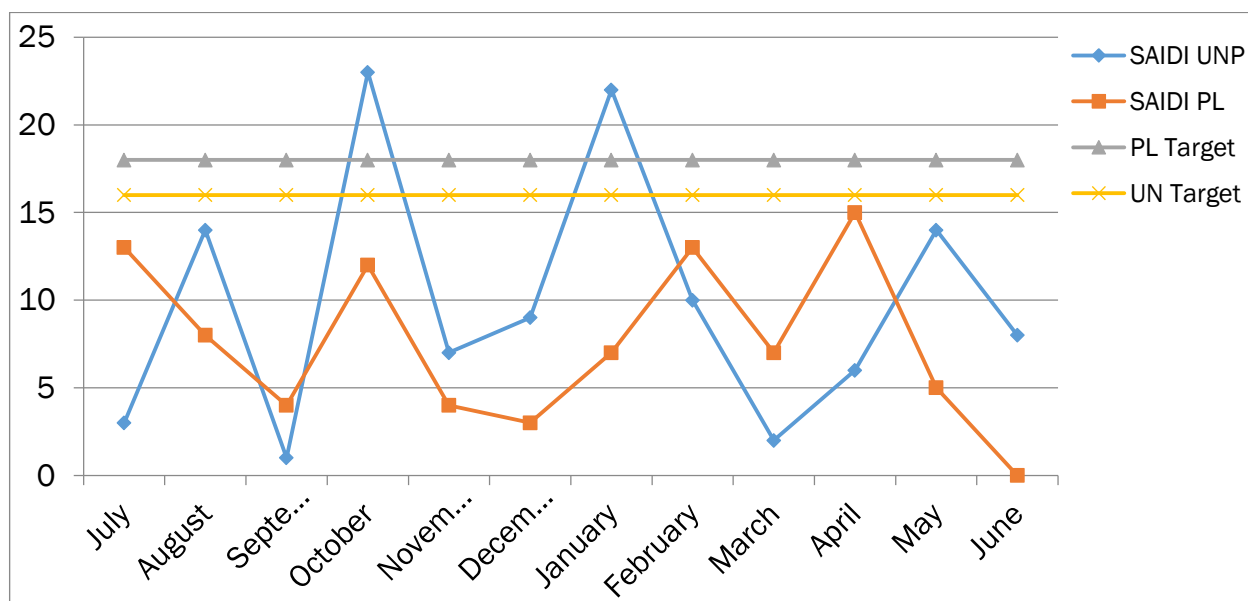


Figure 70: Network Performance

Quality of Supply

Quality of supply refers to the set of voltage characteristics as supplied to the customer at the point of supply in terms of magnitude, symmetry and waveform. The City of uMhlathuze aims to achieve the best possible supply quality.

Transmission Reliability

Transmission Circuit Availability = 91, 7%

Table 59: NERSA (National Electricity Regulator of South Africa) Break down Standards for 4 Quarters

Quarter 1 (2016/2017)

Quarter		Supply Restored		Supply Restored		Supply Restored		Supply Restored		Supply Restored	
Jul - Sep	Total Forced	Within 1.5h - Tar = 30%		Within 3.5h - Tar = 60%		Within 7.5h - Tar = 90%		Within 24h - Tar = 98%		Within 7 Days - 100%	
16	Interrupt's	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%
Jul-16	23	2	8.7%	15	65.2%	20	87.0%	23	100.0%	23	100.0%
Aug-16	23	5	21.7%	15	65.2%	15	65.2%	22	95.7%	23	100.0%
Sep-16	18	3	16.7%	15	83.3%	17	94.4%	18	100.0%	18	100.0%
Totals:	64	10	15.6%	45	70.3%	52	81.3%	63	98.4%	64	100.0%

Quarter 2 (2016/2017)

Quarter		Supply Restored		Supply Restored		Supply Restored		Supply Restored		Supply Restored	
Oct - Dec	Total Forced	Within 1.5h - Tar = 30%		Within 3.5h - Tar = 60%		Within 7.5h - Tar = 90%		Within 24h - Tar = 98%		Within 7 Days - 100%	
16	Interrupt's	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%
Oct 16	29	1	3.4%	11	65.5%	26	89.7%	29	100.0%	29	100.0%
Nov 16	27	3	11.1%	20	74.1%	22	81.5%	27	100.0%	27	100.0%
Dec 16	25	2	8.0%	12	48.0%	19	76.0%	25	100.0%	25	100.0%
Totals:	81	6	7.4%	43	53.1%	67	82.7%	81	100.0%	81	100.0%

Quarter 3 (2016/2017)

Quarter		Supply Restored		Supply Restored		Supply Restored		Supply Restored		Supply Restored	
Jan - Mar	Total Forced	Within 1.5h - Tar = 30%		Within 3.5h - Tar = 60%		Within 7.5h - Tar = 90%		Within 24h - Tar = 98%		Within 7 Days - 100%	
17	Interrupt's	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%
Jan 17	33	0	0.0%	7	21.2%	25	75.8%	33	100.0%	33	100.0%
Feb 17	25	3	12.0%	14	56.0%	10	40.0%	25	100.0%	25	100.0%
Mar 17	16	4	25.0%	9	56.3%	15	93.8%	16	100.0%	16	100.0%
Totals:	74	7	9.5%	30	40.5%	50	67.6%	74	100.0%	74	100.0%

Quarter 4 (2016/2017)

Quarter		Supply Restored		Supply Restored		Supply Restored		Supply Restored		Supply Restored	
Apr - Jun	Total Forced	Within 1.5h - Tar = 30%		Within 3.5h - Tar = 60%		Within 7.5h - Tar = 90%		Within 24h - Tar = 98%		Within 7 Days - 100%	
10	Interrupt's	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%
Apr 12	20	3	15.0%	13	65.0%	12	60.0%	18	90.0%	1	5.0%
May 12	30	2	6.7%	16	53.3%	5	16.7%	30	100.0%	30	100.0%
Jun 12	18	0	0.0%	8	44.4%	16	88.9%	18	100.0%	18	100.0%
Totals:	68	5	7.4%	37	54.4%	33	48.5%	66	97.1%	13	19.1%

Table 60: Electrical maintenance programme

132 KV Substation Maintenance Richards Bay

Substation name	Year Maintained	Maintanance	Status
Polaris Substation	2016/2017	Impala No 1 BKR repairs	Completed
Hercules Substation	2016/2017	Refurbishment of transformer 3	Completed
Scorpio Substation	2016/2017	Rewiring of transformer 2	Completed
Taurus Substation	2016/2017	Testing of Nsezi No 2 CT's,	Completed
Hydra Substation	2016/2017	Replacement of NEC/NER	Completed

11 KV Substation Maintenance North Area

Substation name	Year Maintained	Other Maintenance	Status
Aqurius Substation	2016/2017	Major maintenance	Completed
Castor Substation	2016/2017	Major maintenance	Completed
Tucana Substation	2016/2017	Major maintenance	Completed
Lokoza Substation	2016/2017	Major maintenance	Not completed, its being done internally
Avior Substation	2016/2017	Major maintenance	Completed

11 KV Substation Maintenance South Area

Substation name	Year Maintained	Other Maintenance	Status
Orion Substation	2016/2017	Major maintenance	Completed
Vela Substation	2016/2017	Major maintenance	Completed
Sparta Substation	2016/2017	Major maintenance	Completed
Sirius Substation	2016/2017	Major maintenance	Completed
LAC Center	2016/2017	Major maintenance	Completed

11 KV Substation maintenance areas West

Substation name	Year Maintained	Other Maintenance	Status
EMpangeni Substation	2016/2017	Major maintenance	Completed
Western Substation	2016/2017	Major maintenance	Completed
Crawford Substation	2016/2017	Major maintenance	Completed

Miniature Substation Maintenance

SECTION	FINANCIAL YEAR	QUANTITY	STATUS
NORTH	2016/2017	95	COMPLETED
SOUTH	2016/2017	63	COMPLETED
WEST	2016/2017	120	COMPLETED

Network Overall Inspections

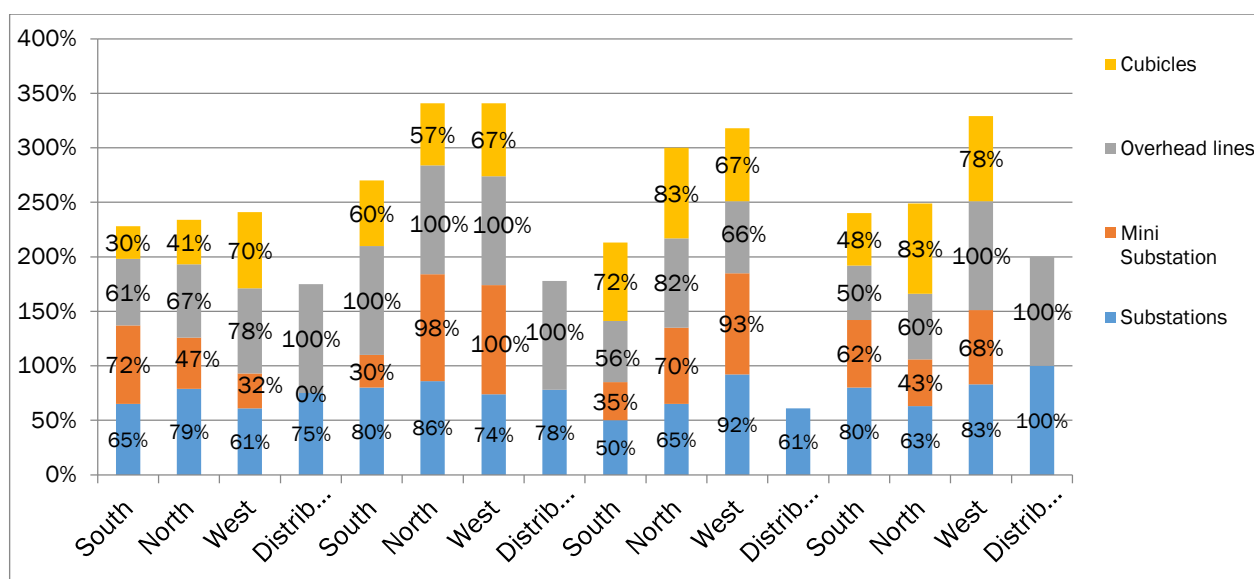


Figure 71: Network Overall Inspections Graph
Electricity Planning and Strategy

The City of uMhlathuze's electricity network development is undertaken in accordance with the Electricity Supply Act and National Electricity Grid Code for Sub-transmission (132kV substations and Switching Stations as well as 132kV Feeders) and Distribution Network (11kV, 400V and 220V networks) Planning Criteria and Guidelines.

Network Projects

Table 61: Projects that were completed during the 2016/2017

Project Name	Project Description	Comment
Scorpio Substation 132/11kV 20MVA transformer refurbishment	Total replacement of HV and MV windings as well as insulation	Project completed
Energy Savings Initiative	Installation of check meters in Ngwelezana area	Project completed

Public Lighting Projects

Table 62: Projects that were completed during 2016/2017

Project Name	Project Description	Status
High Mast Installation in Traditional Areas	Installation of 40m high mast area lighting in various wards namely: Ward 2; Ward 4; Ward 6; Ward 7; Ward 10; Ward 12; Ward 13; Ward 15; Ward 18; Ward 19; Ward 24; Ward 31 and Ward 32	Completed
Central Sports Field Flood Lights Installation	Installation of flood lights for main soccer stadium at Veldenvlei	Completed

Energy Management

The City of uMhlathuze continues to support SALGA Energy Efficiency & Renewable Energy Strategy Review which is in line with the Department of Energy's National Energy Efficiency Strategy and National Climate Change Response by implementing the identified energy efficiency technologies.

Energy Efficiency

The City of uMhlathuze approved the implementation of Demand Side Management initiatives in order for the municipality to respond to the required CO2 reduction over the allocated time period. The following projects have been audited for implementation.

Table 63: Audits Completed

No	Project Name	Comment
1	Audit for installation of LED (Light Emitting Diode) lighting with Motion Sensors and online tele-management for all municipal buildings	The project is about replacing existing building lights with energy efficient lights within the Richards Bay Civic Centre
2	Replacement of High Pressure Sodium (HPS) streetlights luminaries with Light Emitting Diodes (LED) within City of uMhlathuze	The project is about the replacement of HPS street lights with LED's within the eSikhaleni area

Process Control & Telecommunications

The Technical Operational Centre is operating 24 hours, 7 days a week. It uses an integrated and automated information system which monitors and evaluates the level at which the level at which the municipality is rendering technical and engineering services to the industrial sector and households.

The full functional scope of services incorporated in the Nerve Centre covers the following:

1. Sewer – Monitoring of sewer plants and sumps with alarm and remote pump control.
2. Water – Monitoring of water plants, reservoirs with alarm and remote pump control.
3. The mobile SCADA for Reservoirs
4. Geographic Information System (GIS)
5. Municipal Tracking System – Municipal Integrated Solution
6. Water reservoir monitoring SCADA system – Adroits

7. Sewer network line systems – SCADA system – Adroits
8. Data logger for water management Systems Zednet Dashboard

The Technical Operational Centre has been developed for the following primary objectives:

1. To drastically improve service delivery by managing water network with live data, remote intervention capabilities and proactive maintenance.
2. To be pro-active and use the complaints data collected through the call Centre to identify and eradicate recurring network failures and mitigate bottlenecks in services.
3. To ensure that sewer capacity or leaks are identified and documented in a useful manner for leakage eradication and future planning.
4. To monitor council vehicles at the moment.
5. To monitor feedback to consumers in complaints management using sms, telephonic or email facilities.
6. To restore the faith and trust of the community in the institutional capability.

Public Lighting

Public Lighting has processed a total of 1068 works orders, of which 763 were streetlight fitting failures, 54 cable failures, 8 cable thefts and 243 knocked down poles. On routine maintenance, 1378 streetlights were repaired, 275 streetlight poles replaced, 480 photocells replaced and 249 streetlight cable faults repaired. The total number of lamps replaced amounted to 4380 while 666 fittings and 480 photocells were replaced.

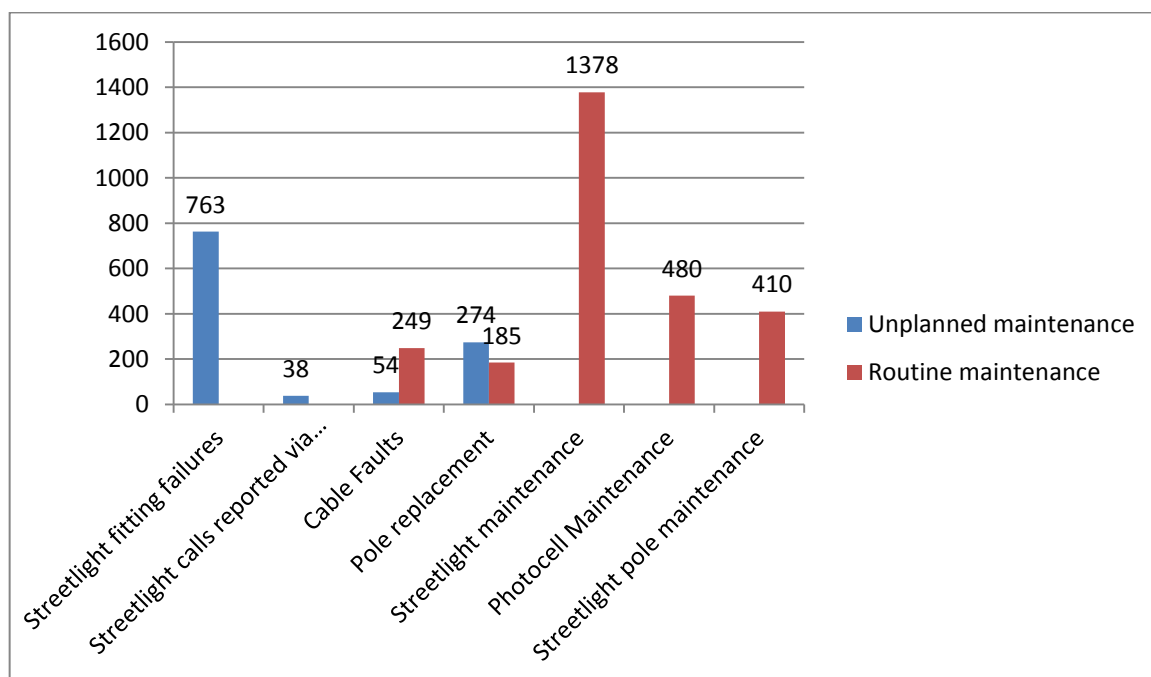


Figure 72: Planned and unplanned maintenance for 2016/2017

Table 64: Planned and unplanned maintenance for 2016/2017

	Unplanned maintenance	Planned Maintenance
Streetlight fitting failures	763	1378
Cable faults	54	249
Pole replacement	275 (Knocked down poles)	185 (Rotten/Rusted poles)
Photocell Maintenance		480
Streetlight poles maintenance		410

Pole replacements consisted of 110 rusted poles in EMpangeni. 25 poles were installed at Bullion Boulevard and Guldengraght. 49 additional poles were installed in Mzingazi and eSikhaleni where dark spots were identified.

CITY DEVELOPMENT



N Ndonga

DEPUTY MUNICIPAL MANAGER CITY DEVELOPMENT

The City Development department comprises 3 sections, namely:

1. Economic Development Facilitation;
2. Urban and Rural Planning
3. Public Transport Facilities and Operations Coordination

Section: Economic Development Facilitation

The section comprises the following 2 subsections:

1. Business Support, Markets and Tourism
2. Property Administration

Business Support, Markets and Tourism

Business Support and Markets

The Strategic Road Map for Economic Development Transformation and Job Creation adopted by Council highlights the main concerns raised by businesses and the youth as a lack of access to economic infrastructure, lack of financial support, skills development, access to information and insufficient enterprise development initiatives.

During the year under review, the unit focused largely on creating an enabling environment where effective trade and skills development could take place, in order to address the concerns raised by the youth, small businesses, and the informal sector.

Table 65: 2016/2017 Projects

Program	Activity	Beneficiaries	Outcome	Stakeholders
Provision of Infrastructure	Market Stalls	56 informal traders	Markets Stalls at eNseleni	uMhlathuze Municipality, COGTA
	Market Stalls	40 informal traders	Markets Stalls at eNgwelezana	uMhlathuze Municipality
	Market Stalls	40 informal traders	Markets Stalls at Madlankala	uMhlathuze Municipality
	SMME Park	20 entrepreneurs	Access to subsidized infrastructure for small businesses	uMhlathuze Municipality, EDTEA, SETA's

Market Stalls in eNseleni

The eNseleni Market stalls were constructed and officially opened and handed over to the beneficiaries during December 2016. In total, there are 56 people benefiting from upgraded facilities where trade could take place.



Figure 73: Market Stalls

The project is aimed at providing upgraded facilities for traders at the eNgwelezana Hospital, eNgwelezana Rank and Madlankala area.



Figure 74: Mandlankala Market Stalls artistic impression



Figure 75: eNgwelezana Rank Market Stalls artistic impression

Small Medium Micro Enterprises (SMME) Park, Richards Bay

Faced with the challenge of the individuals operating their businesses on the street (such as salons, catering, street mechanics, car washers, etc.) and noting that the unemployment rate is rapidly increasing in uMhlathuze, the Municipality prioritised the development of Small Medium Micro Enterprises (SMME's) by providing infrastructure, as it is believed that the SMME sector is able to create job opportunities at a faster rate than other sectors.



Figure 76: Richards Bay SMME Park

Skills Development

The Economic Development Facilitation Section partnered with various stakeholders to ensure that the business community, in particular the Small and Medium Enterprises, and aspirant entrepreneurs are equipped with the necessary skills to start and/or grow their businesses.

Table 66: Activities for the year are summarized in the table below:

Program	Activity	Beneficiaries	Outcome	Stakeholders
Informal Business Support	Business Skills	100 informal traders	Participants became more confident about business matters and learned how to make informed financial decisions. Participants qualified for R9000 Grant Funding	Small Business Development, SEDA, uMhlathuze Municipality
Tourism Product Development	Tourism Tour Guide Training	10 tourism entrepreneurs	Improved tourism product knowledge	International Labour Organization

Informal Micro Enterprise Development Programme

The Informal and Micro Enterprises Development Programme (IMEDP) is a one hundred percent (100%) grant, offered to informal and micro enterprises in order to assist them in improving their competitiveness and sustainability. The programme is an initiative of the Department of Small Business Development (DSBD) in partnership with the Small Enterprise Development Agency (SEDA).

A total number of one hundred (100) informal businesses within the uMhlathuze Municipal jurisdiction were given an opportunity to participate in the programme. All one hundred (100) participants had to attend a one day basic business skills workshop organised by SEDA in partnership with the uMhlathuze Municipality.

Table 67: The training was conducted in four (4) different sessions

SESSION	VENUE	DATE	NUMBER OF TRAINEES
Session 1	SEDA offices Richards Bay	6 March 2017	33
Session 2	SEDA offices Richards Bay	7 March 2017	15
Session 3	EMpangeni Library Hall	14 March 2017	20
Session 4	EMpangeni Library Hall	15 March 2017	32



Figure 77: Informal Micro Enterprise Development Training Programme

Tourism Product Development

Tourist Guide Training is a partnership project being implemented in conjunction with the Photograph of the Informal Micro Enterprise Development Training Programme on marketing the different local tourism routes, such as:

- Township and cultural route;
- eNseleni and Thula Thula Nature Reserve;
- Richards Bay and EMpangeni historical background; and
- Regional routes and others.

Upon completion of the training, the candidates received a full qualification (NQF Level 4). The graduation ceremony took place at Imvubu Lodge on the 4th of December 2016.



Figure 78: Tourist Guide Training Graduation Ceremony

Tourism

The following tourism projects were successfully implemented during the year under review:

The Alkantstrand Beach Upgrade

Alkantstrand Beach is one of the major tourist attractions for uMhlathuze and the Northern Kwa-Zulu Natal populace in general.

Alkantstrand currently provides limited recreational and tourism activities, and approximately 150 000 beach goers descend on Alkantstrand Beach during peak/holiday periods. The existing Alkantstrand recreational area is therefore constrained in terms of the volumes of people that can be accommodated.

The expansion of the Alkantstrand node, in terms of acquiring adjacent land, was therefore a logical option. The estimated size of the current Alkantstrand area (inclusive of parking areas) is 2, 6 Ha. The expansion area (Newark Beach Node) provides an additional 4 Ha of recreational space to the Richards Bay beachfront.

The Municipality applied and received grant funding from the Department Of Cooperative Governance and Traditional Affairs (COGTA) to support this initiative focusing on beautification, enhancement of tourism potential and increasing competitiveness of the City in comparison with other coastal destinations.

To date, thirty three (33) people have been appointed to achieve the required goals.



Figure 79: Alkantstrand Beach Upgrade Project

City of uMhlathuze Beach Festival

The annual uMhlathuze Beach Festival was held on the 18th of December 2016 at Alkantstrand Beach. The theme of the event was “Family fun through social cohesion”. The event was hosted in partnership with the King Cetshwayo District Municipality and the Provincial Department of Arts and Culture.

The programme included local artists who performed their latest hits to the festival goers, giving them a platform that they do not usually get to promote their craft to such a large audience. A kid’s corner with jumping castles and face painting was provided to keep the young ones occupied. The draw card artist of the day was Naima K, a successful solo artist known throughout South Africa.



Figure 80: Advertisement for the Annual uMhlathuze Beach Festival

On the water side, sports enthusiasts also had a chance to be part of the action when beach soccer, touch rugby and volley ball were on display.

Hosting of the Pan African Health Tourism Congress

South Africa is emerging as a Health Tourism destination of choice for tourists from African Countries. Health Tourists travel to South Africa for cosmetic surgery, organ transplants, cardiac, orthopaedic and obesity surgeries as well as dentistry. The City positioned itself to reap the rewards of this emerging sector by participating in showcasing the African Health Tourism Congress Business Opportunity Fair and Expo, and hosted the Congress which took place at the UMfolozi Hotel, Casino, Convention Centre and Resort

The aim of the Annual Pan African Health Tourism Congress is to serve as a catalyst and enabler for the creation of successful, sustainable and resilient African Health Tourism Destinations through a process involving stakeholder segmentation, integration, administration, development and promotion.

The Congress addressed all eight (8) Health Tourism Segments, namely:

1. Medical Tourism;
2. Dental Tourism;
3. Spa Tourism;
4. Wellness Tourism;
5. Sports Tourism;
6. Culinary Tourism;
7. Accessible Tourism; and
8. Assisted Residential Tourism.

Approximately 210 registered delegates attended the event, with 23 speakers representing the private sector, governments and governmental organizations.



Figure 81: Photographs of the Pan African Health Tourism Congress

Property Administration

The City of uMhlathuze manages its fixed assets through the Property Administration Unit. The Property Administration Unit is responsible for the management of lease agreements and alienation of municipal land, has three divisions, i.e. property valuation, property alienation and property leasing.

Property Valuation

The Municipal Valuation Division is responsible for the valuation of immovable properties for rating purposes. The valuation of these properties is in line with the requirements as set out in the Municipal Property Rates Act No. 6 of 2006 (MPRA), as amended.

Table 68: Property Leasing

General Valuation Cycle	No. of Supplementary Valuations Published	No. of reviews received
2	1	543

Table 69: Leases administered by the Municipal Leasing Division and Revenue derived

Section	Public open space leases	Adopt-a-spot leases	Agricultural leases	Encroachments	Advertising leases	Diverse leases for commercial	Diverse leases for social	Leased hostels
Total number of registered leases	207	6	7	55	34	40	28	214
Total Income derived from leased properties during the 2016/2017 financial year:					R 8 936 913.10			

Regularizing of Leases Project

The municipality undertook a process of reviewing and regularising of lease agreements. The main objectives of the project to regularise lease agreements are to:

- Bring them in line with current legislation;

- To increase revenue for Council, especially with regards to historic lease agreements that are tied up in long terms and indefinite periods; and
- Freeing land parcels tied up in such agreements, where possible.

Leases Approved for Execution

Table 70: Properties approved for leasing

LEASE	CURRENT STATUS
Sopranos Lounge	Council approved a lease agreement for the establishment of a Lounge known as "Sopranos", which was relocated to its current location as a result of the eSikhaleni Mall Road Safety Improvements project.
Masimtuse Farming Corporative	Council approved concluding a lease agreement with Masimtuse Farming Project for a five (5) year period and for a portion of the Remainder of Erf 5333, Richards Bay, measuring 12 ha in extent. The land shall be solely used for agricultural activities (crop production).
National Youth Development Agency	Council concluded a Memorandum of Agreement, together with a request for leasing office space for a period of five (5) years at the Arts and Craft Centre EMpangeni for use by the National Youth Development Agency (NYDA).
Greenhills Park Eco Estate	The bidding process for the leasing of land to develop a medical centre and an eco-estate at the Greenhills Park is in the process and close to finalisation.
The Ridge Development	The bidding process is almost completed. The property was advertised for leasing in order to develop a hotel and supporting retail businesses.

Property Alienation

Review of the Land Sale Policy

The municipality reviewed its Land Sale Policy in order to address spatial transformation and relevant legislation. The policy was approved and adopted in November 2016.

Land transfers administered by the Property Alienation Division

The following land sales were approved:

Table 71: Approved land sales

Property Description	Category	Status
Ptn 178 of Erf 5333 Richards Bay	Public Open Space	Transferred
Ptn 3 of Erf 4242 Richards Bay	Public Open Space	Transferred

Property Description	Category	Status
Erf 4278 ESikhaleni H	Devotional	Transferred
Erf 1794 Richards Bay	Industrial	Transferred
Erf 7718 Richards Bay	Industrial	Transferred
Erf 2868 ESikhaleni J	Mixed Use Medium Impact	Transferred
Erf 1563 & Others eNseleni A	Commercial	Transferred
Erf 16592 Richards Bay	Commercial	Transferred
Erf 11329 Richards Bay	Special Residential	Transferred

Total Revenue derived from Land Sales (exclusive of VAT) is R 7 112 000.00

The transfer of Erf 1563 eNseleni-A and others will lead to the establishment of the eNseleni Shopping Centre, which is a long awaited commercial centre that will bring a shopping experience and job opportunities closer to the community of eNseleni.



Figure 82: eNseleni Shopping Centre site

Land Audit

The Municipality conducted a land audit to determine how much land is owned by the Municipality and current occupants. The audit will aid the Municipality in achieving some of its strategic objectives of Spatial Transformation.

Public Transport Facilities and Operations Coordination

The section has the following main roles and responsibilities:

- Development and review of public transport related policies;

- Concluding subsidised service contracts, commercial service contracts and negotiated contracts with operators for services within their areas;
- Development and management of public transport / intermodal facilities;
- Liaison with public transport stakeholders and role-players;
- Operator regularisation;
- Coordinate Council's routine and periodical maintenance programmes; and
- Promotion of Transportation Committees.

In line with the above IDP Objectives, the following are the targets that have been achieved as per the SDBIP for the year under review.

Public Transport Policy Development

Council has, during this period, undertaken significant steps that will pave the way for the development of critical public transport related policies. The Municipality is currently developing an Integrated Public Transport Network (IPTN). The purpose of an IPTN is to develop an ultimate integrated public transport network and operational plan for the Municipal area, with the aim to improve mobility and accessibility for all residents.

Gearing up for Contracting Authority Functions

The National Land Transport Act, Act No. 5 of 2009, amongst others, requires and devolves to the municipality the responsibility of, "*Concluding subsidised service contracts, commercial service contracts, and negotiated contracts with operators for services within their areas*". However, the uMhlathuze Municipality is yet to fulfil its obligation in this regard. Engagements with the KZN Provincial Department of Transport have been activated with a view of putting in place a process that would see the municipality getting involved or participating in reviewing of existing contracts and concluding of new contracts.

The Municipality has adopted the following enabling resolutions:

- The Provincial Department of Transport is mandated to continue with the function of a contracting authority for subsidised public transport services that are within the uMhlathuze Municipality area;

- The Accounting Officer may enter into a Memorandum of Agreement with the Department of Transport, setting out bases and principles that will govern the arrangement alluded to in (1) above;
- In order to create or improve on alluded capacity matters, the municipality be afforded an opportunity to participate in future subsidy contract negotiations or required contract reviews in order to make input, learn and familiarise itself with the intricacies at play; and
- Plans aimed at beefing up Council's Public Transport Unit be activated so that necessary staff / resource capacity is gradually created in order to enable Council to effectively and efficiently discharge its responsibilities relating to public transport.

Intermodal Facilities / Ranks Improvements

Various projects have been initiated in order to improve intermodal facilities or ranks:

Rank Lot 63, EMpangeni

EMpangeni Rank Lot 63 was constructed during the year under review



Figure 83: EMpangeni Rank Upgrade

Richards Bay Rank Upgrade

The Municipality is the process of upgrading the Richards Bay Rank Upgrade focusing on the following:

- Construction of structural steel shelter in Richards Bay Taxi Rank.
- Upgrading parking surface and road markings
- Upgrading ablution facility.
- Constructing market stalls.
- Refurbishing existing steel shelter.



Figure 84: Conceptual Plan of the Richards Bay Intermodal Facility / Rank

ENseleni Intermodal Facility / Rank Detail Designs

The strategy behind this initiative was to optimize the suburb development in view of the upcoming privately-driven mall development in the area. The detailed design process had to ensure realization of the following fundamental legal and operational prescripts:

- Integrating into the new designs the existing facility features,
- Providing an office building to meet basic administrative requirements of the taxi operators,
- The need to increase ablution facilities,
- Achieving rank configuration that will enable implementation of access control,
- Providing a facility that will be aesthetically pleasing and add value to the vicinity



Figure 85: Conceptual Plans of the eNseleni Intermodal Facility

Liaison with Public Transport Stakeholders and Role-Players

More than twenty meetings with or involving various stakeholders and role players, mainly the operators, were held. The cooperation between the municipality and operators is cordial. To this end, the South African National Taxi Council's (SANTACO) Provincial leadership chose the

City of uMhlathuze as the host of their Annual Sport Day Event. The event took place on the 28th of January 2017 at the Richards Bay Sport Grounds.

Shown hereunder are clips of the prepared detail designs that were created in consultation with transport operators.

Operator regularization

Table 72: Operating Licenses Issued

Application category	Jul-Sept 2016	Oct-Dec 2016	Jan-March 2017	Apr-Jun 2017	Sub-total
New operating license	0	16	53	47	116
Renewal of operating license	49	30	36	24	139
Late renewal of an operating license	0	13	4	7	24
Renewal and change of vehicle	0	0	8	5	13
Renewal of Bus Transport	24	84	0	0	108
Tourism Services license	2	4	0	4	10
Conversion of a Permit	2	1	1	3	7
New / renewal of Meter taxi license	3	2	0	12	17
New / renewal of staff transport	0	0	0	0	0
Change of vehicle (Amendment)	38	51	39	31	159
Change of vehicle and capacity	0	0	0	1	1
Transfer of operating license	1	4	1	7	13
Deceased Transfer and renewal	1	8	4	3	16
Reciprocal operating agreement	1	1	0	0	2
Additional authority (Amendment)	7	0	62	0	69
Duplicate operating license	0	2	5	5	12
Scholar Transport license	0	0	0	1	1
Total number of applications	128	216	213	150	707

Urban and Rural Planning

The Urban and Rural Planning Section is divided into four (4) distinct units, namely:

- *Spatial and Environmental Planning;*
- *Human Settlement Programmes;*
- *Development Administration; and*
- *Land Use Management.*

The achievements of these units are outlined below.

Spatial and Environmental Planning

Spatial Development Framework

The Spatial Development Framework (SDF) is the visual presentation of the municipality's development vision and strategies; hence it reflects the current reality, but also the logical future development options. The preparation of a consolidated SDF for the new municipal area of uMhlathuze has posed a number of challenges. Amongst others, these challenges relate to the gaps in the spatial representation of data and the fact that the former ward boundaries – which form the basis of data representation – do not align to the new ward and municipal boundaries. Irrespective, an SDF that is compliant with the provisions of the Spatial Planning and Land Use Management Act, 2015 (SPLUMA), has been approved by Council on the 31st of May 2017.

The concept of transformation is always associated with social change in South Africa. The National Development Plan 2030 makes a strong statement about the need to “address the challenge of apartheid geography” which is defined in terms of living, working and environmental sustainability. SPLUMA is identified as a tool to give effect to Spatial Transformation.

The Municipal SDF is based on the pillars of Spatial Transformation that is underpinned by the identified pillars in the National Development Plan (NDP) and the SPLUMA principles and indicated herewith:



Core components of the Spatial Development Framework are the Land Use Framework, the Capital Investment Framework as well as the Implementation Plan. Updated details in respect of the municipal Catalytic and Strategic projects are also provided.

The following figures indicate the relationship between the SDF, Local Area Plan (LAP) and the LUS (Land Use Scheme) in the case of the Precinct Planning that has been undertaken for the Richards Bay CBD South Extension.

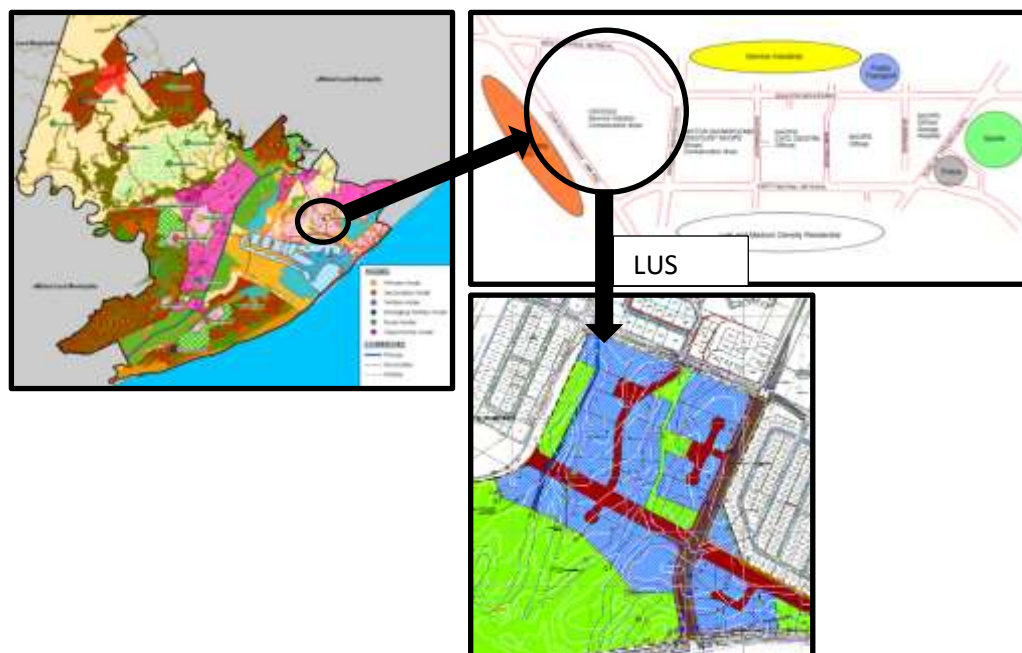


Figure 86: Linkage between SDF and LUF for Richards Bay CBD South Extension

The following map provides an indication of capital investment mapping for the 2018/2019 financial year as contained in the SDF. Similar mapping is provided for the 2017/2018 financial year and also for the electricity, water and sanitation as well as roads sectors.

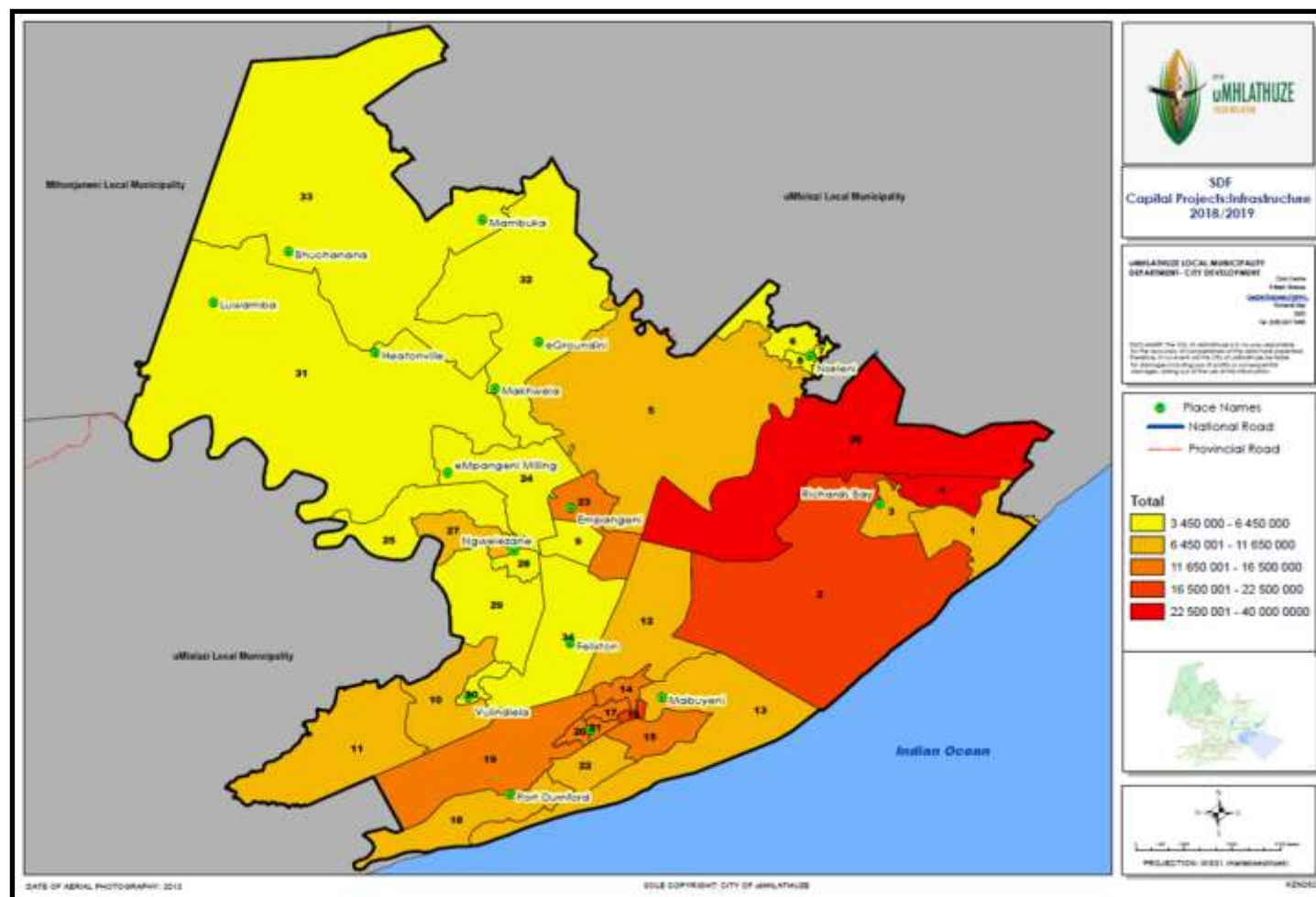


Figure 87: Capital Investment Mapping

The following provides a synopsis of some of the initiatives from the “suite of plans”:

Alkantstrand Urban Design

The Alkantstrand/Newark Beach area lacks a pronounced theme and common vision. The preparation of this urban design concept aimed to develop such a theme and vision that could correlate with the larger waterfront area. The urban design project for Alkantstrand and Newark beach provides aesthetic appeal, considers coastal erosion and safety and is underpinned by a number of urban design and planning principles. In summary, the project motivation is to:

Develop an Urban Design Concept for the Alkantstrand Beach Precinct that ensures it is:

- Mutually resilient from coastal erosion;
- Aesthetically appealing;
- Economically stimulating; and
- Iconic in status and acts as a tourism catalyst.

The presented Urban Design Concepts respond to the anatomy of the beachfront in the following manner:

Table 74: Urban Design Concept for beachfront

THE HEART Main source of attractions to the area. The life source of the space	The Sea
THE BACKBONE The main support structure providing added/alternate interest to the space	Key Developments (Hotels and Restaurants)
THE ARTERIES Key connections provides access, channelling life and interest to the space	Physical and Visual Connections (Promenades, Boardwalks etc.)
THE MUSCLES Additional features bringing about diversity to the space	Diverse Activities and Amenities (Social Amenities, Skateboard Park etc.)
COSMETICS AND ACCESSORIES Additional elements often not noticed except in their absence	Public Realm Function and Appearance (Signage, lighting, street furniture etc.)

Figure 88: 3D Perspectives of the Urban Design



The Ridge Urban Design

The uMhlathuze Council views the development of The Ridge as a catalytic development, as it will be an area of iconic status that is set to create a lasting impression on visitors and will also contribute positively toward the municipal income streams. To this end, a conceptual Urban Design for The Ridge was commissioned during September 2016.



Figure 89: The Ridge Urban Design and conceptual layout plan

Amongst others, the following were identified as important built environment guidelines for The Ridge development:

- The use of complimentary building heights to ensure optimal visual contact with the sea and harbour view.
- Establishing elements within The Ridge to facilitate a sense of place for The Ridge.
- Appropriate urban landscaping of the key pedestrian boulevard.
- The landscaping of particular edges i.e. parking spaces, open spaces, etc.
- The need to acknowledge the building control zone line and potential erosion line along the edge of the site which faces the sea.
- Appropriate landscaping/signage treatment to beautify the area.

The proposed conceptual layout for The Ridge includes a hotel, high density residential area, park and play area, commercial and office components as well as main access boulevards. In addition, pedestrian boardwalks are also proposed to maximize public benefit of the views.

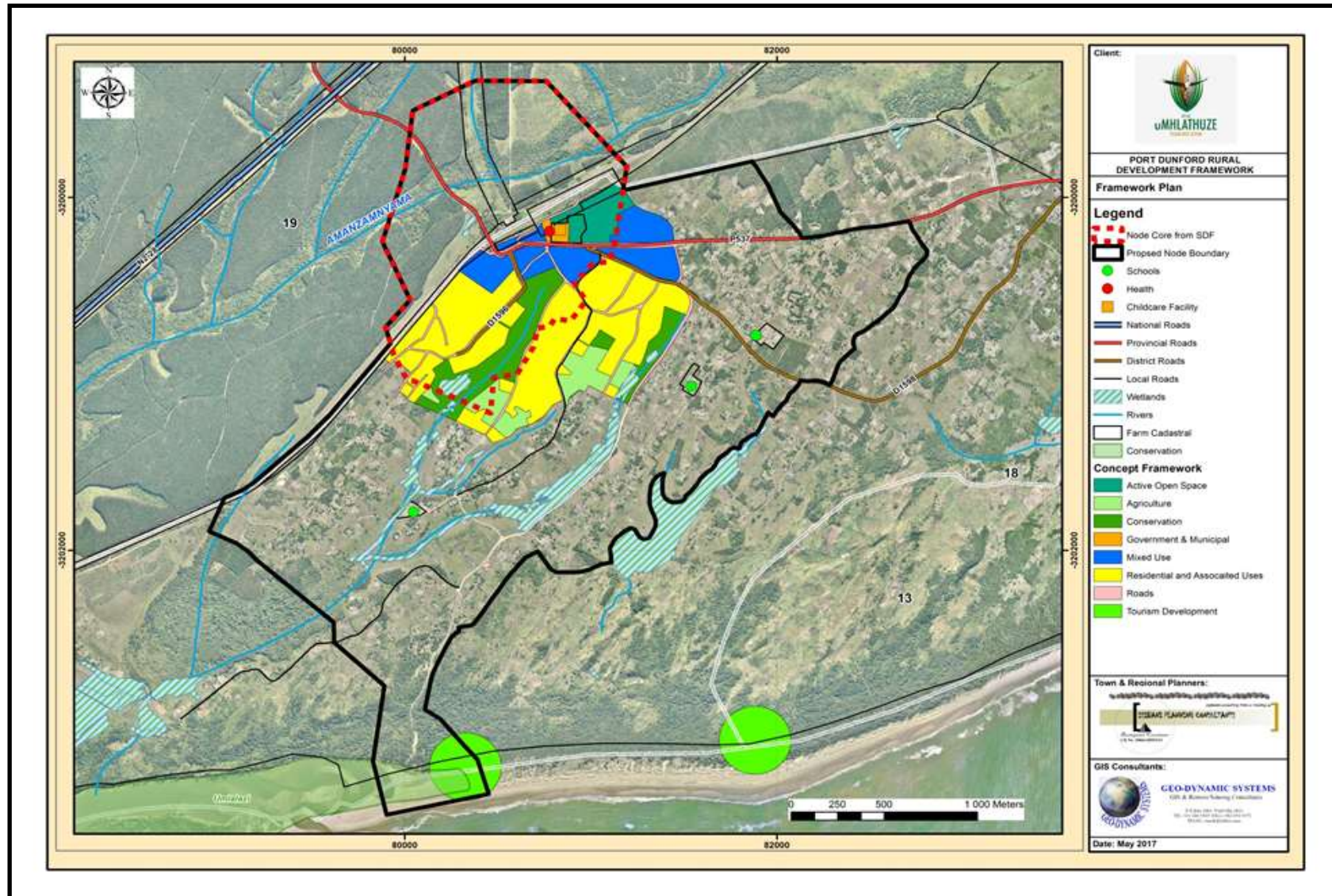
Rural Framework Plans

In order to facilitate feasible service provision, Rural Framework Plans for all rural areas have to be developed and adopted, and thus used as a guiding tool when land allocations are affected. The municipality has a five (5) year plan for the preparation of Rural Framework Plans. Phase 1 entailed the drafting of the Port Dunford Rural Framework Plan.

The plan has an Implementation Action Plan for a five (5) year horizon. Apart from capacity building initiatives, the following main activities are proposed:

- Physical Service Provision;
- Upgrade Road Infrastructure;
- Residential Development;
- Establish New Mixed Use Development; and
- Natural Environment and Greening

Map 1: Port Dunford Framework Plan



The following table illustrates the complete phasing approach for the preparation of the proposed Rural Settlement Plans:

Table 75: Phased Rural Settlement Plans

No.	Project Name	Phase	Financial Year
1	Port Dunford Rural Settlement Plan-Mkhwanazi Traditional Authority	1	2017/2018
2	Buchanana Rural Settlement Plan-Obuka Traditional Authority	2	2018/2019
3	Hluma Rural Settlement Plan-KwaBhejane Traditional Authority	3	2019/2020
4	Matshana Rural Settlement Plan-Madlebe Traditional Authority	4	2020/2021
5	Mabuyeni Rural Settlement Plan-Dube Traditional Authority	5	2021/2022

Feasibility Investigations

One of the routes on the road to project implementation is the investigation of the feasibility to undertake a project. To this end, pre-feasibility studies have been initiated for the following catalytic projects:

1. Implementation of the Conceptual Re-Design of the Richards Bay Steel Bridge; and
2. Investigation into the Relocation of the Richards Bay Airport.

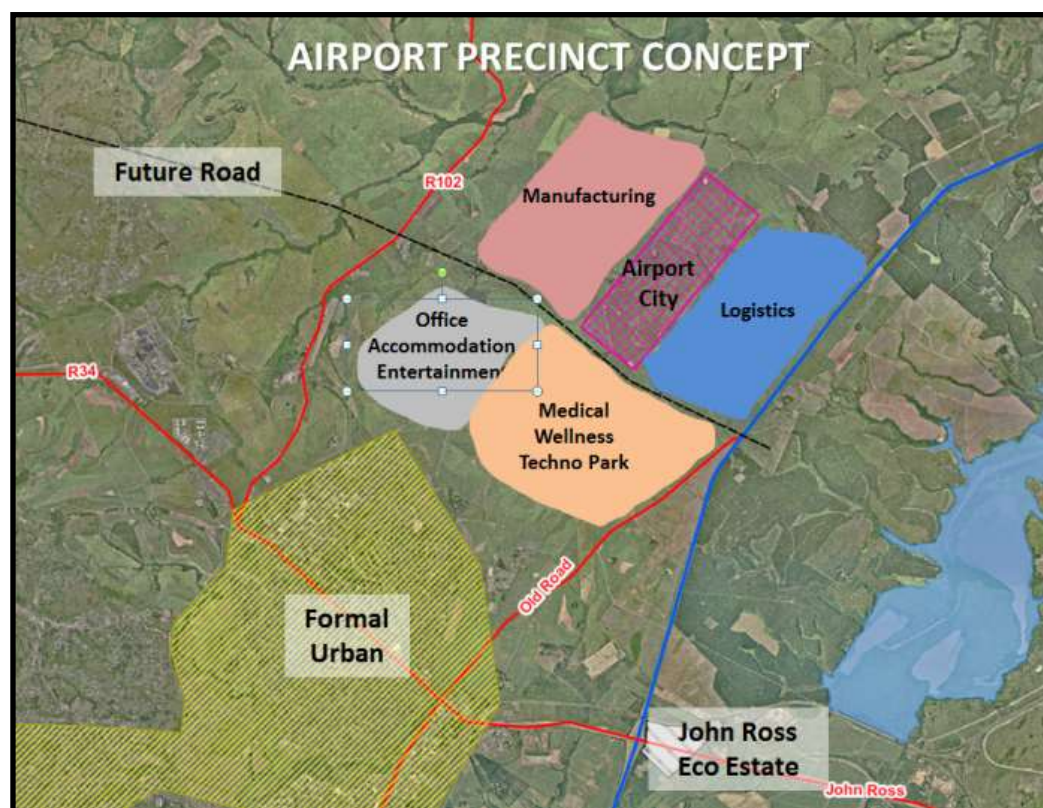


Figure 90: Airport Precinct Concept



Figure 91: Richards Bay Steel Bridge Concept

Human Settlement Programmes

Integrated Human Settlements Plan

The reviewed uMhlathuze Integrated Human Settlements Plan (2017/2018) was adopted by Council on 31 May 2017. The Municipal Human Settlements Plan is a five (5) year plan which has to be reviewed annually and must be aligned with the Municipal Integrated Development Plan (IDP) and Spatial Development Framework (SDF). The Municipal Human Settlements Plan enables the Municipality to strategically plan housing development within its area of jurisdiction.

Hostel Refurbishment

The refurbishment of hostels is a programme funded by the Department of Human Settlements under the old Hostel Re-development Programme, which has now changed to Community Residential Units (CRU). The first phase of the project was the conversion and refurbishment of all hostel units, the second phase intends to replace the asbestos roof covering, with the third

phase intended for the landscaping, i.e. parking, grassing, subsoil drain system and play areas (provided funding is available).

Three blocks (Block C, D and E) yielding 54 units within the Bhambatha Flat have been refurbished. The units were handed over to the beneficiaries during June 2017.



Figure 92: Refurbished 3 blocks in Bhambatha Flat

Urban Housing Projects

Dumisani Makhaye Village

Dumisani Makhaye Village (Phase 7), comprising of 547 houses is nearing completion. During the year under review six (6) houses were built. In total 542 houses have been built in Phase 7. Sixty five (65) properties within Dumisani Makhaye Village were transferred during the year under review.

Table 76: Urban Projects at Planning Stage

Project Name	No. of Units Planned	Project Status
Aquadene	2416 (RDP, CRU, FLISP, SH)	Bulk water has been completed. Bulk sewer is currently at 92% completion. Internal services are anticipated to commence in August 2017. Aquadene was approved as a Restructuring Zone in 2016.
eMpangeni Integrated	10 000 (RDP, CRU, FLISP, SH)	Funding for internal and external bulk infrastructure was approved in 2016.

Project Name	No. of Units Planned	Project Status
Residential Development Project		<p>The contractor for internal services has commenced work and is currently on site.</p> <p>The contractor for external bulk infrastructure has been appointed.</p> <p>Phase 1A, 1B and 1C has been approved by the municipality.</p>
Mzingwenya slums clearance	In-situ upgrade and relocation	<p>Project is still at planning stage</p> <p>Feasibility studies are being conducted by the appointed service provider.</p>
Dumisani Makhaye Village Phase 6 and 8	<i>FLISP: 82</i> <i>CRU/Social:1000</i> <i>Low income: 130</i> <i>Total: 1212</i> <i>(RDP, CRU, FLISP, SH)</i>	<p>Funding for external bulk infrastructure was approved by the Municipality.</p> <p>The contractor has been appointed and commenced work in June 2017.</p> <p>Dumisani Makhaye Village was approved as a Restructuring Zone.</p>

Enhanced Extended Discount Benefit Scheme

In terms of the Old Housing Stock (for the former R293 towns), ninety two (92) properties were transferred to the qualifying beneficiaries in accordance with the Enhanced Extended Discount Benefit Scheme (EEDBS) in this financial year.

Housing Consumer Education

The aim of the programme is to educate housing beneficiaries about their rights and obligations related to housing to enable them to take informed decisions on housing matters.

Through this programme, municipal and departmental housing officials train communities, targeting housing beneficiaries who have not benefited, housing beneficiaries who have benefited and those who have not decided to seek housing subsidy assistance from the state.

Table 77: Total number of community members trained for housing consumer education (per area)

DATE	AREA	WARDS	VENUE	NO. OF BENEFICIARIES
06/06/2017	Esikhaleni	16,17,21	New Hall	400
07/06/2017	Esikhaleni	19, 20	Hlanganani Hall	570
13/06/2017	Ngwelezana	9, 24	Wood and Raw Primary School	510
14/06/2017	Ngwelezana	27,28	Ngwelezana Supper Hall	321
20/06/2017	Richards Bay	1	Mandlazini Sport Ground	284
21/06/2017	Richards Bay	4	Mzingazi Hall	330
22/06/2017	Richards Bay	26	Aquadene Hall	72
27/06/2017	ENseleni	6,7,8	ENseleni Hall	710
28/06/2017	Vulindlela	10,30,34	Vulindlela Hall	459
Total				3656

The focused areas were all the wards that are within townships, as the wards in rural areas were covered in the previous Housing Consumer Education (HCE) Programme concluded. The HCE was conducted in partnership with the KwaZulu Natal Department of Human Settlements, Municipal Support and Consumer Education Section as well as the Rental Housing Tribunal Section.

The HCE campaign was a great success, as indicated by the number of attendees shown in the above table.



Figure 93: Ward 9 and 24 Housing Consumer Education

Esikhaleni Flat Tenant Awareness

5 eSikhaleni Flats Tenants Awareness Programmes were conducted during the 2016/2017 financial year. The purpose of the programme was to refresh the owners understanding of their rights and obligations under the sectional title scheme, and consequences of not adhering to the rules and regulations.

The awareness programme covered the following topics:

- Lease Agreements;
- Sectional Title vs. Title Deeds;
- How a sectional title scheme operate (body corporate, maintenance);
- Revival of Local Negotiation Group (LNG) Committees;
- Municipal Accounts (Payment for rent and services);
- Waste Management (waste collection, keeping flats clean);
- Water and Sanitation (Maintenance); and
- Electricity (health and safety).

The Hostel Local Negotiation Group (LNG) was also revived in May 2016 to assist with addressing all hostel/flat matters. New members of the committee were nominated, after the term of office expired in August 2016.

Partnerships with Other Institutions

The following houses were donated by various social partners:

- 3 houses donated by Standard Bank in Ward 13, 15 and 22.
- Mondi donated a house in Ward 18, which was constructed with the assistance of the Correctional Services Department.
- A house was donated by Spar Retail Store in Ward 31.



Figure 94: Construction of houses donated by our social partners

Development Administration

Implementation of the Requirements as per the Spatial Planning and Land Use Management Act, 2013 (SPLUMA)

The Spatial Planning and Land Use Management Act, 2013 (SPLUMA) was assented to on 2 August 2013, and requires municipalities to adopt spatial development frameworks and land use schemes and empowers them to enforce land use schemes and approve applications for the rezoning of land, subdivision/consolidation of land, township establishment, removal, amendment and suspension of restrictive condition of title, consent use applications, etc.

The Act is applicable to all the land within the Municipal area. The Spatial Planning and Land Use Management Act commenced on 1 July 2015.

The Municipality has successfully implemented all requirements of the Act as follows:

- SPLUMA compliant uMhlathuze Spatial Development Framework
- SPLUMA compliant uMhlathuze Land Use Scheme
- Establishment of decision-making authorities for planning matters
- The Municipal Planning Tribunal
- The Municipal Authorised Official
- Establishment of the Municipal Appeals Tribunal
- Municipal Spatial Planning and Land Use Management Bylaw
- Planning Applications

The following table therefore makes provision for statistics relating to applications received vs. applications that entered the administrative phase.

Table 78 Planning applications received during 2016/2017:

2016/2017	Applications Received	Applications Cancelled (Applications received during 2016/2017)	No. of Applications that entered the administrative phase (Applications received during 2016/2017)	No. of Applications that are yet to enter the administrative phase (Applications received during 2016/2017)	No. of Applications that entered the administrative phase (Applications received during previous years)
Total	16	5	4	7	8

Land Use Management

The Land Use Management Unit is divided into two (2) district divisions, namely *development control and building control*.

Development Control

Development Control promotes orderly development through regulation and management of land use within the city. As such, the division is responsible for processing the following types of applications:

- Special Consent;
- Formal Authority; and
- Building Line Relaxation.

uMhlathuze Land Use Scheme

The current Land Use Management Scheme, which is the instrument whereby development rights of land located within the City of uMhlathuze is controlled and guided, has been in operation since January 2014 when it was adopted by Council.

Its latest amendment was effected on June 2015. The desire of Council to apply a singular Land Use Scheme for the entire City in accordance with Spatial Planning and Land Use Management Act, 2013 (SPLUMA) and KZN Planning and Development Act, 2008 (KZNPDA) is in the course of finalisation, and as such processes have been streamlined relating to land development applications.

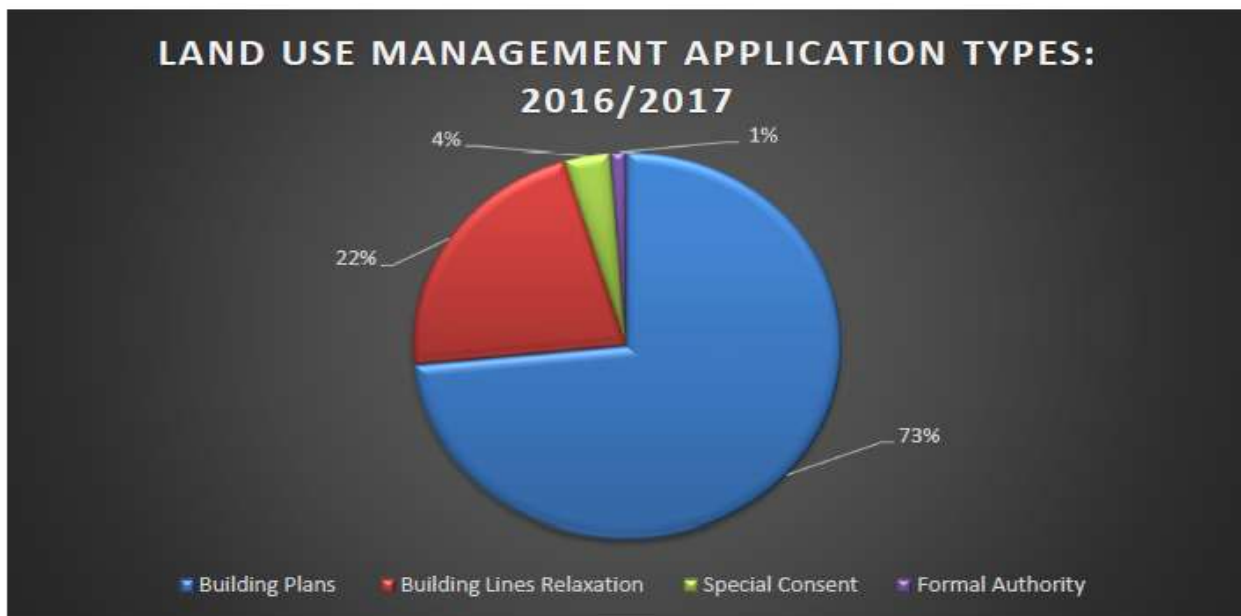
Land Development Applications

Table 79: Land use management applications 2016/2017 financial year.

APPLICATION TYPES	No.	%	Financial Year
Approval of Building Plans	483	73	2016/2017
Building Line Relaxation	144	22	2016/2017
Special Consent	23	4	2016/2017
Formal Authority	8	1	2016/2017
TOTAL	658	100	

Building Control

Building control promotes the structural integrity of all structures erected within the city and as required by law, any alterations or additions or construction of new buildings must first be approved. The applicable policies and legislation include:



- National Building Regulations and Building Standards Act, 1997;
- Spatial Planning and Land Use Management Act, 2013; and
- uMhlathuze Land Use Scheme.

In 2016/2017, the unit processed a total of 483 building plans, with an estimated value of R144 125 000.

This financial year, the Land Use Management unit conducted a Land Use Management Process Workshop under the theme ***“Making Land Use Management Accessible to the People”***. The main objective of the Workshop was to sensitise the uMhlathuze community of the processes and procedures applicable to Land Use Management (development control and building control). Over forty nine (49) professionals attended the workshop from different built environment fields.

Financial Services



M Kunene

CHIEF FINANCIAL OFFICER

The Financial Services Development department comprises 3 sections, namely:

1. Revenue;
2. Expenditure
3. Supply Chain Management

Strategic priority: Sound Financial Management both departmentally and throughout the Municipality

Financial Overview

The review sets out to highlight the Municipality's performance for the past year. Full details appear in the audited Annual Financial Statements. The municipality is financially viable and sustainable. National Treasury, through their annual assessment of the budget has found the municipal budget to be funded, credible and sustainable for five consecutive years.

The following are the sub-sections within the finance department under the control of the CFO:

- Administration and Strategic Planning
- Financial Support, Budget Process Management, Budget Reporting, and Expenditure Management
- Financial Accounting, Reporting and Assets Management
- Creditors, Loans, Investments and Cash Management

- Supply Chain Management
- Revenue Billing Management and Reporting
- Customer Relations Management

Overview of the Municipality's Financial Results

The steady progress made to date evidenced by a better cash coverage ratio and an increased ability of the municipality to contribute towards its own capital projects have been the critical milestones of the municipality.

The financial performance of the municipality has been accurately forecasted with marginal deviation to the operational budget when comparing actual results to the budget. The cascading of performance information to all management levels with the organisation is another initiative that will bring accountability and ensure that departmental managers ability to plan, organise control and lead is evaluated at period intervals hence allowing for early detection of areas of weakness.

Executive Summary of Key Financial Achievements for the 2016/2017 Financial Year

Sound Financial Management

The leadership of the CFO together with immediate management has now completed a seventh year financial plan which includes amongst others an organisational structure with specialised divisions in internal and external service delivery and financial management support for the Municipality as a whole.

The strategy has been to:

- Be clear with the priorities or focus areas of attention for the department therefore eliminating any possible confusion of the future direction of the department.
- Ensure that the top management within the department is effective.
- Ensure the level of leadership within the department sets a professional tone and are exemplary of the ethos that is expected from employees. Ensure communication is enhanced such that even though each unit is specializing, information sharing is the culture so that accounting standards and internal controls are debated, thus learning takes place.

- The development of staff and monthly departmental meetings and contract management is done.

Evidence of very good work in progress at the end of the 2016/17 financial year is clearly visible by:

- Maintaining the Clean Audit Finding by the Office of the Auditor General;
- Sound Liquidity Situation;
- Credible and Funded Budgets;
- Cash Backed Reserves, carried over Grant Funds and carried over unspent Borrowings;
- Finance Department Divisions working more in the collective than in silo's;
- Quality of Financial Reporting being amongst the best in the Country;
- Quality of Credit Control and Debt Management being the best in the Country;
- Quality of Creditors Management being the best in the Country;
- Quality of Inventory Management being amongst the best in the Country;
- Quality of Billings being close to faultless with one of the fairest socio/economically structured Tariffs in the Country;
- Successfully completed implementation the Municipal Standard Chart of Accounts (mSCOA)

Contribution to our Developmental Obligations

Supply Chain Management

Council's amended and approved Supply Chain Management Policy and held SCM Indaba regarding the objective to spend a minimum of 40% (forty percent) of its annual procurement budget with Historically Disadvantaged Individuals (HDIs) youth, women, people with disabilities within the jurisdiction of the City of uMhlathuze, through the application of Preferential Procurement Policy and relevant policies.

This policy resulted in council forming partnership with Transnet Port Terminal to develop 15 SMME suppliers, 7 of which are people with disability and 8 are youth and women, through their Enterprise Development(ED) incubator for 2 years in business management.

Revenue

The strategic intent is to provide the lowest priced basket of services to all consumers with the widest range of free basic services for poor and indigent residents, including providing Consumer- Specific indigent support to parentless households and to destitute households.

The municipality introduces the e-uMhlathuze portal, which is a payment portal providing easier access to account statements via electronic means, and this has proven to be a convenience for rate payers.

Continued customer focused service

The municipality continues to encourage customers to purchase electricity from third party vendors as the cost of electricity from third party vendors is the same as procuring electricity at the municipal offices. This approach assists in bringing services closer to the customers.

Expenditure

Expenditure consists of 3 operational divisions, namely:

Creditors and Cash Management

- The creditors unit facilitated the training of six interns across all major sections of the Finance Department in the financial year. Rotations as well as Personal Development Plans were developed for interns. The progress with this program is very good, especially in the absence of other institutional platforms providing a suitable stepping-stone for aspirant local government financial managers.
- Providing cash flow relief for our SMME vendors by paying invoices within 7 days;
- Signing of Cession agreements with primary suppliers, to assist SMME's to receive materials on time;
- Guaranteeing every single creditor who has their invoices and associated orders "GRN'd", payment within 30 Days.
- Greater emphasis is being placed on maintaining a healthy and positive relationship with Council's suppliers.
- Stricter controls are being implemented in the payment/procurement process between municipal user departments and suppliers in ensuring Supply Chain Management processes are followed.

- Municipal funds are managed on a daily basis. Council has only short term funds available, hence are invested likewise accordingly. The balance of funds invested as at 30 June 2017 was R702 million (2016 – R432 Million). This lending itself very well to the fact that, debtors and cash management is soundly on track
- Managed the highest short-term investment portfolio in the history of the municipality to date and doubled its earnings on short term investments year on year.

Financial support, budget process management and budget reporting

The process of planning to the approval of each MTREF (Medium Term Revenue and Expenditure Framework) is a continuous cycle, commencing immediately after the ensuing years MTREF is approved by Council. The 2016/17 (MTREF) was tabled before Council on 31 March 2016. Thereafter a 5-week budget participation process was undertaken with cluster meetings at various locations. Attendance by the community at these meetings is improving and the understanding of the municipal processes by the community is also encouraging to note.

Following the budget participation process any amendments that have been identified by the community are incorporated into the Adopted 2016/17 Budget and Medium Term Revenue and expenditure Framework (MTREF). Council adopted the 2016/2017 MTREF on 25 May 2016.

The endeavour by National Treasury to ensure that municipalities prepare a budget document that provides concise and understandable financial and non-financial information, ensures that informed decisions are made to promote effective financial management and service delivery.

National Treasury created a template called “Batho Pele City” as a guide for municipal officials responsible to produce their real municipal budget documents. The aim of the Budget Guide is to provide more detailed guidance on the format and content of a municipal budget so as to ensure full compliance with both the letter and the spirit of Schedule A of the Municipal Budget and Reporting Regulations.

In light of the above, Council’s Tabled and Adopted Budget report was prepared in line with the template provided by National Treasury.

Financial support unit also includes payroll administration, which ensures that +/- 2400 employees (including 67 councillors) are paid their monthly salaries and allowances timeously and accurately.

Financial Accounting and Asset management

The functions of this sub-section include ensuring that the Annual Financial Statements are completed and timeously submitted to the Auditor General for auditing purposes and that the Municipality has GRAP compliant Financial Assets Register.

Supply Chain Management

Statutory reporting & compliance

Monthly reports have been submitted in respect of procurement of goods and services in terms of each required regulation of the Supply Chain Management Policy of the Council. While Council amended supply chain management policy, it also adopted Contract Management policy which aims to assist and ensure efficient management of contracts.

The Council approved establishment of Bid Administrative Sub-unit to give attention to the bid and contract process in order to improve capital spending. Various trainings and workshops were conducted in line with statutory requirements for all staff that are involved in supply chain.

Controlling expenditure

The Supply Chain Management Unity (SCMU) scrutinizes all requisitions for material and verifies that the correct Budget as per the SDBIP is utilized for the procurement of materials and services. The below table depicts a 5 year comparative analysis summary of purchase orders processed:

Table 80: 5 year comparative analysis summary of purchase orders processed

Financial Year	Total transactions
2012 / 2013	R 435,584,919.73
2013 / 2014	R 878,899,965.76
2014 / 2015	R 822,316,543.30
2015 / 2016	R 1,133,255,526.53
2016 / 2017	R 1,656,244,891.31

Stock Management

Stock take was successfully conducted on 29 and 30 June 2017, below are the results:

Table 81: Stock take results 2016/2017

Stock Take 30 June 2017	Amount
Total stock	R 17 679 905.48
Total stock variance - positive	R 457 150.29
Total stock variance - negative	(R 94 109.62)
Net Variance - Positive	R 363 040.67

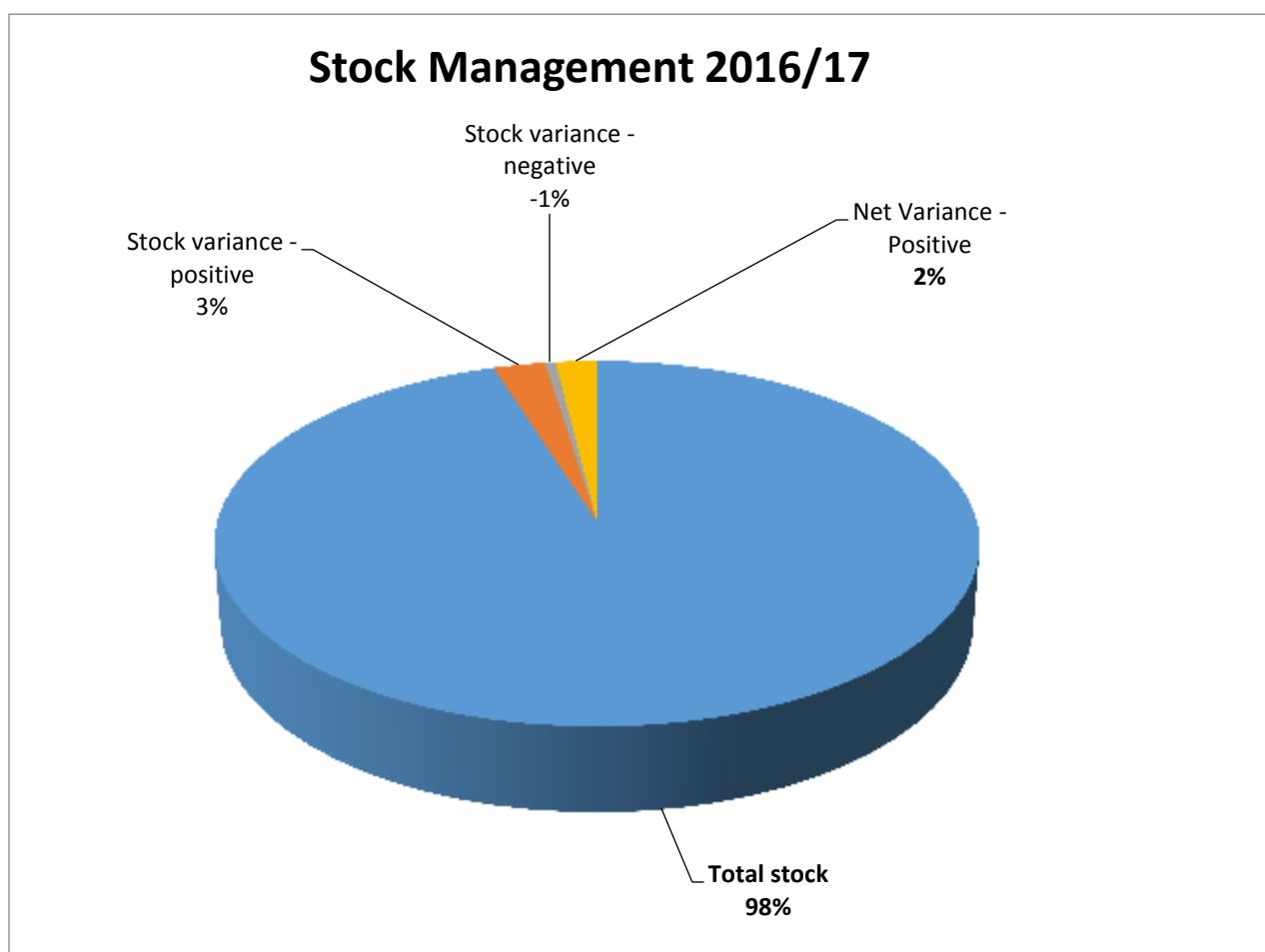


Figure 95: Stock Management 2016/2017

Statement of Financial Performance

Summary

Revenue

The 2016/2017 financial performance has seen the municipality reporting a net operating surplus for four successive years. This comes at a time when the pricing risk strategy of the municipality has been fully implemented. The gradual increase in tariffs have allowed for the revenue streams to be more aligned when the municipal basket of services are compared to other secondary cities. The universal approach to household affordability ensures that the tiered tariffs which cater for the poor and indigent are addressing the societal income gaps that exist, but at the same ensuring basic services are provided to every household.

The Revenue base from Rates and Service charges has increased by R322m (15.5%) over the 2016/2017 year which, in a 6% inflationary economy nationally, which is well in line with the local economy.

The city reported a net operating surplus of R213 million (surplus R124 million for 2016.)

Despite the massive investments already made, more funding is still required for the asset renewal and replacement program and presently the demand outweighs by far the city's resources.

Expenditure

The main expenditure items are employee costs and bulk purchases. Collectively these items account for R1.8 billion worth of expenditure which amounts to 65% of the total operating expenditure of R 2.7 billion.

Repairs and Maintenance expenditure very importantly represents 7.2 % Property Plant and Equipment or 16% total operation expenditure, which is in line with international benchmark parameters for Repairs and Maintenance on Municipal Assets.

Operating Revenue

The major operating revenue streams that supported the municipality's programs and activities were:

- Property Rates
- Services charges which are made up of:
 - Electricity sales;
 - Water sales;
 - Wastewater management (sewage and sanitation);
 - Government operating grant; and other.

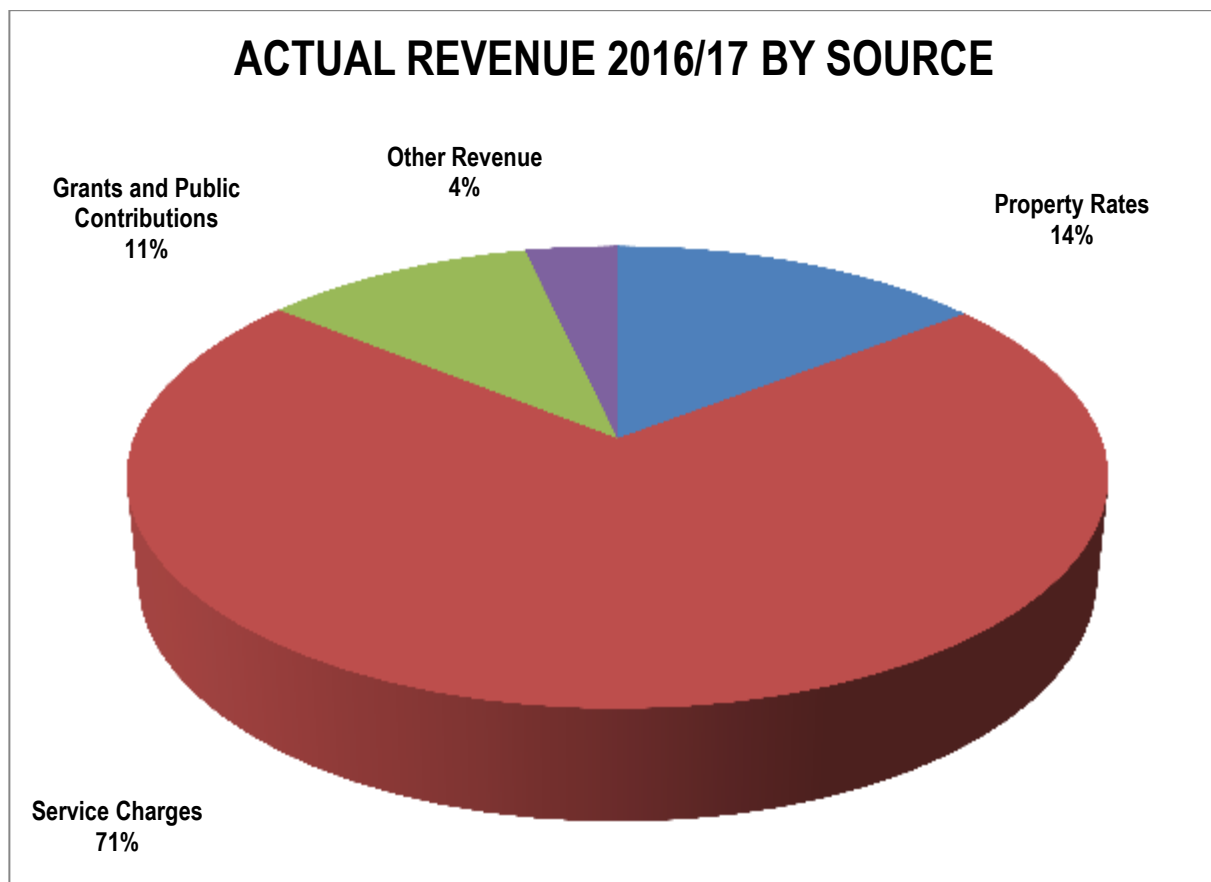


Figure 96: Actual revenue by source

Operating Expenditure

The cash flow recovery plan commenced in 2010 and continued in 2016/2017 with great success. Previous reports have highlighted the specific interventions, but in summary the success lies in: only budgeting for expenditure that is funded, strict control of the budget, very good management of both debtors and creditors and ensuring both affordable and cost reflective tariffs.

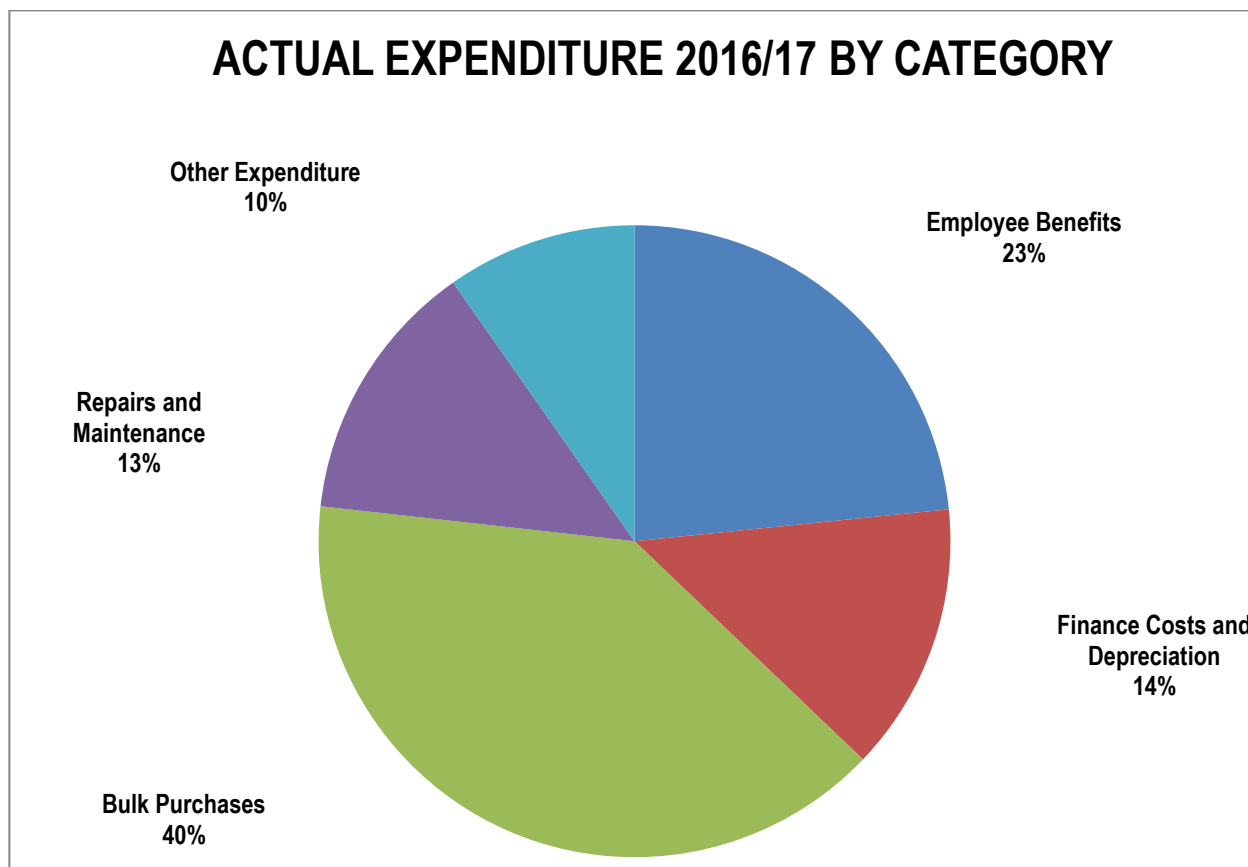


Figure 97: Actual expenditure by category

Spending Against Capital Budget

Capital expenditure incurred during the year amounted to R507.million which represents 93% (2016: 79%) of the approved capital budget. Below is the funding mix of capital expenditure.

Table 82: Capital expenditure per function

Function	Adjusted Budget	Actual Expenditure	Variance	Variance %
Budget and Treasury	162 000	109 753	52 247	32%
Community and Social Services	22 395 400	24 971 452	(2 576 052)	(12%)
Corporate Services	55 413 600	80 746 963	(25 333 363)	(46%)
Electricity and Gas	106 345 300	60 269 782	46 075 518	43%
Executive and Council	14 000	181 974	(167 974)	(1200%)
Housing	21 347 700	9 575 555	11 772 145	55%
Planning and Development	9 627 100	3 531 198	6 095 902	63%
Public Safety	6 994 900	17 432 604	(10 437 704)	(149%)
Road Transport	123 894 400	123 094 807	799 593	1%
Sport and Recreation	33 652 600	20 564 269	13 088 331	39%
Waste Management	3 500 000	3 483 612	16 388	0.4%
Waste Water Management	50 230 400	59 354 369	(9 123 969)	(18%)
Water	114 946 300	104 592 645	10 353 655	9%
Total	548 523 700	507 908 984	40 614 716	7%

Capital Expenditure versus Budget for 2016/2017

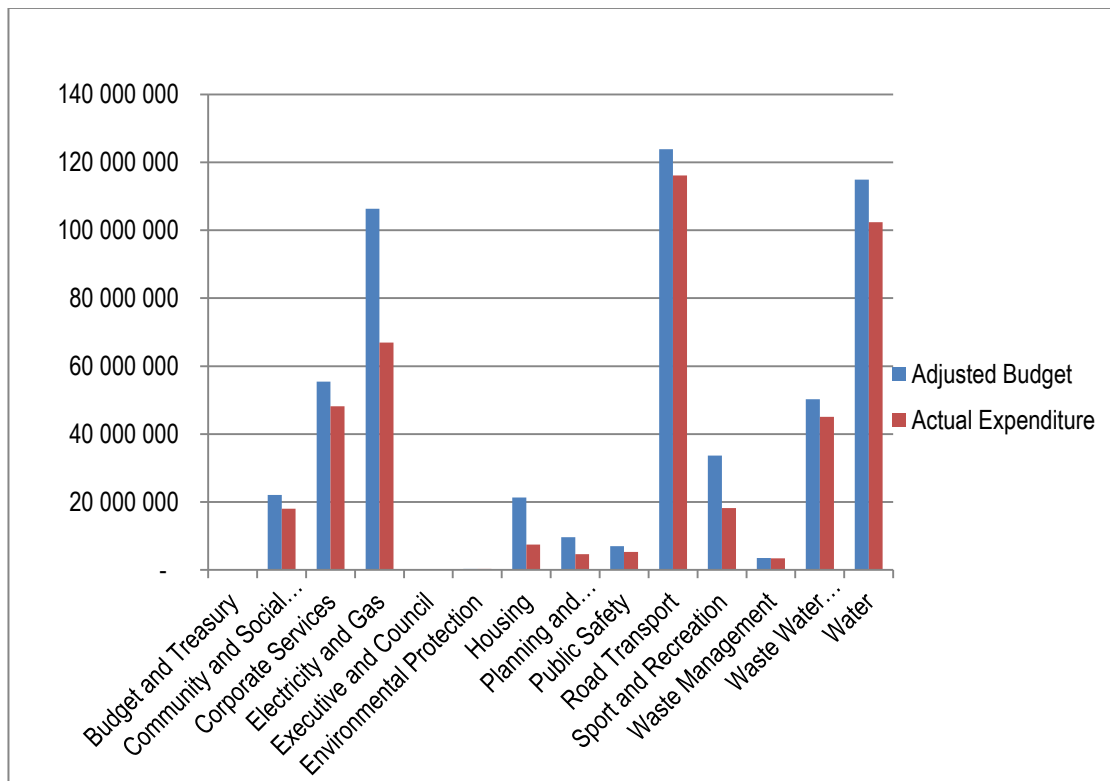


Figure 98: Capital expenditure vs Budget 2017

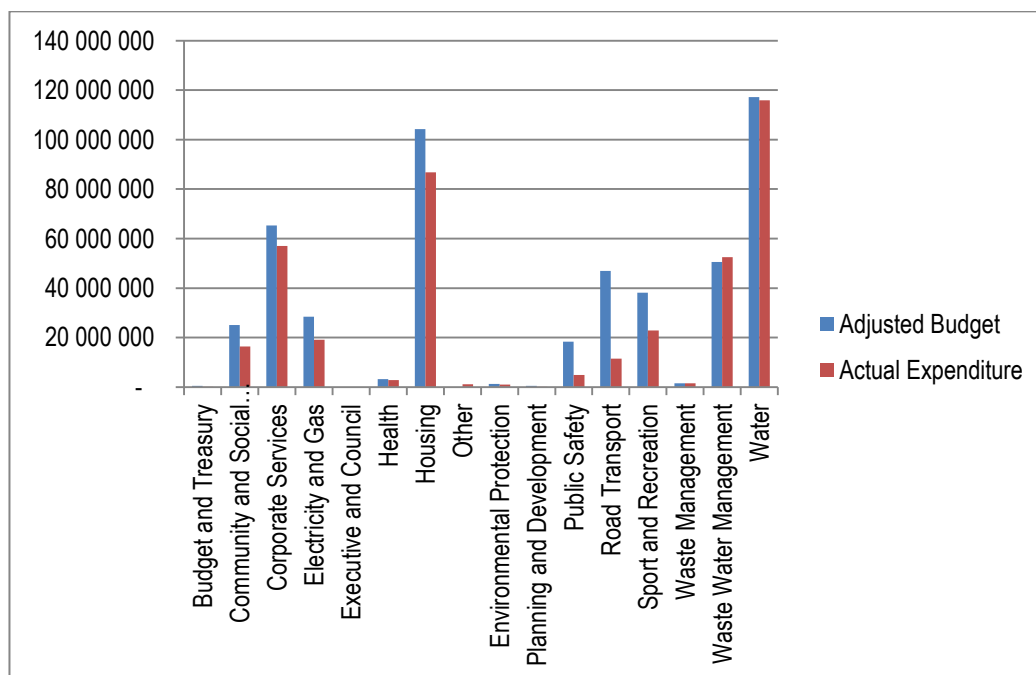


Figure 99: Capital expenditure vs Budget 2016

Cash Flow Management and Investment

The following information shows the municipality's cash flows for the year under review.

Table 83: Cash flow

	2017 R' million	2016 R' million
Cash from operating activities	532 084	548 334
Cash from investing activities	(504 538)	(377 114)
Cash from financing activities	225 163	(130 451)

Cash Flow from Operating Activities

The municipality's sources of liquidity are cash flow from operating activities and borrowings. Cash flow from operating activities decreased from R548 million to R532 million primarily due to economic decline and the drought giving rise to a reduction in the use of basic services.

Cash Flow from Investing Activities

Cash flow from investing activities relates primarily to investments in capital expenditure and short term investments of longer than three months. The increase here bodes well for infrastructure provision and service delivery.

Cash Flow from Financing Activities

Cash flow from financing activities is primarily the nett result of revenue from borrowings and repayment of the capital component of loans. The municipality took up a loan of R 385.5 million in the 2016/2017 financial year .

Other Financial Matters

Annual Tariffs

Table 84: Annual tariff increases

ANNUAL TARIFF INCREASES						
Year	Rates	Water	Electricity	Refuse	Sewer	CPI
2004	10.00 %	13.5 %	11 %	8 %	10 %	5.1 %
2005	7.50 %	13 %	3.8 %	7.5 %	7.7 %	4.2 %
2006	8.00 %	0 %	4 %	0 %	0 %	3.5 %
2007	6.00 %	6.5 %	5.9 %	6 %	4.1 %	6.6 %
2008	8.00%	10.00%	28.00%	6.00%	6.00%	14.00%
2009	13,6%	5,00%	20,00%	7,00%	5,00%	11,5%
2010	12,8%	11,64%	31,00%	9,8%	9,8%	4,2%
2011	12,5%	12.47%	38%	13%	12.5%	4.8%
2012	13.50%	13.00%	24% - 26%	13.00%	13.00%	5.00%
2013	-4,45%	9.5%	Various – From 7,4% - 18%	Res 20,5% Bus 9,5%	7.5%	6.3%
2014	12%	Res 6%-40%(Sliding Scale) Bus 7% - 10% (Sliding Scale)	11,36%	8%	8%	6%
2015	6%	6%	7.29%	6%	6%	5.9%
2016	10%	9%	1.88%	7%	7%	5.5%
2017	6.41%	6%	7%	6%	6.04%	5.6%

Debtor Accounts

Electricity and water meters readings are performed, processed and posted monthly to ensure that all account holders receive accurate accounts and that a high payment rate is maintained. The collection of monies has been very difficult. The department however still obtained a debt collection ratio of **100.88%**, despite these difficult times.

Outstanding consumer debtors as at 30 June 2017 were R433 million (2016: R 404 million). The total provision for impairment decreased from R101 million to R 91 million.

Debt Collection Ratio / Nett Debtor Days – For Consumer Debtors

The overall payment ratio for the past year is illustrated below. The Ratio indicates the collection rate; *i.e.* level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. The formula and norm is prescribed by the National Treasury in MFMA circular 71. The published norm is 95 %.

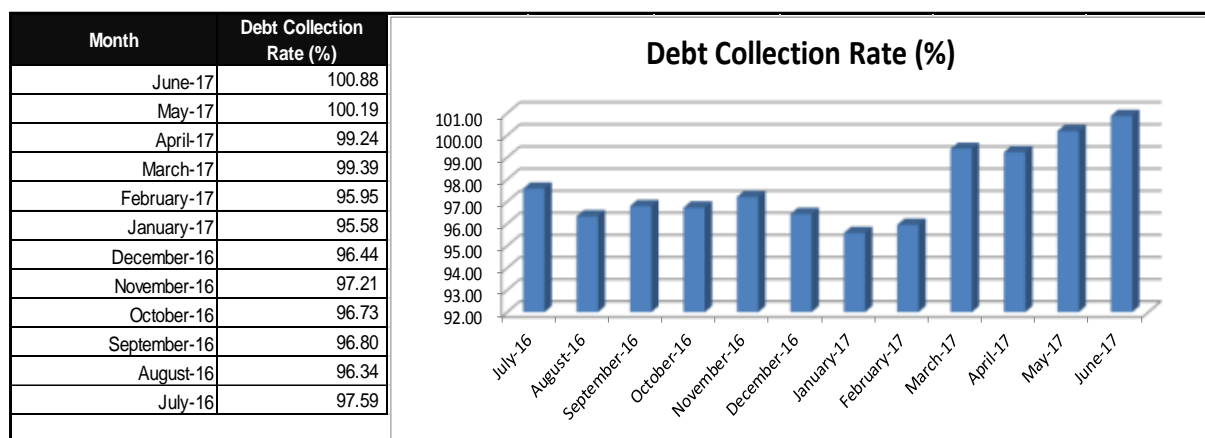


Figure 100: Debt collection rate

Net Debtors Days

This ratio reflects the collection period. Net Debtor Days refers to the average number of days required for a Municipality to receive payment from its Consumers for bills / invoices issued to them for services.

The ratio exclude balances for debtors, which the Municipality has assessed as potentially irrecoverable, and is also a good indication of the effectiveness of credit control procedures

within the Municipality as well as the extent to which the Municipality has provided for doubtful debts.

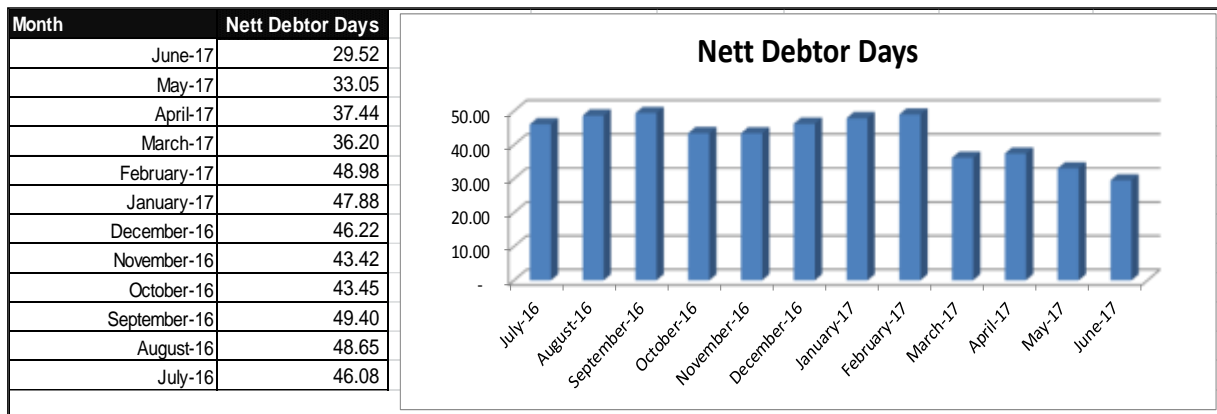


Figure 101: Debtor days

Non-Compliance with MFMA

The municipality complied with all the provision of the Municipal Finance Management Act.

Unauthorized, Irregular, Fruitless and Wasteful Expenditure

No unauthorized, irregular, fruitless and wasteful expenditure was incurred by the municipality during the year.

Expression of Appreciation

I wish to convey my sincere appreciation to the Mayor, the Executive Committee, members of the Finance Portfolio Committee, the Audit Committee, the Municipal Manager and the Executive Management team for their support and cooperation received during the year.

A special word of gratitude to all financial staff, and to the staff of the auditor general for conducting the external audit the manner in which they did, and for their assistance, support and cooperation during the year.

Finally, a further word of thanks to everybody for the months of hard work, sacrifices and concerted effort during the year to enable the Municipality to finalize the financial reporting with special emphasis on the financial statements which culminated to a clean audit report.

APPENDICES:

APPENDIX A: COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE



**Name: Mhlongo Mduduzi Gift
Party: ANC
MAYOR OF THE MUNICIPALITY**



**Name: Mkhize Silondile Gcinekile
Party: ANC
DEPUTY MAYOR OF THE MUNICIPALITY**



**Name: Mthenjana Mfundo Wisdom
Party: ANC
SPEAKER OF COUNCIL**



**Name: Lourens Manie
Party: ANC
CHIEF WHIP OF COUNCIL**

EXECUTIVE COMMITTEE



Name: Mhlongo Mduduzi Gift
Party: ANC
EXCO

Chairperson: Finance



Name: Mkhize Silondile Gcinekile
Party: ANC
EXCO

Chairperson: Corporate Services



Name: Gumedé Tobias Seze
Party: IFP
EXCO

Deputy Chairperson: Finance



Name: Mthethwa Khethomusha Ngikhethi
Party: IFP
EXCO

Deputy Chairperson: Corporate Services



Name: Sibiya Khonzeleni Duduzile
Party: ANC
EXCO

Chairperson: Infrastructure and Technical Services



Name: Sookroo Meera
Party: ANC
EXCO

Chairperson: City Development



Name: Mthembu Babhekile Constance
Party: ANC
EXCO

Deputy Chairperson: Infrastructure and Technical Services



Name: Phahla Thamsanqa M'cord
Party: ANC
EXCO

Deputy Chairperson: City Development



Name: Zikhali Raphael Mduduzi
Party: ANC
EXCO
Chairperson: Community Services



Name: Fourie Louis Christofel Mathys
Party: DA
EXCO

Deputy Chairperson: Community Services

Ward Councillors:



Name: Cebekhulu Langelihle Goodman
Party: ANC
Ward No: 1
Cell phone: 0782259347



Name: Botha Christo Marius
Party: DA
Ward No: 2
Cellphone: 0828395816



Name: Mulder Ockert Johannes Hendrik
Party: DA
Ward No: 3
Cellphone: 0826543561



Name: Zondo Lucky Praisegod
Party: ANC
Ward No: 4
Cellphone: 0739376316



Name: Ntuli Dumisani Fairman
Party: ANC
Ward No: 5
Cellphone: 0835737596



Name: Ndimande Dumsani Joseph
Party: ANC
Ward No: 6
Cellphone: 0734798776



Name: Khuzwayo Vusumuzi Nelson
Party: ANC
Ward No: 7
Cellphone: 0837145218



Name: Wanda Thabisile Patricia
Party: ANC
Ward No: 8
Cell phone: 0731721369



Name: Palmer Erwin Andre
Party: ANC
Ward No: 9
Cellphone: 0834096887



Name: Qulo Thembi Gugu
Party: ANC
Ward No: 10
Cell phone: 0829650224



Name: Zibani Ntombenhle Thembelihle
Party: ANC
Ward No: 11
Cell phone: 0839780478



Name: Cele John Nhlakanipho
Party: ANC
Ward No: 12
Cell phone: 0834211478



Name: Hadebe Jabu Mavis
Party: ANC
Ward No: 13
Cell phone: 0835221062



Name: Ntuli Sinenhlanhla Simphiwe
Party: ANC
Ward No: 14
Cellphone: 0730644263



Name: Zuma Sikhumbuzo Gladman
Party: ANC
Ward No: 15
Cellphone: 0730974630



Name: Phahla Thamsanqa M'cord
Party: ANC
Ward No: 16
Cellphone: 0796050900



Name: Zondi Graduate
Party: ANC
Ward No: 17
Cellphone: 0734240193



Name: Mjadu Khulekani
Party: ANC
Ward No: 18
Cellphone: 0820445405



Name: Zulu Sipho Mbongeleni
Party: ANC
Ward No: 19
Cellphone: 0787531095



Name: Khumalo Rhoda
Party: ANC
Ward No: 20
Cellphone: 0715986571



Name: Mthembu Samuel Ntandane
Party: ANC
Ward No: 21
Cellphone: 0825830163



Name: Ncanana Hamilton Nkosinathi
Party: ANC
Ward No: 22
Cellphone: 0823430652



Name: de Lange Barend Jacobus
Party: DA
Ward No: 23
Cellphone: 0833217844



Name: Dlamini Siphosenkosi Gift
Party: ANC
Ward No: 24
Cellphone: 0834037292



Name: Mathe Thamsanqa Bongani
Party: ANC
Ward No: 25
Cellphone: 0838722535



Name: Joseph Leslie Samuel
Party: ANC
Ward No: 26
Cell phone: 0823078262



Name: Mzimela Simphiwe
Party: ANC
Ward No: 27
Cell phone: 0721221019



Name: Ntanzu Phikelakhe
Madlinyoka
Party: ANC
Ward No: 28
Cell phone: 0835243685



Name: Mathenjwa Prince
Mthuzi
Party: ANC
Ward No: 29
Cell phone: 0839565583



Name: Mpungose Muzi Sylvester
Cyril
Party: ANC
Ward No: 30
Cellphone: 0721152350



Name: Ntombela Sipho Francis
Party: ANC
Ward No: 31
Cellphone: 0824370406



Name: Ndlovu Mntozofika
Party: ANC
Ward No: 32
Cellphone: 0767814751



Name: Xulu Zakheleni Zibuse
Party: IFP
Ward No: 33
Cellphone: 0722807976



Name: Makhanya Ntuthuko
Fanelesibonge
Party: ANC
Ward No: 34
Cellphone: 0833566613

PARTY REPRESENTATIONS



Name: Mhlongo Mduduzi Gift
Party: ANC
MAYOR OF THE MUNICIPALITY



Name: Mkhize Silondile Gcinekile
Party: ANC
DEPUTY MAYOR OF THE MUNICIPALITY



Name: Mthenjana Mfundo Wisdom
Party: ANC
SPEAKER OF COUNCIL



Name: Lourens Manie
Party: ANC
CHIEF WHIP OF COUNCIL



Name: Mthembu Babhekile Constance
Party: ANC
PR – EXCO

Cellphone: 0722566660



Name: Zikhali Raphael Mduduzi
Party: ANC
PR – EXCO

Cellphone: 0730588380



Name: Sookroo Meera
Party: ANC
PR-EXCO

Cellphone: 0765033535



Name: Phahla Thamsanqa M'cord

Party: ANC

EXCO



Name: Cele Nonhlanhla
Reginaldah
Party: ANC
PR

Cellphone: 0788355529



Name: Sibiya Khonzeleni Duduzile
Party: ANC
PR-EXCO

Cellphone: 0762447526



Name: Mbatha Purriety Thenjiwe
Party: ANC
PR

Cellphone: 0633802438



Name: Mbokazi Musawenkosi
Mazonjani
Party: ANC
PR

Cellphone: 0721428154



Name: Mbonambi Khululiwe
Ntombenhle
Party: ANC
PR

Cellphone: 0827668660



Name: Mfeka Thokozane Penelope
Party: ANC
PR

Cellphone: 0822144333



Name: Gumedu Tobias Seze
Party: IFP
PR – EXCO

Cellphone: 0763566148



Name: Mthethwa Khethomusha
Ngikhethi

Party: IFP

EXCO



Name: Mpanza Celinhlanhla Nicholas

Party: IFP

PR



Name: Ozias Zakhele Mthembu

Party: IFP

PR

Cell: 0728574290



**Name: Sooryanarian
(Sagra) Simmadhri**

Party: IFP

PR



Name: Ivan Alexander Stone

Party: IFP

PR

Cell: 0836433393



Name: Dini Emmanuel Ntuli

Party: IFP

PR



Name: Mkhulise-Khumalo Gugulethu

Party: IFP

PR

Cellphone: 0179985159



Name: Mabuyakhulu Jeon Zakhe

Party: IFP

PR

Cellphone: 0737604696



**Name: Cleopatra Nonhlanhla
Nyawo**

Party: IFP

PR

Cellphone: 0736967050



Name: Thandazani Thusi

PARTY: IFP

PR

Cellphone: 0731460809



Name: Mthembu Solile Phildah

Party: IFP

PR

Cellphone: 0737715837



**Name: Fourie Louis Christofel
Mathys**

Party: DA

PR - EXCO

Cellphone: 0823356271



Name: Khonzi Edith Nkosi (Ndlovu)

PARTY: DA

PR

Cellphone: 0729894940



Name: Alen Viljoen

Party: DA

PR

Cellphone: 0824984216



Name: Naidoo Karanagie

Party: DA

PR

Cellphone: 0798890411



Name: Magubane Siphesihle

Lwandile

Party: DA

PR

Cellphone: 0727739183



Name: Ngubane NN

Party: EFF

PR

Cellphone: 0730249807



Name: Hlabisa Khulezwani

Simphiwe

Party: EFF

PR

Cellphone: 0780232715



Name: Mhlala M R

Party: EFF

PR

cellphone: 0765876251

APPENDIX B: COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

SECTION 79 - COUNCIL AND OFFICIAL REPRESENTATION ON COMMITTEES FOR THE 2016 TO 2021 TERM OF OFFICE

DMS#1156700

COMMITTEE	CHAIR	DEPUTY CHAIR	ANC	DA	IFP	EFF	OBSERVERS
Bylaws	P T Mbatha	C G Mkhulisi-Khumalo	P M Ntanz T P Mfeka N T Zibani S N Mthembu S G Dlamini S S Ntluli S F Ntombela	A Viljoen	S P Mthembu I Stone	N N Ngubane	S L Magubane K E Nkosi
Standing Orders and Disciplinary Committee	M W Mthenjana	M Lourens	M Lourens S G Zuma P T Mbatha K D Sibiya R Khumalo M Ndlovu	L C M Fourie	N T Thusi C G Mkhulise-Khumalo		K Naidoo K E Nkosi
uMhlathuze Public Transport Liaison Committee (UPTLC) &	M S C Mpungose	S Simmadhri	L G Cebekhulu D F Ntuli V N Khuzwayo	S L Magubane	J Z Mabuyakhulu K N Mthethwa	K S Hlabisa	C N Nyawo K E Nkosi N F Makhanya

COMMITTEE	CHAIR	DEPUTY CHAIR	ANC	DA	IFP	EFF	OBSERVERS
			L P Zondo G Zondi K Mjadu T B Mathe				
Public Participation Committee under convenorship of the Speaker	M W Mthenjana	C M Botha	L S Joseph P M Ntanzu S Mzimela N F Makhanya T G Qulu J M Hadebe S S Ntuli	K E Nkosi	T S Gumede C N Nyawo		A Viljoen L C M Fourie

SECTION 80 - COUNCIL AND OFFICIAL REPRESENTATION ON COMMITTEES FOR THE 2016 TO 2021 TERM OF OFFICE

COMMITTEE	CHAIR	DEPUTY CHAIR	ANC	DA	IFP	EFF	OBSERVERS
Corporate Services (CORPS)	S G Mkhize	K N Mthethwa	M Lourens K N Mbonambi J M Hadebe T P Mfeka J N Cele N F Makhanya S M Mthembu	S L Magubane	S Simmadhri O Z Mthembu	K S Hlabisa	I Stone K Naidoo C M Botha K E Nkosi
Community Services (COMS) Geographical Naming Committee (See reference elsewhere in document)	R M Zikhali	L C M Fourie	D J Ndimande D F Ntuli T G Qulo V N Khuzwayo K Mjadu L S Joseph G Zondi	K Naidoo	N T Thusi Z Z Xulu		S L Magubane S P Mthembu K E Nkosi M R Mohlala
Financial Services (FS)	M G Mhlongo	T S Gumede	P T Mbatha N R Cele H N Ncanana S Mzimela	A Viljoen	I Stone S Simmadhri		L C M Fourie K E Nkosi

COMMITTEE	CHAIR	DEPUTY CHAIR	ANC	DA	IFP	EFF	OBSERVERS
			S G Zuma T B Mathe M Ndlovu				
City Development (CD)	M Sookroo	T Phahla	M M Mbokazi P M Ntanzu L P Zondo N T Zibani S S Ntuli S G Dlamini S F Ntombela	C M Botha	Z Z Xulu J Z Mabuyakhulu	N N Ngubane	D E Ntuli O J H Mulder L C M Fourie K E Nkosi
Infrastructure and Technical Services (ITS)	K D Sibiya	B C Mthembu	E A Palmer P M Mathenjwa S M Zulu M S C Mpungose L G Cebekhulu T P Wanda R Khumalo	O J H Mulder	J Z Mabuyakhulu C N Nyawo	M R Mohlala	K E Nkosi

COMMITTEE	CHAIR	DEPUTY CHAIR	ANC	DA	IFP	EFF	OBSERVERS
1. SPLUMA 2. Council Resolution 10157B (4.3) 9 June 2015 be amended to read as follows: <i>“4.3 the following seven Councillors be nominated to serve as a subcommittee of the Executive Committee in order to consider any appeals submitted in terms of the Spatial Planning and Land Use Management Act, 2013, and the KZN Planning and Development Act, 2008:</i>	----	----	S G Mkhize M Sookroo B C Mthembu T M Phahla	L C M Fourie	K N Mthethwa T S Gumede		
uMHLATHUZE MUNICIPALITY GEOGRAPHICAL NAMING COMMITTEE	M Lourens	M W Mthenjana	M G Mhlongo S G Mkhize R M Zikhali M M Mbokazi N T Zibani K N Mbonambi N R Cele	O J H Mulder	J Z Mabuyakhulu C N Mpanza		K E Nkosi A Viljoen

MPAC ESTABLISHED IN TERMS OF THE MUNICIPAL STRUCTURES ACT 1998, MUNICIPAL SYSTEMS ACT 2000 AND MUNICIPAL FINANCE MANAGEMENT ACT OF 2003

COMMITTEE	CHAIR	DEPUTY CHAIR	ANC	DA	IFP	EFF	OBSERVERS
Municipal Public Accounts Committee (MPAC)	D J Ndimande	I Stone	M S C Mpungose E A Palmer T P Wanda T G Qulo J M Hadebe K N Mbonambi S F Ntombela	B J de Lange	C G Mkhulise-Khumalo S Simmadhri	M R Mohlala	C M Botha K E Nkosi

SECTION 62 ESTABLISHED IN TERMS OF THE LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT, 32 OF 2000

COMMITTEE	CHAIR	DEPUTY CHAIR	ANC	DA	IFP	EFF	OBSERVERS
Section 62 Appeals Committee <u>To be handled by the relevant Department and Committee Officer based on portfolio of origin</u>	M Lourens		P M Mathenjwa P T Mbatha N R Cele S M Zulu	C M Botha	C N Nyawo S P Mthembu		

LOCAL LABOUR FORUM ESTABLISHED IN TERMS OF THE ORGANISATIONAL RIGHTS AGREEMENT

Local Labour Forum	CHAIRPERSON	DEPUTY CHAIRPERSON	<u>Employer Component</u>	<u>Employee Component</u>	NO OBSERVERS AS PER RESOLUTION OF LLF ON 21 MAY 2007
	D P Mthiyane	Clr S G Mkhize	Clr S G Mkhize Clr S Magubane Clr K N Mbonambi Clr T P Mfeka Clr N T Thusi W Geringer B Nzuza A Lombaard N Miya G Mthembu J Naidoo N Khumalo	12 x Organised labour SAMWU (8) D P Mthiyane (Chairperson) P C Nxumalo <i>D M Luthuli</i> V M Khoza B L Gumede S C Dlamini P S Ndlovu H M Mthethwa IMATU (4) E Zondi M Zungu W Xulu Z B Myeza	the Local Labour Forum agendas and minutes only be made available to the 12 employer representatives and the 12 employee representatives in future Deals with all issues related to Labour matters in terms of the ORA <u>FOR INFORMATION</u> Dr N J Sibeko Mr N Mthethwa (COO) Mr M Kunene (CFO) Ms N Ndonga (DMM:CD) Ms S Masondo (DMM:CS) Mr S Hlela (Acting DMM:I&TS)

AUDIT COMMITTEE, PERFORMANCE AUDIT, PERFORMANCE EVALUATION PANELS

Audit Committee	<p><u>Members</u></p> <p>Mr S Nkonzombi (Chairperson)</p> <p>Miss B Zulu</p> <p>Mr A Dhuki</p> <p>Mrs J Ndlovu</p> <p><u>Office of the AG</u></p> <p>Mr J Nkosi (Audtr General's Office)</p> <p>Mr L Lutchman (Audtr Genrl's Office)</p> <p><u>On Invitation</u></p> <p>Chairperson: MPAC</p>	<p><u>Senior Management</u></p> <p>Dr N J Sibeko (MM)</p> <p>Mr N Mthethwa (COO)</p> <p>Mr S Hlela (ADMM:I&TS)</p> <p>Mr M Kunene (CFO)</p> <p>Ms S Masondo (DMM:CORS)</p> <p>Mr B V Nzuzza (ADMM:COMS)</p> <p>Ms N Ndonga (DMM:CD)</p>	<p><u>Officials</u></p> <p>Mr H Renald (FS)</p> <p>Ms N Mthembu (OMM)</p> <p>Mr D Myburgh (OMM)</p> <p>Mr B Khumalo (CORS)</p> <p>Miss Z Ngcobo (FS)</p> <p>Mr S Khumalo (FS)</p> <p>Mrs S Adonis (OMM)</p> <p>Mrs S A Pienaar</p> <p>Mrs P Dlamini</p>
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Performance Audit Committee	<p><u>New members elected as per CR 10664 dated 24 February 2016</u></p> <p>Chairperson - <u>Mrs J Ndlovu</u></p> <p>Mr B S Ndaba</p> <p>Ms R de Waal</p> <p><u>Mayor – Clr M G Mhlongo</u></p> <p><u>Deputy Mayor – Clr S G Mkhize</u></p>	<p>ON INVITATION</p> <p><u>Chairperson of MPAC</u></p>	<p>REVIEWED ANNUALLY</p> <p>D Myburgh</p> <p>Deputy Municipal Managers</p>
Performance Evaluation Panel – Heads Of Departments (Section 57 Employees)	<p>Municipal Manager – uMhlathuze Municipality</p> <p>Chairman Of Performance Audit Committee</p> <p>Municipal Manager –<u>Mfolozi</u></p> <p>Member Of Executive Committee</p>	<p>Dr N J Sibeko</p> <p>Mrs J Ndlovu</p> <p>K E Gamede</p> <p>S G Mkhize (Deputy Mayor)</p>	<p>D Myburgh</p> <p>B M Dladla</p>
Performance Evaluation Panel (Municipal Manager)	<p>Mayor - uMhlathuze Municipality</p> <p>Member Of Executive Committee</p> <p>Chairman Of Performance Audit Committee</p> <p>Municipal Mayor –<u>Mfolozi</u></p> <p>Member Of A Ward Committee</p>	<p>M G Mhlongo (Mayor)</p> <p>S G Mkhize (Deputy Mayor)</p> <p>Mrs J Ndlovu</p> <p>Clr S W Mgenge</p> <p>E S Luthuli</p>	<p>D Myburgh</p> <p>B M Dladla</p>

BOARD OF TRUSTEES

COMMITTEE	EMPLOYER REPRESENTATIVES	EMPLOYEE REPRESENTATIVES	
Board Of Trustees	Deputy Mayor, Clr S G Mkhize Speaker, Clr M W Mthenjana Clr A Viljoen Clr N T Thusi	N Montgomery (Principal Officer) T Moamosi S A Pienaar B Mathebula N M C Zulu Simeka	

AIRPORT WORKING COMMITTEE

COMMITTEE	COUNCILLORS	OFFICIALS AND CONCESSIONAIRE	
Airport Working Committee	Clr M G Mhlongo Clr M Lourens	T Phahla – Manager: Diverse Administration (Chairperson) E Raper – Deputy Manager: Financial Services B Mbhamali - Civil Engineer A Vumba – Manager: Fire And Rescue Services N Miya: Manager Legal Services Not more than 4 members representing the concessionaire	Resolution 11146 of 25 October(EXCO)and 22 November 2016 (COUNCIL)

BATHO PELE COMMITTEE

COMMITTEE	COUNCILLORS	OFFICIALS	
Batho Pele Committee	<p><u>COUNCILLORS</u></p> <p><u>Elected proportionally as follows:</u></p> <p><u>ANC</u></p> <p>Clr M G Mhlongo</p> <p>Clr S G Mkhize</p> <p>Clr M W Mthenjana</p> <p>Clr K D Sibiya</p> <p>Clr R M Zikhali</p> <p>Clr M M Mbokazi</p> <p>Clr N R Cele</p> <p><u>IFP</u></p> <p>Clrs I A Stone</p> <p>Clr K N Mthethwa</p> <p><u>DA</u></p> <p>Clr A Viljoen</p>	<p>T Phahla</p> <p>B M Dladla</p> <p>B Kanyile</p> <p>M Nzimande</p> <p>N Khumalo</p> <p>S Mbatha</p> <p>T Mdumela</p> <p>T Zondi</p> <p>T Gumede</p> <p>Z Masango</p> <p>Z Mdluli</p> <p>N Zulu</p>	<p><u>Councillors</u> - Resolution 11187 of 25 October 2016 (Exco) and 22 November 2016 (Council)</p> <p><u>Officials</u> - Resolution 9624 of 28 OCTOBER 2014</p>

RAPID RESPONSE TEAM

COMMITTEE	SPEAKER/OFFICIALS	DESIGNATION	
Rapid Response Team	<ol style="list-style-type: none"> 1. Clr M W Mthenjana 2. Dr N J Sibeko 3. Mr N Mthethwa 4. Mr M Kunene 5. Ms S Masondo 6. Ms N Donga 7. VACANCY (M Oliphant) 8. Mr S Hlela 	<ol style="list-style-type: none"> 1. Speaker (Convenor) 2. Municipal Manager 3. Chief Operations Officer 4. Chief Financial Services 5. Deputy Municipal Manager: Corporate Services 6. Deputy Municipal Manager: City Development 7. Deputy Municipal Manager: Community Services 8. Acting Deputy Municipal Manager: Infrastructure and Technical Services 	<p>1 – 7 = CR 10408 of 3 November 2015</p> <p>8 = CR 11150 of 22 November 2016</p>

INTERNAL COMMITTEES

SUPPLY CHAIN MANAGEMENT COMMITTEES

BID SPECIFICATION COMMITTEE		BID EVALUATION COMMITTEE		BID ADJUDICATION COMMITTEE	
Ms N Ndonga - Chairperson	Department City Development	Mr S Mhlongo	Department Financial Services	Mr M Kunene - Chairperson	Department: Financial Services
Ms P Gumbi	Department Financial Services	Mrs N Dlamini	Department Financial Services	Mr S Mbatha	Department: City Development
Mr B Kanyile	Department Infrastructure And Technical Services	Ms G Gazu	Department Community Services	Ms S S Masondo	Department: Corporate Services
Mr Z Masango	Department Community Services	Mr T Gumede	Department Financial Services	Mr S Khumalo	Department: Financial Services
Mr S Morajane	Department City Development	Mr B Khumalo	Department Corporate Services	Mr N Khumalo	Department: Financial Services
Ms Z Ngcobo	Department Financial Services	Mr N Khumalo	Department Infrastructure & Technical Services	Mr S Hlela	Department: Financial Services
Mr B V Nzuzi	Department Corporate Services	Ms S Maduma	Department City Development	Vacancy	Department: Infrastructure Services
		Mr R Mbatha	Department Infrastructure & Technical Services		
		Ms N Ndwandwa	Department Infrastructure & Technical Services		

INTERNAL/MANAGEMENT COMMITTEES

INFORMATION AND COMMUNICATION TECHNOLOGY STEERING COMMITTEE		ENTERPRISE RISK MANAGEMENT COMMITTEE	
<p><u>COMMITTEE OFFICER</u></p> <p>Established in terms of Resolution 6894 of 24 August 2010</p> <p>COO ADDED ito RESOLUTION 10401 3 NOVEMBER 2015</p>	<p><u>MEMBERS</u></p> <p>Municipal Manager</p> <p>Chief Operations Officer</p> <p>Chief Financial Officer</p> <p>Deputy Municipal Manager: Corporate Services</p> <p>Deputy Municipal Manager: City Development</p> <p>Deputy Municipal Manager: Community Services</p> <p>Deputy Municipal Manager: Infrastructure and Technical Services</p> <p>Information Communication and Technology Manager</p>	<p><u>COMMITTEE OFFICER</u></p> <p>Administrative duties – EXTRACT FROM CHARTER</p> <p>The Chief Risk Officer, or such person as appointed by the Committee, shall be the secretary of the Committee.</p> <p>Established in terms of Resolution 9223 OF of 25 APRIL 2014</p>	<p><u>MEMBERS</u></p> <p>Municipal Manager</p> <p>Chief Financial Officer</p> <p>Deputy Municipal Manager: Corporate Services</p> <p>Deputy Municipal Manager: City Development</p> <p>Deputy Municipal Manager: Community Services</p> <p>Deputy Municipal Manager: Infrastructure and Technical Services</p> <p>Information Communication and Technology Manager</p>

STANDARDS COMMITTEE		FACILITIES MANAGEMENT COMMITTEE	
<u>OWN SECRETARIAT</u>	<u>MEMBERS</u> Arnold Allen Cedric Koekemoer Estelle Raper Natalie Kluckow Sarah Pienaar Sbonelo Zondi Thea Jordan Themba Phahla	<u>OWN SECRETARIAT</u>	<u>MEMBERS</u> Alban Mbatha Ernst Van Biljon Estelle Raper Gugu Khwela Mthokozisi Mhlongo Ntokozo Khumalo Sbonelo Zondi Siyabonga Khumalo Themba Phahla Wandile Mbuyazi

APPENDIX C: THIRD TIER ADMINISTRATIVE STRUCTURE



Dr NJ Sibeko
MUNICIPAL MANAGER



NI Mthethwa
CHIEF OPERATIONS OFFICER



M Kunene
CHIEF FINANCIAL OFFICER



N Ndoroga
DEPUTY MUNICIPAL MANAGER
CITY DEVELOPMENT



BV Nzuza
ACTING DEPUTY MUNICIPAL MANAGER
COMMUNITY SERVICES



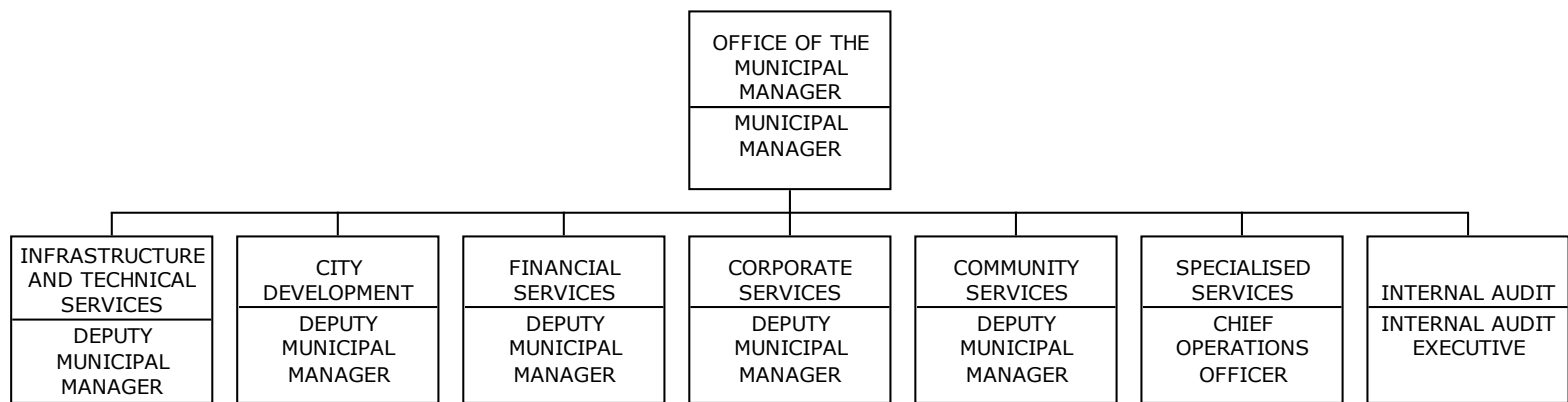
SS Masondo
DEPUTY MUNICIPAL MANAGER
CORPORATE SERVICES

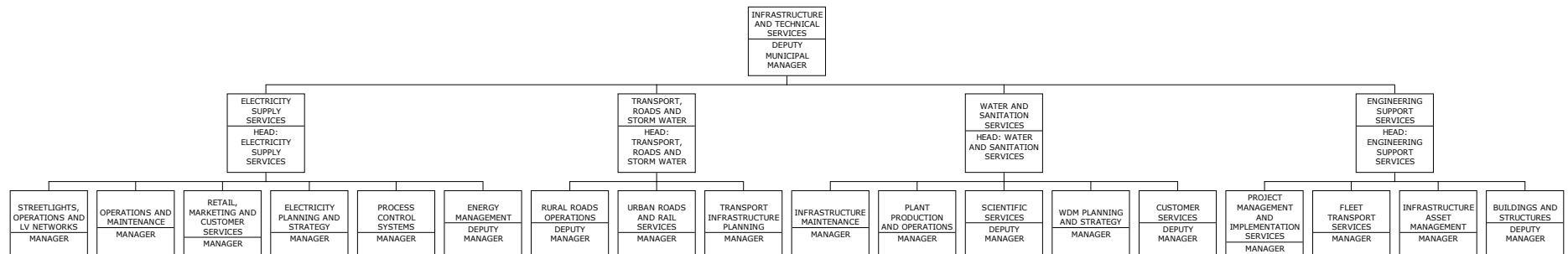


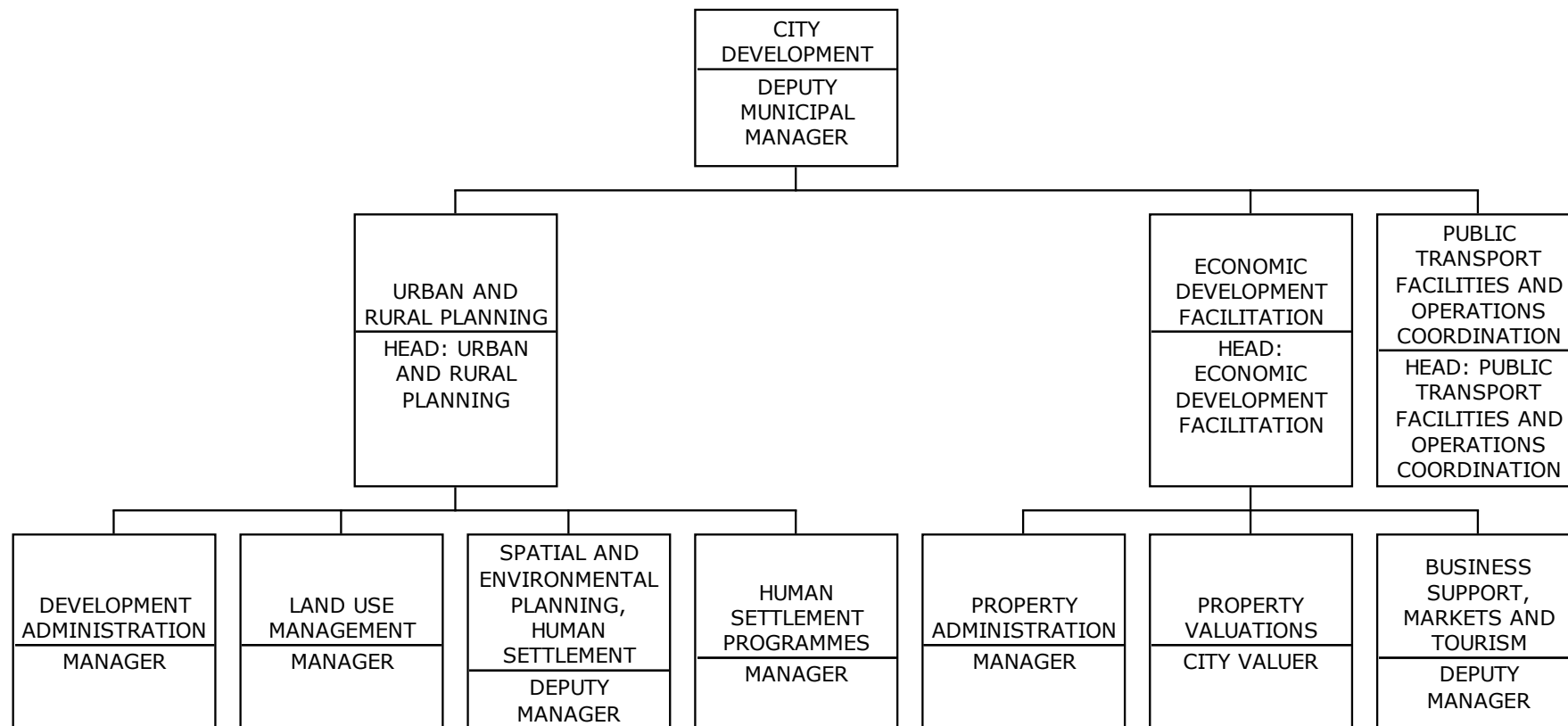
S Hlela
ACTING DEPUTY MUNICIPAL MANAGER
INFRASTRUCTURE & TECHNICAL
SERVICES

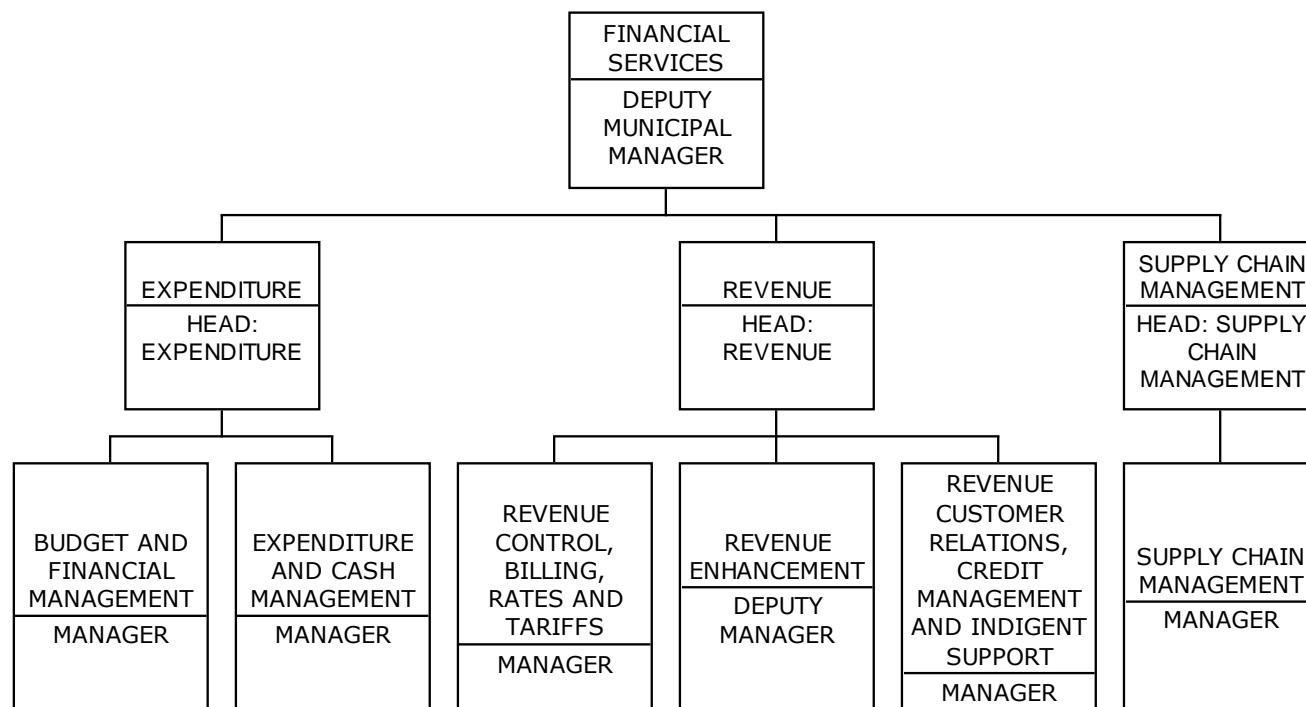


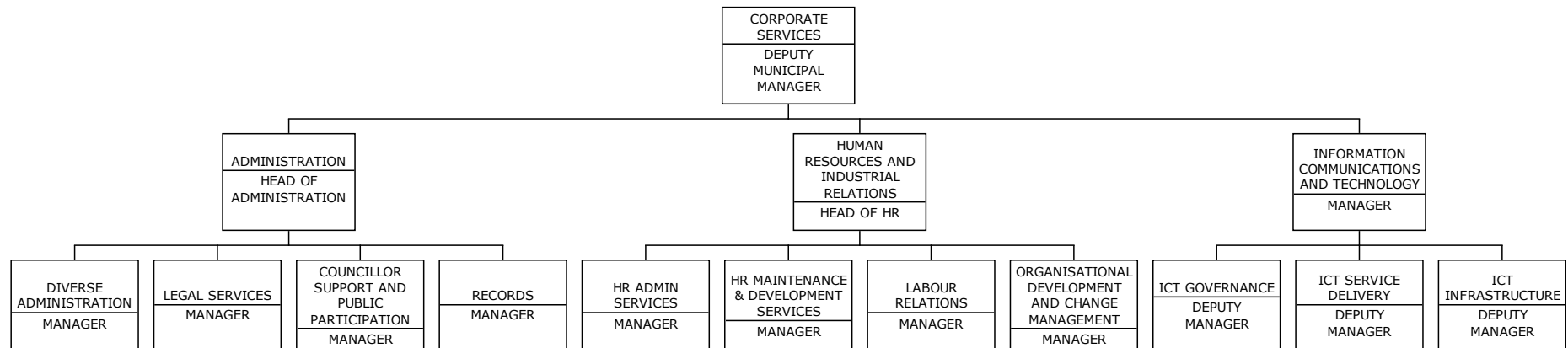
PN Mthembu
CHIEF AUDIT EXECUTIVE

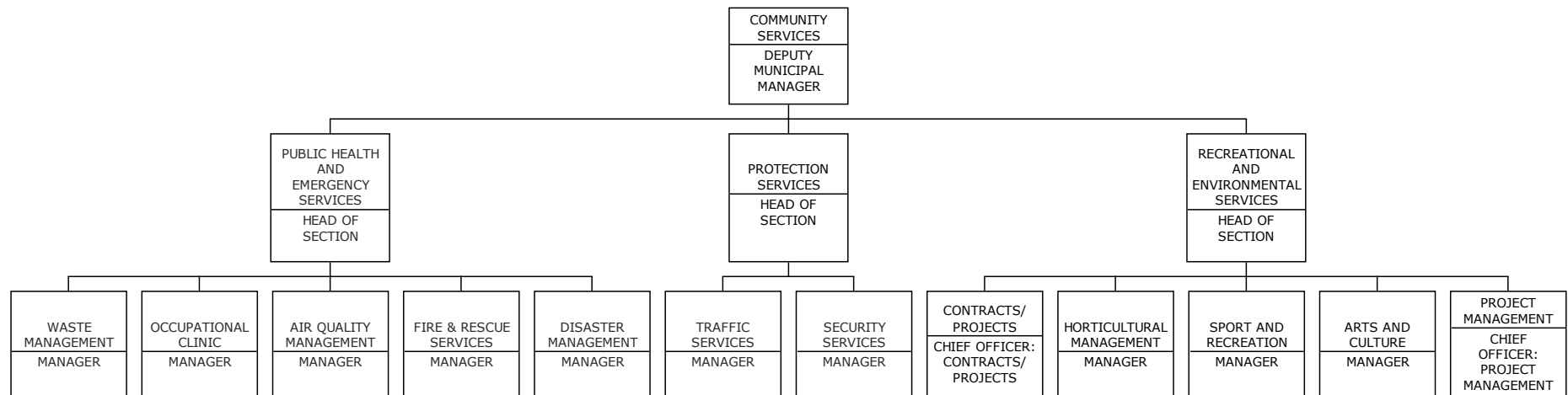


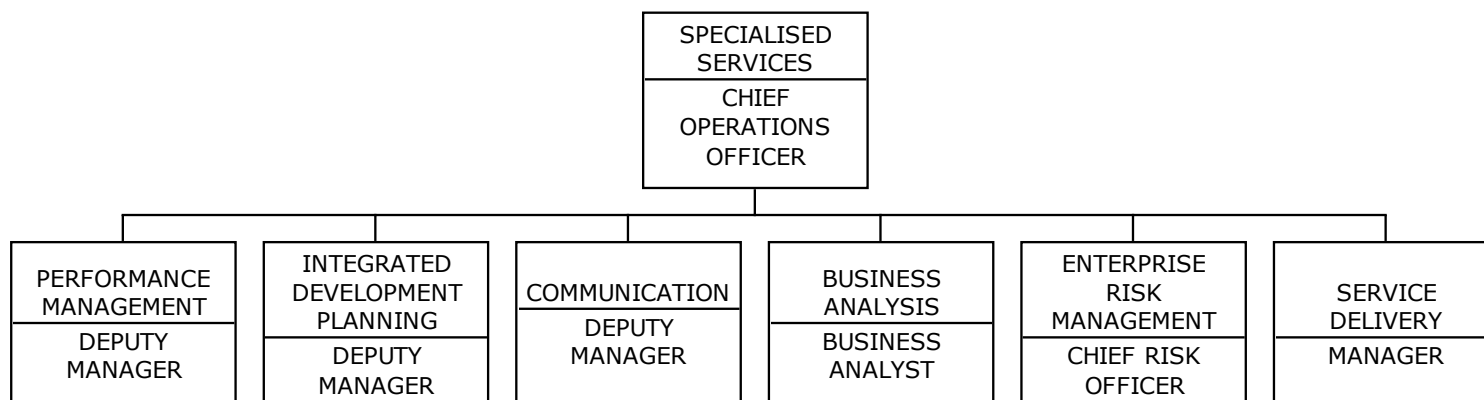












APPENDIX D: FUNCTIONS OF THE MUNICIPALITY

SERVICE DELIVERY UNIT	PROGRAMME	FUNCTIONS
Office of the Municipal Manager	Internal Audit	Municipal Public Accounts
	Risk Management	Manage Risk Management framework
	Integrated Development Planning	Strategic Planning, Business Planning, City Development Strategies
	Performance Management	Organisational Performance Individual Performance Community Satisfaction
	Public Communications	Public Relations Media Liaison Website Administration
Corporate Services	Diverse Administration Services	Secretariat Services
	Legal Support Services	Contracts, Conveyance and Business Licensing Legislation, Litigation and Opinions
	Records Management	Central Registry
	Facilities Management	Oversee satellite office
Councillors	Councillor Support and Public Participation Services	Office of the Mayor Office of the Speaker Special Programmes

SERVICE DELIVERY UNIT	PROGRAMME	FUNCTIONS
Public Safety and Security Services	Fire & Rescue Services	Fire Prevention Fire Training Fire and Rescue Operations Fire and Rescue Administration
	Traffic Services	Crime Prevention Licensing (Vehicles) Traffic Operations and Administration Traffic Control Room
	Security Services	
	Disaster Management	
Water and Sanitation	Plant Production and Operations	
		Plant Availability (Water and Wastewater Treatment Plants)
		Plant Availability (Pumpstations)
		Wastewater Final Effluent Quality Compliance (General Authorization March 2004 and General Standard 9225 May 1984)
		Water Treatment Final Portable Water Compliance (SANS241-2011)
	Infrastructure Maintenance	
		Water and Wastewater Network Reliability Program
		Planned Maintenance Program for all Pumpstations

SERVICE DELIVERY UNIT	PROGRAMME	FUNCTIONS
		Planned Maintenance Program for all Network Pipelines
		Planned Maintenance Program for all Water Meters
	Scientific Services	
		Blue and Green Incentive Based Program
		Surface Water Monitoring Program (DWA Guidelines 1996)
		Wastewater Quality Monitoring Program (General Authorization 18 March 2004 / General Standard 9225 18 may 1984)
		Water Services Bylaw Compliance Program
		Online Water Quality Monitoring Program
	Water Demand Management and Strategy	
		Water Loss Management Program
		Water and Wastewater Demand Management Program
		Water Services Development Plan Annual review
		Water Services Bylaws Annual review
		Water Safety and Risk Abatement Annual Review
		Bulk Water and Wastewater Master Plan Development and Review
		Wastewater Effluent Re-Use Program

SERVICE DELIVERY UNIT	PROGRAMME	FUNCTIONS
	Customer Services	
Electricity Supply Services	Streetlights, Operations and LV Networks	
		Electrical Planned Maintenance
		Reticulation, Operations and Maintenance
	Operations and Maintenance	
		Electrical Protection
		Electrical Cable Faults
		Electrical Network Switching
		Electrical Light Current
	Electricity Retail, Marketing and Customer Services	
		Electricity Retail and Auditing
		Electricity Marketing and Customer Services
	Electrical Planning and Strategy Services	
		Electrical Planning
		System Reinforcement
		Electricity Contracts
	Process Control Systems	
		Planned Maintenance Program (Telemetry and Scada Systems)
		Planned Maintenance Program (Instrumentation)

SERVICE DELIVERY UNIT	PROGRAMME	FUNCTIONS
		Planned Maintenance Program (Radio Engineering)
		Master Plan Development and/or Review (Process Control Systems)
	Energy Management	
Transport, Roads and Stormwater	Rural Roads Operations	
		Planned Rural Road Maintenance Program for Kwa Madlebe
		Planned Rural Road Maintenance Program for Kwa Dube
		Planned Rural Road Maintenance Program for Kwa Mkhwanazi
		Planned Rural Road Maintenance Program for Kwa Khoza
		Planned Maintenance Program for all Pedestrian Bridges
		Construction of New Culverts and Bridges
		Management and Monitoring Program for all Rural Road Mining Operations
	Urban Roads and Railway Services	
		Planned Urban Road Maintenance Program (North)
		Planned Urban Road Maintenance Program (South)
		Planned Urban Road Maintenance Program (West)

SERVICE DELIVERY UNIT	PROGRAMME	FUNCTIONS
		Planned Rail Maintenance Program for all Urban Areas
		Planned Urban Road Maintenance Resealing Program for all Urban Areas
		Planned Urban Road Marking & Signage Program(All Areas)
	Transport Infrastructure Planning and Strategy	
		Transport Infrastructure Plan Development and/or Annual Review
		Traffic Management Studies Program (All Areas)
		Transport Master Plan (Urban, Rural and Rail)
	Storm Water Systems , Catchment and Coastal Management	
		Stormwater Management Bylaw Annual Review
		Stormwater Drains Planned Maintenance Program
		Catchment Management Program
		Coastal Management Program
	Public Transport Operations	
		Road Side Furniture Development Program
		Public Transport Integration Program
		Public Transport Master Plan Program

SERVICE DELIVERY UNIT	PROGRAMME	FUNCTIONS
Health and Cleansing	Solid Waste Management	
		Waste Management Inland
		Waste Management Coastal
		Waste Management Administration
	Occupational Health Care	
	Pollution Control	
		Air Pollution Control and Environmental Impact
Engineering Support Services	Engineering Projects Management and Implementation	
		Electrical Projects Implementation Program
		Civil Engineering Projects Implementation Program
		Mechanical Projects Implementation Program
		Capital Project Funding Program
	Fleet Management Services	
		Fleet Planned Maintenance Program
		Equipment and Small Plant Planned Maintenance Program
		Vehicle Utilization and Optimization Program
		Vehicle Replacement Program
	Municipal Infrastructure Asset Management	
		GIS Management Program

SERVICE DELIVERY UNIT	PROGRAMME	FUNCTIONS
		Integrated Infrastructure Plan Program (Development & Review)
		Maintenance Plans Program Management
		Technical Operations Centre Management Program
		Engineering Document Management Program
	Municipal Buildings and Structures	
		Planned Building Maintenance Program (Civils)
		Planned Building Maintenance Program (Electrical)
		Planned Building Maintenance Program (Mechanical)
		Planned Structures Maintenance
		Building Construction and New Works Program
Recreation and Environmental Services	Horticultural Management	
		Biodiversity (Cemeteries) and Conservation
		Operations management
	Sport & Recreation	
		Recreational Facilities Management
		Sport and Recreation Development
	Arts and Culture	
		Public Libraries

SERVICE DELIVERY UNIT	PROGRAMME	FUNCTIONS
		Museum
		Community Halls and Thusong Centres
	Recreational Projects Management	
	Horticultural Contracts Management	
Local Economic Development	Community Capacity Building & Training	
	Business Support	
	Development & Support of markets	
	Economic Facilitation	
	Marketing & Tourism Development	
Urban and Rural Planning	Land Use Management (LUMS)	
		Building Management and Control
		Planning and Development Evaluation
		Development Control, Appeals and Consent use
		Surveys, Analysis, Data, Research and GIS information
	Spatial and Environmental Planning	
	Development Administration	
	Human Settlement Programmes	
Economic Development	Property Administration	

SERVICE DELIVERY UNIT	PROGRAMME	FUNCTIONS
Facilitation	Property Evaluations	
	Business Support, Markets and Tourism	
		Tourism
		Business Support and Markets
		Investment Promotion
Public Transport Facilities and Operations Coordination		
Human Resource and Industrial Relations Services	HR Administration Services	
		HR Administration
		Recruitment, Selection and Placement
		Employment Equity
	Personnel Maintenance and Development	
		SHE Risk Management
		Training, Development and Education
		Employee wellness
	Labour Relations Management	
	Organisation Development and Change Management	
Information, Communications and Technology Services	ICT Governance	
	ICT Service Delivery	
	ICT Infrastructure	

SERVICE DELIVERY UNIT	PROGRAMME	FUNCTIONS
Expenditure	Budget and Financial Management	
		Budget and Financial Control
		Annual Financial Statements, Assets, Reporting and Loans
	Expenditure and Cash Management	
		Creditors Management
		Payroll and Policy Management
Revenue	Revenue Control, Billing, Rates and Tariffs	
		Rates, Non-Metered Services, Cash Control
		Revenue Control, Tariff Design, Budget and Reporting
		Billing, Metered Services, System Tariff Administration and Reporting
	Revenue Enhancement	
		Metered Services
		Sundry Services
	Revenue Customer Relations, Credit Management and Indigent Support	
		Branch Management and Community Liaison
		Customer Relations and Indigent Support
Supply Chain Management	Demand and Acquisitions	
	Stores Control	

SERVICE DELIVERY UNIT	PROGRAMME	FUNCTIONS
	Logistics and Supply Chain Management Risk	

APPENDIX E: WARD REPORTING AND THE FUNCTIONS OF WARD COMMITTEES

Public Participation and Councillor Support

The Constitution of the Republic of South Africa in section 152 lists the objects of local government, among them is to provide democratic and accountable government for local communities and to encourage the involvement of communities and community organisations in the matters of local government.

Pursuant to these noble objectives, as set out in the Constitution, Council has taken a deliberate decision to strengthen and intensify its public participation drive. Department: Corporate Services has this unit called Councillor Support and Public Participation. It is charged with ensuring that there is an organised and structured manner in which the Municipality communicates and/or consults the community on their developmental needs, so that intervention programmes can target real community needs.

Ward Committees.

As it is embedded in the Constitution for the democratic government public participation is central in deepening democracy. Public participation is described as an open, accountable process through which individuals and groups within selected communities can exchange views and influence decision-making. It is a process of engaging people, deciding, planning and playing an active role in the development and operation of services that affect their lives. Public participation narrows the social gap between the communities and the elected representative. Communities are defined as wards and each ward has to elect a Ward Committee which is a central representative structure that links the community with Council and ensures that communities take part in the decisions in the affairs that affect their lives. To fulfil the abovementioned objective Council has undergone a programme of electing Ward Committee members in all thirty four wards (34)

As part of Council commitments to motivate ward committee members, Council has budget 4 million for the ward committee out of pocket expense; ward committees received a stipend on R1 274.00 per month with an increase of 7% every financial year.

APPENDIX F: WARD INFORMATION

CITY OF UMLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 1

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	L G Cebekhulu	Male	Chairman	0782259347
1	Mwandla Joyful	Male	Tourism	0835184913
2	Mbatha Nomusa	Female	Education	0721771211
3	Myeni Happines	Female	Community Services	0782097060
4	Mthiyane Nkosingiphile	Male	Youth Sector	0797799355
5	Myeni Dumsani	Male	Infrastructure	0795517295
6	Khoza Vincent Melusi	Male	Safety & Security	0717432638
7	Mthethwa Dumisani	Male	Financial Services	0721842893
8	Ximba Rebbecca	Female	Health	0788307378
9	Gerson Dennis Lionel	Male	Business	0832296544
10	Mthembu Sihle Jeffrey	Male	Corporate Services	0738550737

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 2

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	C M Botha	Male	Chairman	0782259347
1	Mohlala Manale Charles	Male	Meernsee (Right side of Anglers Rod)	0835184913
2	Simmadhri Shanette Somarie	Female	Corporate Services	0721771211
3	Pittendrigh Donald	Male	Technical Services / Veldenvlei	0782097060
4	Kearns Rynie	Female	Sports Club	0797799355
5	Ferreira John	Male	Meerensee (Lest side of Anglers Rod)	0795517295
6	Sedice Robin	Male	Finance (Businesses)	0721842893
7	Benjamin Angela	Female	Wildenweide	0788307378
8	Scates-Wood Bridget Anne	Female	Community Services (Community Wellbeing)	0604378980
9	De Wet Henning	Male	Waterfront and Beaches	0832296544

10	Le Roux Vanessa	Female	City Development (Tourism)	0738550737
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CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 3

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	O J H Mulder	Male	Chairman	0826543561
1	Meiring Vincent	Male	Transport	0824506460
2	Samshuyzen Andre	Male	Education	0832771628
3	Riekert Kobus	Male	Community Services	0833959983
4	P.Andrew Clifford	Male	Youth Sector	0844900012
5	Modise Carl	Male	Infrastructure	0847055171
6	Pillay Saloshini	Female	Financial Services	0834624958
7	Thurtell Phyllis	Female	Health	0762218931
8	Naidu Vathanaige	Female	Safety and Security	0847917200
9	Mncube Thokozani	Male	Traditional Affairs	0710910088

10	Mathenjwa Khumbuzile Khonziwe	Female	Corporate Services	0723061372
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CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 4

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	L P Zondo	Male	Chairman	0739376316
1	Mabuyakhulu Cebile	Female	Sports and Recreation	0630165047
2	Khumalo Khethi	Female	Education	0733279387
3	Cele Thembinkosi	Male	Transport	0733279387
4	Cele Thabile L	Female	Religious	0734227255
5	Mhlongo Khulekani	Male	Community Policing Forum	0735999605
6	Dladla Cedrick	Male	Agriculture & Business	0835399360
7	Hlongwane Sifiso	Male	Traditional	0735048307
8	Chili David	Male	Infrastructure	0603647228
9	Thusi Nomvula	Female	Rates payment	0725120574

10	Msimango Nompumelelo	Female	Social Development & Disability	0833664331
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CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 5

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	D F Ntuli	Male	Chairperson	0835737596
1	Sokhulu Thokozane	Male	Sports & Recreation	0787231360
2	Mtshali Thulisile I	Female	NPO	0780808497
3	Cebekhulu Thabi	Female	Disaster	0733006919
4	Mpanza Musa	Male	Safety & Security	0730554468
5	Ngcobo Nkosinomusa	Male	Health	0733886657
6	Mtetwa Nombuso	Female	Projects	0838627139
7	Khoza Nombuso	Female	Education	0767731589
8	Makombeti Thembinkosi	Male	Transport	0603098514

9	Khambule Ammelia Nomusa	Female	Education / Agriculture	0717151428
10	Vilakazi Xolani	Male	Transport	0710358786

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 6

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	D J Ndimande	Male	Chairperson	0734798776
1	Buthelezi Mathula	Male	Peace & Stability	0789018225
2	Mkhize Dolly Nomthandazo	Female	Secretary	0734140796
3	Mthembu Nelson Thulani	Male	Traditional Leader	0737274342
4	Mthethwa Nomusa	Female	Agricultural & Rural	0726469026
5	Mthembu Zandile Nokulunga	Female	Education	0717385123
6	Mthlane Goodness Khonziwe	Female	Religious	0783671352
7	Nkwanyana Bongani	Male	Sports & Youth Development	0767118579

8	Xaba Witness Sandleni	Female	Health	0721490675
9	Mdluli Nkosingathi Sithembiso	Male	Economic Development	0733139618
10	Mathaba Fisokwakhe Bhokinkosi	Male	Transport	0728068911

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 7

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	V N Khuzwayo	Male	Chairperson	0837145218
1	Linda Maria	Female	Traditional	0604861105
2	Zibani Ncane	Female	Economic Development	0718312654
3	Banda Moses	Male	Safety & Security	0790544088
4	Myeni Siya	Male	Sports	0738081964
5	Mngomezulu Dumsile	Female	Education	0633377897
6	Nene Isaac	Male	Social Development	076 2675 034

7	Mpanza Alson	Male	Senior Citizenship & Disability	073 7494 351
8	Ntombizodwa Biyela	Female	Infection, Prevention, Control	072 5114 457
9	Mhlongo Philisiwe	Female	Health	074 6080 176
10	Tembe Dumisani Isaac	Male	Electricity & Road	072 0457 350

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 8

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	T.P Wanda	Female	Chairperson	0731721369
1	Madide Khanyisile C	Female	Religious.	0769159771
2	Msomi Mary Maureen	Female	Women's.	0839683008
3	Shabalala Thembinkosi Justice	Male	Sports and Recreation.	0833736286
4	Mpungose N.A	Male	Peace and Stability	0834226295

5	Gumede V.E.B	Male	Infrastructure	0634101387
6	Mthethwa Solomon	Male	Disability	0782187229
7	Mkhwanazi Makhosi	Female	Health	0810613236
8	Mhlongo Lungile	Female	Education	0728572973
9	Mthethwa Vusi	Male	Youth	0733579809
10	Mpanza Winnie	Female	NGO 's and CBO's	0783004118

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 9

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	E A Palmer	Male	Chairman	0834096887
1	Tholinhlanhla F Mngomezulu	Female	Health	0826811919
2	Jali Mable Khulile	Female	Social Welfare	0794555219
3	Mnguni C.Sfundo	Male	Sports & Recreation	0738503231
4	Sibiya Langelihle Ruth	Male	Agriculture	0735205744
5	Majola Bonginkosi E	Male	Housing	0735356858
6	Sukreben Kevin	Male	Safety & Security	0726862205
7	Cito Pietro Pierre	Male	Secretary	0722495324
8	Fourie Luan	Male	Housing	0795228043
9	Mchunu Seluleko	Male	Transport	0730983792
10	Ntuli Nkululeko	Male	Sports & Recreation	0783076872

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 10

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	T G Qulo	Female	Chairlady	0829650224
1	Shenge Samukelisiwe Gugulethu	Male	Sports& recreation	0731299419
2	Sitole Velenkosini	Male	Roads& Transport	0736516725
3	Dlamini Mduduzi	Male	Youth, Education & Profession	0730873752
4	Nsele Nkosinathi	Female	Faith Base Seat	0836566126
5	Ndlovu Ntombikayise	Female	Health, Home Affairs & DSD	0720705994
6	Mbambo Phumzile	Female	Informal Traders	0844576643
7	Mkhwanazi Hlengiwe	Female	Business Sector	0768222672
8	Mkhwanazi Thabisile	Female	Senior Citizen & Security	0723405047
9	Nene Thobekile	Male	Women Seat	0722460596
10	Madida Sfiso	Male	Water & Sanitation	0822121514

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 11

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	N.T Zibane	Female	Chairman	0839780478
1	Kubheka Patrick	Male	Traditional Affairs	0734744914
2	Zulu Nhlanhla	Male	Roads and Infrastructure	0721876833
3	Mhlongo Mduduzi	Male	Religious	0763415168
4	Mthembu Zwelihle	Male	Youth and Sports	0840796799
5	Langa Siyabonga	Male	Safety and Security	0711542992
6	Sithole Eric Silwangenkosi	Male	Education	0735885330
7	Dube Bonginhlanhla	Male	Secretary / Agriculture	0765201382
8	Nxumalo Samukele	Female	Social Development	0722897510
9	Nzuza Khetha	Female	Health	0717836502
10	Mpuzana Jacob	Male	Water and Sanitation	0716334533

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 12

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	J N Cele	Male	Chairman	0834211478
1	Dube Sonnyboy Nana	Male	Water and Sanitation	0710455182
2	Sibiya Siphamandla James	Male	Education	0786442031
3	Sib iya Mbuyiseni Thulani	Male	Sports	0764527603
4	Mtshali Jabulani	Male	Housing	0710112845
5	Makhase Sipho Bhandu	Male	Infrastructure	0766476237
6	Madonsela Beatrice Phiwokuhle	Female	Welfare	0827014261
7	Dube Zodwa Goodness	Female	Secretary	0838974333
8	Gazu Hlobisile Priscilla	Female	Transport	0725888545
9	Shongwe Silindile Happiness	Female	Health and Safety	0604737127
10	Mpanza Thandazile Angelica	Female	Disability	0635984318

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 13

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	J M Hadebe	Female	Chairman	0835221062
1	Ntuli Martin Thathokwakhe	Male	Electricity	0738442247
2	Mpanza Khulekani	Male	Youth	0733988922
3	Mkhize Nonkululeko	Female	Secretary	0613237115
4	Hlongwane Mabanga	Male	Water and Sanitation	0781641158
5	Mthethwa Eunice	Female	Health	0736463337
6	Mtshali Mirriam	Female	Women and Disability	0786956799
7	Mlambo Sfiso	Male	Social Development	0783303005
8	Ngcobo Ntombemhlophe	Female	Safety and Security	0783446527
9	Mthiyane Zamani	Male	Sports and Recreation	0731909010
10	Vusimuzi Gundani Dube	Male	Transport	0835019681

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 14

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	S.S Ntuli	Female	Chairman	0730644263
1	Mtshali Sabelo	Male	Sports	0730416962
2	Mthembu Bhekizenzo	Male	Safety& Security	0726807217
3	Gumede Thandiwe	Female	Human Settlement	0781348358
4	Majola Zwelonke	Male	Arts& Culture, Rural Sanitation	0784017269
5	Mkhize Nonhlanhla	Female	Transport, Health	0733878676
6	Dube Zanele	Female	Social Development & Women	0725295517
7	Mchunu Phindeshowe	Male	Waste Management	0631941839
8	Myaka Thulani	Male	Rural Roads	0792576503
9	Nxumalo Thembisile	Female	Economic Development	0781903498
10	Sibiya Siphamandla	Male	Education	0788861344

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 15

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	S G Zuma	Male	Chairman	0730974630
1	Mazibuko Thembisile	Female	Education	0744940121
2	Dube Thobile	Female	Religious	0825359906
3	Mthembu Judas	Male	Safety & Security	0724558297
4	Magagula Phillip	Male	Traditional Affairs	0722614642
5	Kubheka Lindiwe	Female	Disability	0760246896
6	Myeni Sibongakonke	Male	Transport	0724701758
7	Hadebe Boniwe	Female	Youth Development	0726388228
8	Ndlovu Sani	Male	Sports & Recreation	0720518763
9	Mthiyane Nana S	Female	Social Development	0782511315
10	Zulu Goodman K	Male	Business Sector	0738291462

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 16

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	T M Phahla	Male	Chairman	0796050900
1	Zulu Sfiso Sibonelo	Male	Sports and Recreation	0783258563
2	Mkhwanazi Nokulunga Bridgett	Female	Education and Youth Development	0760222772
3	Zungu Sibahle Sanelisiwe	Female	Woman elderly and Orphaned	0765380875
4	Wynne Rita Pinky	Female	Electricity & Roads Infrastructure	0737270869
5	Madonsela Nkosinathi Emmanuel	Male	Human Settlement & Sanitation	0839456936
6	Gumede Nonhlanhla	Female	Environmental Services	0721742010
7	Mncube Vuyisile Cycology	Male	Social Development, Health & Home Affairs	0737206161
8	Cele Philapedia Lungile	Female	Disability & Religious Forum	0832041512/ 0761491302
9	Mncwango Gugu	Female	Water	0839233321
10	Khuzwayo Zamani	Male	Safety & Security	0732127181

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 17

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	G Zondi	Male	Chairman	0734240193
1	Sbonelo Mhlongo	Male	Youth	0781204857
2	Bi Election			0781204857
3	Dinga Zikhali	Male	Disability	0826280666
4	Sphamandla Msweli	Male	Business & Finance	0826280666
5	Nkosingiphile Ngema	Female	Religious	0724582875
6	Manase Mpanza	Male	Social & Welfare	0832087891
7	Bright Gumede	Male	Transport & Sport	0781297627
8	Ntombifuthi Madide	Female	Health	0716418938
9	Nombuso Thetiso	Female	Woman & Child	0768974781
10	R.B Yimba	Male	Safety & Security	0786677240

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 18

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	K Mjadu	Male	Chairman	0820445405
1	Ncanana Nontobeko	Female	Business Forum	0720447166
2	Dumisa Siphesihle Hloniphile P	Female	Education	0799451401
3	Mhlongo Nozipho Smangele	Female	Transport	0731822333
4	Ntshangase Makhosi	Female	Agriculture	0839759154
5	Sikhakhane Londiwe Portia	Female	Health	0818391613
6	Mkhwanazi Fanyana Bonginkosi	Male	Traditional Affairs	0712538810
7	Mnguni Siphiwe	Male	Safe and Security	0832532348
8	Buthelezi Muziwakhe	Male	Human Settlement	0721163029
9	Mkhwanazi Elvis Thabani	Male	Sports	0747631707
10	Mthethwa Sbonelo P	Male	Infrastructure	0633745843

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 19

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	S M Zulu	Male	Chairman	0787531095
1	Phiwa Buthelezi	Male	Secretary Traditional	0729527184
2	Ntokozo Mathenjwa	Male	Disability	0827444394
3	Jabu P Fihlela	Female	Women & Children	0630843943
4	Slindile Zulu	Female	Education	0815916508
5	Simphiwe.V Mhlongo	Male	Welfare	0769819687
6	Mthembeni Mpanza	Male	Infrastructure	0728689360
7	Khulekani Mtshali	Male	Peace & Stability	0785441612
8	Smangele Ntenga	Female	Religious	0731883356
9	Thandi C Ntsele	Female	Health	0733355490
10	Thamsanqa.P Mthiyane	Male	Sports & Recreation / Youth	0766149761

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 20

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	Khumalo Rhoda	Female	Chairperson	0715986571
1	Mthethwa Sabathile	Female	Secretary / Traditional	0710080866
2	Ngobese Zibuyisile Frieda	Female	Disability	0791512595
3	Dube Bongiwe	Female	Women and Children	0739094515
4	Kheswa Brian	Male	Education	0730083568
5	Myeni Thembinkosi Sakhile	Male	Welfare	0787053932
6	Ndlovu Vela	Male	Infrastructure	0790866779
7	Zikhali Bonakele	Female	Peace and Stability	0736329269
8	Mabanga Mdu	Male	Religious	0790454849
9	Mbuyisa Walter	Male	Health	0769759050
10	Sithole Nelisiwe	Female	Youth / Sports & Recreation	0824206219

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 21

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	S N Mthembu	Male	Chairman	0825830163
1	Nkosi Alfred Thengamehlo	Male	Safety & Security	0710786227
2	Mngomezulu Senzo Wiseman	Male	Health	0814367966
3	Mchunu Siyabonga	Male	Sports & Recreation	0608847714
4	Dludla Mafika Sibusiso	Male	Agriculture	0723822743
5	Mfusi Zanele Lerato	Female	Education	0710845348
6	Biyela Bhekani Christopher	Male	Transport	0723991458
7	Zulu Phumulani Sibusiso	Male	Disability	0818554351
8	Xulu Siyabonga Hopewell	Male	Traditional Healers	0835146866
9	Mzila Nomvula Siphumelele	Female	Youth	0738434927
10	Sabelisiwe Phiri	Female	Religious	0791111151

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 22

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	N H Ncanana	Male	Chairman	0823430652
1	Khoza Hlengiwe Voice	Female	Traditional Affairs	0820816219
2	Ngema Rejoice Dududzile	Female	Roads and Transport	0738933010
3	Mthethwa Peter Michael	Male	Agriculture & Informal Trading	0797167521
4	Mthiyane Nokuthula Ntombenhle	Female	Senior Citizen & Disability	0712279729
5	Mbuyazi Sandile Goodenough	Male	Housing	0788870679
6	Radebe Bonginkosi Emmanuel	Male	Sport & Recreation	0787279770
7	Sikhakhane Sandile	Male	Youth & Education	0834864252
8	Dube Thokozani Bhongoza	Male	Water & Sanitation	0739565420
9	Mhlongo Sibusiso	Male	Business Sector	0712114600
10	Makhathini Phumlani	Male	Health	0832438111

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 23

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	B J De Lange	Male	Chairperson	0833217844
1	Mbuyazi Phakamani	Male	Zidedele Village	0767915326
2	Masondo Kwandile Praisewell	Male	Zidedele Village	0621880460
3	Hlabisa Lindokuhle Siboniso	Male	Central Business Area	0768203628
4	Mdletshe Nompilo Thuli	Female	Youth and Farms	0734567274
5	Mnguni Sindi Sibongile	Female	Heuwelland School	0722543398
6	Msezane Musawenkosi Johannes	Male	eMpangeni Prep School	0734253821
7	Mkhwanazi Senzo	Male	eMpangeni Prep School	0833779374
8	Tlou Sipho Dan	Male	Nyala Park Area	0728085854
9	Zondi Ngcebo	Male	Heuwelland School	0714853383
10	Mngomezulu Mandla	Male	Noordgesig Area	0835240233

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 24

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	S G Dlamini	Male	Chairman	0834037292
1	Msweli Ayanda Zethu	Female	Youth Development	0787597269
2	Mbatha Zithulele James	Male	Peace & Stability	0834899276
3	Ntimbane Mbongeleni Zakhele	Male	Infrastructure	0781218450
4	Zulu Thokozani Mandlenkosi	Male	Senior Citizens	0782036580
5	Gwala Sikhumbuzo Aubrey	Male	Businesses	0634122871
6	Myeni Hope-Devine	Male	Education	0722176976
7	Khumalo Vusimuzi	Male	Disability	0720173310
8	Buthelezi Ntombikhona	Female	Agriculture and Forestry	0734869827
9	Zungu Bhekizenzo	Male	Social Development	0769828696
10	Khumalo Dolly Bianca	Female	Health	0717054760

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 25

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	T B Mathe	Male	Chairman	0838722535
1	Zwane David	Male	Sport & Recreation	0832406909
2	Makhathini Thembinkosi	Male	Traditional & Infrastructure	0833429694
3	Zondi Sibonelo A	Male	Social Welfare	0822612723 0763648903
4	Xulu Nonhlanhla	Female	Youth	0766649931
5	Khumalo Siphamandla	Male	Religious	0794288566
6	Mbili Sindisiwe	Female	Women & Children	0733665439
7	Shange Xolani	Male	Agriculture	0785573993
8	Mkhwanazi Senzo	Male	Safety & Security	0736239923
9	Sithole Sibusiso	Male	Transport & Road	0849491163
10	Manqele Mbongeni	Male	Education & Health	0794519963

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 26

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	L.S Joseph	Male	Chairman	0823078262
1	Stainbank Phillip	Male	Housing & Development	0790442533
2	Mkhwanazi Siyabonga	Male	All	0725069866
3	Nzuza Sibusiso	Male	Sports & Recreation	0837315430
4	Ngcobo Phumelele P	Female	Social Welfare	0733076561
5	Vilakazi Zonke P	Female	Safety & Security	0629837649
6	Ntuli Thenjiwe	Female	Water & Sanitation	0793689886
7	Christian Yenkiah	Male	Social Welfare	0824668567
8	Dunn Shella Agnes	Female	Water & Sanitation	0836316093
9	Muthusamy Mariappen	Male	Housing & Development	0765868992
10	Ashraff Shaik	Male	Safety & Security	0626529529

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 27

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	S Mzimela	Male	Chairman	0721221019
1	Dhlokhlo Celumusa Bayede	Male	Sports & Recreation	0737821537
2	Gumede Nomthandazo Promise	Female	Water & Sanitation	0723539091
3	Mthiyane Sithembiso	Male	Home Affairs	0839822383
4	Mtshali Mthobisi Senzosenkosi	Male	Education	0710825186
5	Mofokeng Zandile Kotsho	Female	Transport	0835714106
6	Madela Zinhle Snenhlanhla	Female	Health	0782524396 0737231524
7	Mtshali Thulani Arthur	Male	Safety & Security	0735143699
8	Mhlongo Dumisani Nhlanhla	Male	Agriculture	0833557622
9	Buthelezi Thokozisile Sibukile	Female	Social Development	0786138760
10	Mbatha Sakhile Cyril	Male	Infrastructure	0782423932

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 28

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	P M Ntanzi	Male	Chairperson	0835243685
1	Majola Zanele Zithobile	Female	Health	0717056398
2	Kumalo Muziwakhe Zamokwakhe	Male	Sports	0828181368
3	Zulu Michael Mandla	Male	Education	0732319953
4	Mtembu December Getson	Male	Agriculture	0822174009
5	Mafuleka Dominic David	Male	Coordinator of all portfolios	0795958979
6	Myeni Doreen	Female	Social Development & Housing	0734683962
7	Madida Henry Mandla	Male	Safety Liaison committee	0603390976
8	Zondi Nozipho	Female	Women Development	0735847296
9	Khoza Goodman Sibusiso	Male	Transport	0829778856
10	Zikhali Nhlonipho Nelisa	Male	Youth Development	0781506504

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 29

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	P M Mathenjwa	Male	Chairman	083565583
1	Mbokaz I Muzikayise Abednigo	Male	Youth Sports	0769275628
2	Mnguni Mkhululeni Cyril	Male	Education	0733410490
3	Mngomezulu Nkosinathi Simiso	Male	Infrastructure	0733316111
4	Dube Zakhona	Female	Health	0713515949
5	Sibiya Sidudla Thandazile	Female	Agriculture	0796254965
6	Zulu Mandlenkosi Vincent	Male	Safety & Security	0839859860
7	Mkhonza Bonginhlaha	Male	Social Development	0724479902
8	Gumede Nompumelelo Busisiwe	Female	Secretary	0828430237
9	Mhlongo Belina Cingeni	Female	Senior Citizen, Woman and children	0721436367
10	Gumede LS	Male	Transport	0739563836

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 30

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	M S C Mpungose	Male	Chairman	0721152350
1	Mkhwanazi Prudence Ntombi	Female	Agriculture	0710536646
2	VACANCY			
3	Nsele Ntombikayise Thulisiwe	Female	Traditional Affairs	0712230949
4	Ngwenya Simangele Nombuso	Female	Sports & Recreation	0822144805
5	Ndlamlenze Nondumiso Sindisiwe	Female	Safety & Security	0731398316
6	Sithole Thembisile Audrey	Female	Senior Citizen	0721153776
7	Nene Richard Phakamani	Male	Transport	0731622809
8	Zulu Sakhile	Male	Health	0720445713
9	Ndlovu Xolani Njabulo	Male	Secretary/Housing	0765786758
10	VACANCY			

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTERS WARD 31

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	SF Ntombela	Male	Chairman	072 524 5575
1	Manqeke BonganiNomduya	Male	Safety and Security	079 039 7432
2	Ntshangase Bhekisisa Sbongiseni	Male	Sports, Youth	072 978 7272
3	Mthembu Lungile	Female	Water	073 466 2171
4	Dlamini Vumile Maureen	Female	Health	076 425 8819
5	Zungu Thandazile	Female	Home Affairs	079 591 7795
6	Mthembu Ncamsile Hlengiwe	Female	Electricity	079 925 0602
7	Mdlalose Wonderboy	Male	Agriculture	071 109 8352
8	Mthembu Themba Derrick	Male	Traditional Affairs , Roads & Transport	079 663 9037
9	Manqeke Vusumuzi	Male	Education	073 636 6818
10	Magwaza Thembinkosi	Male	Housing	073 392 5510

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 32

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	M Ndlovu	Male	Chairman	0767814751
1	Mtshali Sthabiso	Male	Infrastructure	0711944589
2	Mchunu H.B	Male	Safety and Security	0799482206
3	Mthembu Funukwazi	Male	Roads	0734368772
4	Xulu Nomfundo	Female	Health	0832380308
5	Nxumalo Mphiliseni	Male	Education	0712762047
6	Cebekhulu P.N.T	Male	Sports and Recreation	0781303406
7	Sthole Bongani	Male	Agriculture	0736739337
8	Ngwane Cebile Marcia	Female	Disability	0768033594
9	Mthembui Siphoh	Male	Traditional Affairs	0767769164
10	Zungu Sinenhlanhla	Female	Youth	0604787122

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 33

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	Z Z Xulu	Male	Chairman	0722807976
1	Ximba Ngakhile Siyanda	Male	Tourism	0796890812
2	Biyela Mhlonipheni Emmanuel	Male	Transport	0720317891
3	Ntombela Zandile Nobuhle	Female	Education	0715292591
4	Vilakazi Gugulethu	Female	Social Development	0824865822
5	Mbuyazi Bonginhlahla	Male		0712470435
6	Biyela Mphiweni Vusi	Male	Sports & Recreation	0790189990
7	Zungu Mbali Nokuthula	Female	Community Services	0717844504
8	Ziqubu Norman Thulubheke	Male	Water & Sanitation	0796808866
9	Mtshali Vela	Male	Business Economics	0767937953
10	VACANT			

CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS ATTENDANCE REGISTER WARD 34

	Name	Gender	Portfolio /Sector	Contact Number
Cllr	N F Makhanya	Male	Chairperson	0833566613
1	Nxumalo Lungile	Female	Health	0725967850
2	Gumede Bongani	Male	Transport	0731805065
3	Khumalo Phiwayinkosi Mboneni	Male	Sports and Recreation	0844276163
4	Manda Sthembiso	Male	Youth Desk	0742827535
5	Phali Philakahle	Female	Housing	0723886719
6	Ebbie Sphiwe Mthembu	Female	Traditional Affairs	0826226636
7	Sphiwe Manqele	Female	Senior Citizen Disability	0736374756
8	Brenda S Mthembu	Female	Safety and Security	0719258029
9	Ramsamy Appah	Male	Agriculture	0837911687
10	Gumede Mandla	Male	Education	0733086545

APPENDIX G: AUDIT COMMITTEE REPORT

The Honourable Speaker
Council of the City of uMhlathuze
Civic Centre
Mark Strasse
Richards Bay
3901

Dear Sir

REPORT OF THE AUDIT COMMITTEE TO COUNCIL

The Audit Committee of the City of uMhlathuze has pleasure in submitting its eleventh report to the Council of the City of uMhlathuze. This report is submitted in terms of the provisions of sections 121(3)(j), 166(2)(b) and 166(2)(c) of the Municipal Finance Management Act of 2003 ("the MFMA") and covers the financial year from 1 July 2016 to 30 June 2017 except where otherwise stated.

Members

1. The following persons served as members of the Audit Committee for the year under review:

S Nkonzombi - Chairperson
A Dhuki
B Zulu
J Ndlovu

Dr J Ndlovu, served as Chairperson of the Performance Audit Committee and as such represented the Audit Committee on the Performance Audit Committee.

Overview of activities

2. The Audit Committee had four formal meetings during the period covered by this report. The Audit Committee therefore complied with the provisions of section 166(4)(b) of the MFMA which requires the Audit Committee to meet at least four times per year.

3. The meeting dates and attendance at these meetings were as follows:

Name	02 September 2016	01 November 2016	06 December 2016	07 April 2017
S Nkonzombi (Chairperson)	✓	✓	✓	✓
A Dhuki	✓	✓	✓	✓
B Zulu	✓	✓	✓	x
J Ndlovu)	✓	✓	✓	✓

4. Set out below is a summary of the matters which were dealt with at the Audit Committee meetings:

- The Internal Audit Plan for the 2016/2017 financial year was considered and approved;
- At each of the meetings, reports from the internal auditors on work done by them in terms of the approved audit plan, was tabled, discussed and approved;
- At each meeting a progress report of actual work done as measured against the Internal Audit Plan, was considered;
- At each meeting feedback was received and considered relating to critical ICT issues and related risks;
- Attention was given to Council's Performance Management System by considering reports from Council's Performance Management Committee.

Report

5. For purposes of executing its statutory duties as contained in section 166(2)(a) of the MFMA as well as its mandate as set out in the Audit Committee Charter, the Audit Committee relies on the work done by internal audit. The internal audit function is overseen and co-ordinated by the Chief Audit Executive who is a Council employee.
6. In order to be able to rely on the work performed by internal audit, the Audit Committee has to satisfy itself that the quality and scope of the work performed by internal audit is sufficient to be able to place the necessary reliance thereon. This requires that the internal auditors should be able to do their work without any restrictions and that the internal auditors are, at all times, fully independent. It is the view of the Audit Committee that the work performed by internal audit is of a high standard, that it is properly planned and controlled and that the reporting is detailed and comprehensive. There is also sufficient evidence that internal audit findings are discussed with the responsible officials and that implementation of corrective measures that have been agreed upon, is followed up regularly. Consequently we have no hesitation in relying on the work performed by internal audit for purposes of executing our mandate. We are therefore in a position to advise Council that as far as matters relating to internal financial control, the adequacy, reliability and accuracy of

financial reporting, performance management and evaluation, effective governance and compliance with the MFMA and other relevant legislation are concerned, the internal audit reports considered by the Committee have not revealed any material issues that may compromise any of these functions or responsibilities. This comment should however be read with our concerns and recommendations which are dealt with in paragraph 10.

7. Section 166(2)(b) of the MFMA requires the Audit Committee to "review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation". For these purposes, the Audit Committee relies on the work performed by the Auditor-General during its audit of the financial statements of the municipality.
 8. The members of the Audit Committee reviewed the financial statements and the report of the Auditor General for the year ended 30 June 2017 and can report as follows:
- 8.1 An overview of the financial performance of Council for the year ended 30 June 2017 is set out in the table below.

Financial performance for the year ended 30 June 2017

	Comment	2017 R000	2016 R000
1	Financial performance Total income Total expenditure Surplus for the year <i>Surplus for the year increased significantly by 56% compared to the previous year as a result of a increase in total income against an increase in expenditure.</i>	3 006 587 2 832 892 173 695	2 705 328 2 594 320 111 008
	Comment	2017 R000	2016 R000
2	Positive cash flow from operating activities <i>Council achieved positive cash generation from operating activities after the removal of non-cash items (primarily depreciation).</i>	532 084	548 334
3	Revenue from property rates and service charges <i>Percentage increase</i>	2 404 723 15.6%	2 081 077 3.59%
4	Revenue from government grants <i>Percentage decrease</i>	424 859 -13.7%	492 508 7.79%
5	Employee costs <i>Percentage increase</i>	644 025 8.65%	592 773 9.30%
6	Bulk purchases <i>Percentage decrease</i>	1 201 342 14.65%	1 047 811 4.8%

Financial position at 30 June 2017

	Comment	2017 R000	2016 R000
1	Net assets <i>Increase as a result of the surplus for the year</i>	4 961 611	4 748 376
2	Cash and cash equivalents <i>Increase primarily due to positive cash flow from operating activities</i>	715 115	462 406
3	Trade receivables before provision for bad debts <i>Percentage increase</i>	433 535	379 038
4	Provision for bad debts <i>There seems to have been a deterioration in collections which is evidenced by the increase in trade receivables (see 3 above) which required a slight decrease in the bad debt provision</i>	(82 554)	(94 130)
5	Ratio of current assets to current liabilities <i>This ratio, which is an indicator of liquidity, is almost equivalent to prior year.</i>	1.5:1	1.3:1
6	Percentage (under)/overspending of final approved operating expenditure budget	(0.35%)	5.04%
7	Percentage over/(under)/spending of final approved capital expenditure budget	3.0%	(21.5%)
8	Percentage (under)/overspending of conditional grants received	(4.1%)	(29.47%)

9. Insofar as the provisions of section 166(2)(c) of the MFMA are concerned, we can report that, in our opinion, there are no issues raised by the Auditor General in the audit report which require Council's specific attention.

Reporting and disclosure

10. The preparation of Council's annual financial statements is governed by various International Financial Reporting Standards, Generally Recognised Accounting Standards and Generally Accepted Municipal Accounting Standards. In addition, there are a number of financial reporting requirements issued by National Treasury which have to be complied with. In spite of the substantial compliance burden which these standards require, Council's Treasury Department managed, as in the previous financial year, to comply with these standards to the satisfaction of the Auditor General and Treasury should, in our view, be congratulated with this achievement. Future compliance with financial reporting standards will however continue to place severe strain on existing financial capacity and infrastructure. It is therefore crucial that Council acknowledge the importance of maintaining and improving its financial capacity to meet this ongoing challenge.

10.3 Because of the above procedure and the fact that the Audit Committee only meets on a quarterly basis, the time line from initiation of an audit cycle to final reporting is very long and, as a result, some urgency with the addressing of identified problem areas is lost. It is however, conceded that the interaction between Internal Audit and officials during the fieldwork stage has a lot of value and compensates to a degree for the lost benefits associated with the long reporting time line.

Conclusion

11. The implementation and maintenance of proper systems of internal control, the prevention of fraud and error, the safeguarding of the assets of the municipality and compliance with relevant laws and regulations, are Council's responsibility. The role of the Audit Committee is to monitor the efficiency of the procedures and mechanisms which Council has put in place in order to ensure that its policies and procedures are adhered to. We can report that, taking into account the exceptions noted above and based on the reports submitted to us, that our overall impression is that the systems and procedures implemented by council are operating efficiently.
12. We also wish to take the opportunity to thank the Municipal Manager and his officials for their hard work and the dedication they display to their duties and their positive interaction with the Audit Committee.

Yours faithfully



S Nkonzombi
Chairman – Audit Committee
20 December 2017

APPENDIX H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

File number	Name of contract	Type of agreement	Duration
DMS 1164778	Richie Motors (Pty) Ltd	Supply and Delivery of one 4x4 double cab ldv and maintenance plan	01.07.2016 - 30.06.2021
DMS 1173286	Khula Industrial Equipment (Pty) Ltd	Supply and delivery of road sweeper with wandering hose to clean kerb inlets and maintenance plan	01.07.2016 - 30.06.2021
DMS 1175681	Nissan South Africa (Pty) Ltd	Supply, delivery of 26 light commercial vehicles and maintenance agreement	30.04.2016 - 30.04.2021
F330	Department of Education	Memorandum of Agreement	Concluded 24.10.2016
F322	Department of Water Affairs	Memorandum of Agreement	Concluded 22.08.2016

APPENDIX I: MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

The City does not have a Municipal owned entity at this stage.

APPENDIX J: RECOMMENDATION OF THE MUNICIPAL AUDIT COMMITTEE

Recommendation of the Audit Committee See Appendix G refer to page 307.

APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

ASSESSMENT BY THE MUNICIPALITY'S ACCOUNTING OFFICER OF THE MUNICIPALITY'S PERFORMANCE FOR REVENUE COLLECTION FROM EACH REVENUE VOTE AND FOR EACH SOURCE OF THE MUNICIPALITY

The Rates income of the City has increased by R 27.6 million which is 7.3 percent year on year comparison. National and provincial grants and public contributions revenue

have increased by R 69.8 million. The total grants and public contributions revenue of R427 million still only represents only 14 percent of the City sources of revenue.

The City also took a portion of former Ntambanana Municipality's assets and liabilities which resulted in net revenue of R39.4 million.

Annexure K (i)

Revenue performance by vote

Vote	Actual 2016/2017	Adjusted Budget 2016/2017	Actual / Budget
	R'000	R'000	%
City Development	17 068	3 398	502
Community Services – Health and Public Safety	152 489	138 045	110
Community Services – Recreation and Environmental Services	24 231	30 342	79
Corporate Services - Administration	4 876	4 689	104
Corporate Services – Human Resources	1 311	436	301
Financial Services	533 340	453 278	118
Infrastructure and Technical Services – Electricity Supply	1 532 767	1 569 361	98
Infrastructure and Technical Services – Engineering Support	13 348	16 872	79
Infrastructure and Technical Services – Transport and Roads	23 823	17 412	137
Infrastructure and Technical Services – Water and Sanitation	735 220	722 154	102
Office of the Municipal Manager	8 950	12 420	72
TOTAL REVENUE	3 047 423	2 968 407	103

APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

ASSESSMENT BY THE MUNICIPALITY'S ACCOUNTING OFFICER OF THE THE MUNICIPALITY'S PERFORMANCE FOR REVENUE COLLECTION FROM EACH REVENUE.

SOURCE AND FOR EACH VOTE OF THE MUNICIPALITY

Revenue performance by source

Source	Actual 2016/2017	Adjusted Budget 2016/2017	Actual / Budget
	R'000	R'000	%
Property rates	400 906	409 880	98
Service Charges	2 003 818	2 014 540	99
Rental of facilities and equipment	11 111	13 580	82
Interest earned – external investments	60 875	32 511	187
Interest earned – outstanding debtors	45	50	90
Fines	14 326	2 232	642
Licences and Permits	3 831	3 611	106
Income for agency fees	6 595	7 000	94
Government grants and subsidies	424 859	442 902	96
Public contributions	2 543	-	-
Other income	68 936	42 101	164
Reduction in post-employment benefits	8 743	-	-
Gains on sale of land	1 368	-	-
Gain from transfer of functions not under common control	39 467	-	-
TOTAL REVENUE	3 047 423	2 968 407	103

Appendix K (III) :ASSESSMENT BY THE MUNICIPALITY’S ACCOUNTING OFFICER OF ANY ARREARS ON MUNICIPAL TAXES AND SERVICE CHARGES

Outstanding consumer debtors as at 30 June 2017 were R433 million (2016: R 404 million). The total provision for impairment reduced from R101 million to R 82 million. The amounts included in the consumer debtor balances considered to be doubtful are covered by a provision for impairment of R82 million, which represents 19% of the total outstanding consumer debtors.

The overall payment rate for the past seven years is illustrated below:

Year	Payment Rate
2009/2010	98.67 %
2010/2011	100.11 %
2011/2012	99.49 %
2012/2013	99.17%
2013/2014	100.93%
2014/2015	99.08%
2015/2016	96.86%
2016/2017	100.88%

Collection Ratio / Debtors Turnover Ratio / Payment Ratio – For Consumer Debtors

Suburb	Debt Collection Ratio – In Days	Debtors Turnover Rate - %	Rolling 12-Month Payment Rate - %
Richards Bay	27	7.29	102.21
Vulindlela	108	29.63	96.75
eNseleni	179	48.90	98.46
eSikhaleni	167	45.77	92.72
Sundry Debtors	63	20.13	99.99
Empangeni	37	10.15	100.06
Ngwelezane	278	76.18	83.82
Combined	43	11.79	100.88

- The debt collection ratio is for the 12-month period preceding 30 June 2017.
- The debtor’s turnover rate represents the outstanding debtors’ amount expressed as a percentage of the last 12 months billed revenue.
- The payment rate is the average of the 12 months preceding 30 June 2017.

Summary of debtors by customer classification

	Residential R	Industry/ commercial R	Municipal/ State R	Total R
30 June 2017				
Current (0 - 30) days	91 962 776	167 736 233	17 241 407	276 940 417
31 - 60 days	5 237 959	3 769 498	567 507	9 574 964
61 - 90 days	5 097 725	2 709 100	357 364	8 164 189
91 - 120 days	4 832 726	2 013 466	472 856	7 319 047
121+ days	76 288 477	48 020 699	7 227 743	131 536 919
sub-total	183 419 663	224 248 996	25 866 877	433 535 536
Less: Provision for bad debt	(31 973 700)	(38 517 187)	(4 509 112)	(82 554 329)
Total debtors by customer classification	151 445 963	185 731 809	21 357 765	350 981 207

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

DETAIL OF GRANT	BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE		MAJOR CONDITIONS APPLIED BY DONOR
				BUDGET	ADJUSTMENT BUDGET	
Finance Management	2 537 000	2 537 000	2 537 000	-	-	This grant is used to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).
Infrastructure Skills Development	6 500 000	6 500 000	4 845 768	-0.25	-0.25	This grant is used to strengthen capacity of local government to effectively and efficiently deliver quality infrastructure by increasing the pool of skills available, to facilitate lifelong learning and the transfer of knowledge and skills to municipalities.
Municipal Demarcation Grant	6 314 000	6 314 000	6 314 000	-	-	This grant is for the dis-establishment of Ntambanana Municipality.
Expanded Public Works Programme Integrated	5 061 000	5 061 000	5 061 000	-	-	This grant is used to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in compliance with EPWP Guidelines.
Municipal water Infrastructure Grant	50 921 000	40 736 000	40 736 000	-0.20	-	The grants is to facilitate the planning, acceleration and implementation of various projects that will ensure water supply
Library Subsidy - Public Internet Access	1 432 000	1 432 000	1 092 912	-0.24	-0.24	This grant is used to appoint library computer assistants at various libraries.
Library Subsidy	7 506 000	7 506 000	7 506 000	-	-	This subsidy is used towards the current staffing and operational costs of the libraries.
Museum Subsidy	175 000	175 000	175 000	-	-	This subsidy is used in the daily running of the Empangeni museum.

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

Function	Account Name	Amount
Budget & Treasury Office	Office Furniture For Credit Control	12 919.00
	Laptop For Internal Audit	30 385.08
	Bulk Note Counter And Desk Note Counter	66 449.25
		109 753.33
Community & Social Services	Aluminium partitioning for CFO Reception	6 000.00
	Air Conditioners	389 839.16
	eSikhaleni Store Room Solid Waste	15 000.00
	Shelter At The Entrance Of The Basement Parking	20 850.00
	Office Furniture	24 805.60
	Aluminium Partitioning CFO reception	28 989.00
	Installation Of New Airconditioner for the Office of the Municipal Manager	29 000.00
	Ntuze Hall - Upgrade (Construct Guard House Fencing And Lift Disabled)	33 911.47
	Felixton Library	43 155.00
	Burglar Bars SCM	43 680.00
	Halls	48 122.67
	Furniture and Office Equipment	174 948.43
	Civic Centre Roofing And Water Proofing (15/16)	134 980.00
	Aluminium Carport - Urban Water	135 000.00
	Standby Quarters at Services Centre Electr.	160 500.00
	Mayoral Residence	172 000.00
	Fencing at eSikhaleni Cemetery	219 350.00
	Construction Of Taxi Ranks Lot 63	315 550.60
	Construction of SMME Retail Parks (Richards Bay and eSikhaleni)	611 200.00
	Paving eNseleni Hall (Roll Over 15/16)	694 081.15
	Standby Quaters At Services Centre Electricity	1 047 235.38
	Land And Building - Structural Inspection	1 097 105.86
	Land And Buildings-Halls	3 766 309.71
	Construction Of Taxi Ranks (Buildings And Surround)	4 680 394.85
	Construction Of SMME Reatail Parks	4 910 595.50
		18 802 604.38

Corporate Services

Computer Monitors	3 950.00
Laptops	175 905.04
Screen For HOS - Electricity	11 480.00
RAPID ALCOHOL TESTER	29 000.00
Trailer For Ride On Mowers	39 950.50
Network Cabinets for various depots	49 140.00
RBay Civic Centre Mast Repairs	62 549.31
5 New Workstations For SCM And Additional Cupboards For New Staff	72 000.03
Tools - For Fleet	90 119.69
TrailerX2	118 400.00
Beaches - Rescue Boat	123 853.00
Civic Centre Parking CCTV And Access Control	172 577.80
Vehicles For Electricity Administration Section	174 593.00
1 x Delivery Vehicle	180 055.21
Refuse Trucks	249 242.89
Double Cab 4x4 With Canopy, Towbar And Roof Rack - Pool Vehicle	293 387.07
1X Double Cab vehicles, with roof rack and towbar: Electricity Supply Services: Street Lighting	304 587.60
Survey Equipment - GPS	453 983.60
4X4 LDV Double Cab Towing Vehicle	461 016.00
2 x Double Cab 4 X 4 Electricity	609 174.14
VW Tiguan R For Traffic	646 702.62
Ntambanana Network Upgrade	767 970.38
3 X Double Cab Vehicles	913 761.21
1X Cherry Picker: I & TS: Electricity Supply Services (Operations & Maintenance)	957 582.50
Councillors ICT Devices	973 121.66
eNseleni Fibre	1 000 000.00
2 Toyota Hilux 4X4 Double Cabs	1 383 722.28
Asset Maintenance Management System	1 763 992.43
6X Double Cab vehicles, with roof rack and towbar: Electricity Supply Services (Operations & Maintenance)	1 827 525.60
Road Sweeper	1 886 700.00
3 X Pull Behind Jetting Machine With Trailer And 10 000 Litre Water Tanker: Urban Roads (Northern, Southern & Western Depot)	2 023 778.40
Road Sweeper	3 079 614.00
Vehicles-Traffic Enforcement Vehicles	4 275 825.16
IT Fibre Link to Empangeni	4 541 000.00
Vehicles-Refuse Trucks	5 500 000.00
Fibre Link To Esikhaleni & Nseleni	17 497 047.80
Financial Erp System	24 350 533.23

Electricity	Electrical- Machinery And Equipment	1 750.00
	2XFluke 179 Multi Meters For Electricity Supply Services(O&M)	3 580.00
	O & M Standby Quarters Furniture	6 400.00
	Madlanzini Electrification	8 888.00
	Ngwelezane A1276 & A1277	16 665.00
	Network Master Plan (Roll Over 15/16)	16 796.03
	Dumisani Makhaye Village (Counter Funding)	17 721.21
	14X A-frame ladders: I&TS Electricity Supply Services (Operations & Maintenance)	38 626.00
	3X Manual MV Crimpers: I&TS Electrical Supply Services (Operations & Maintenance)	39 000.00
	Portable Radios	172 880.00
	Cygnus Switchgear Substation	393 600.00
	Power System Modelling Software.Dig Silent	498 412.88
	Cygnus SwitchGear Substation	612 358.16
	Cygnus Transformers Protection & Tap Change Design And Setting	798 300.00
	Electricity And Gas Distribution And Planning	2 440 500.00
	Energy Saving Initiative	3 712 191.15
	Electrification Brackenhams	5 931 316.70
	132KV Oil Filled Cables In The South Dunes Between Hydra And Capella Substations	44 393 221.95
		59 102 207.08
Executive & Council	Councillors Tools Of Trade	12 974.00
	Embroidery Machine	169 000.00
		181 974.00
Health	Furniture And Office Equipment	22 284.00
	Treadmill	22 500.00
	Furniture For New Occupational Health Clinic	126 723.95
	Pollution Control	318 749.56
	Occupational Health Hall	464 232.83
		954 490.34

Planning & Development	Fencing - Various Agricultural Projects	7 054.90
	Fencing - Various Agriculture Projects	450 000.00
	Construction Of Market Stalls (Nseleni, Madlankala & Empangeni)	3 074 143.35
		3 531 198.25
Public Safety	Microwave	1 950.00
	Furniture	11 486.00
	Fire Pump For 4x4 Bakkie	18 200.00
	Radios	42 850.00
	CCTV cameras for cashiers	174 152.00
	Firearms	175 050.00
	Construction Of eSikhaleni Fire Station	5 910 391.67
	High Mast Lighting Installation	11 098 524.40
		17 432 604.07
Road Transport	Stretch Tent	16 000.00
	Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:Furniture and Office Equipment:In-use:Cost:Acquisitions	18 170.00
	Bus Shelters & Laybys - All Areas	66 900.00
	Esikhaleni Intersection	74 559.45
	Esikhaleni Intersection	260 144.31
	Construction Of Steel Bridge	384 801.62
	Civic Services Infill Areas (J1 & H3 Area)	647 967.83
	Traffic Calming	903 248.04
	Walkways And Bridges (Roll Over 15/16)	1 368 252.15
	Bus Shelters And Laybys - All Areas	1 729 313.00
	Pedestrian Bridges Rural Areas	2 787 594.43
	Upgrade Roads-Empangeni & Aquadene	4 006 522.30
	Rural Roads - Roads Counter Funding	7 110 981.41
	Roads Project- Madlanzini Road (Tarring Main Road)	21 557 062.86
	Roads Resealing	82 163 289.69
		123 094 807.09

Sport & Recreation	Construction Of Combi Court At Mandlazini	-173 065.70
	Floodlights - Various Sportfields	579 008.80
	Office Furniture	177 300.00
	Goal Posts X 10	185 200.00
	Beach Erosion Project	244 261.50
	Sports Dev. And Sportsfields	785 130.71
	Tourism Development	1 130 299.60
	Upgrading Rural Sportfields	1 232 648.00
	Additions To Athletics Track- Lotto Funding	1 512 234.25
	Beautification (All Areas)	3 403 368.14
	Land And Buildings- Sports Projects	4 927 883.32
	Floodlights - Central Sportfields	6 560 000.00
		20 564 268.62
Waste Management	Establishment Transfer Station Enseleni For Recycling	26 501.75
	High Pressure Water Machine	72 600.00
	Establishment Transfer Station Mzingazi	1 499 966.49
	Machinery And Equipment-Skips	1 884 544.00
		3 483 612.24
Waste Water Management	Kildare Stream Channelization&Sewer	1 199 974.99
	Water Distribution-Urban Water-Rural Sanitation	2 580 632.12
	Dumisani Makhaye Village Bulk Sanitation	3 893 830.23
	Kildare Stream Chann and Sewer Replac.	5 427 000.00
	Aquadene Bulk Services (Sanitation)	14 902 213.86
	Land And Buildings- Rural Sanitation	31 350 718.03
		59 354 369.23

Water	Furniture And Office Equipment	25 200.00
	Fridge For Chem Lab	62 300.00
	Jojo Tanks	101 368.20
	Water Supply- Empangeni Water Network Improvements (MWIG)	774 726.78
	Water Supply - Mega Housing	999 420.50
	Various Machinery And Equipment For Land	2 247 102.06
	Water Loss And Drought Relief Project	3 466 948.50
	Water Supply- Empangeni Water Network Improvements (MWIG)	4 757 367.06
	Ngwelezane Pipe Replacement (MWIG)	5 283 760.48
	Esikhaleni Waste Water Treatment Works (MWIG)	5 799 077.62
	eSikhaleni Water Improvement (Counter Funding)	7 036 321.40
	Water Loss and Drought Relief Project	8 443 839.79
	Reduction Of Non-Revenue	11 438 156.81
	Richards Bay Pipe Replacement (MWIG)	13 119 099.90
	Aquadene Bulk Services (Water)	14 982 006.43
	Water Supply- Rural/Semi-Urban Areas	15 156 463.87
		93 693 159.40
TOTAL		477 368 890.19

APPENDIX M(II): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Function	Account Name	Amount
Community & Social Services	AirConditions Replacement	63 261.32
	Refurbishment Of Mandlazini Hall	411 930.00
	Satellite Offices Refurbishment	1 352 855.00
	Renovations-Civic Centre	3 401 311.22
		<u>5 229 357.54</u>
Corporate Services	New & Replacement Of IT Related Equip	80 405.01
	Replacement Vehicles	110 339.55
	New and Replacement of ICT devices	156 550.00
	Double Cab (Replacement Of V1219- Insurance)	293 387.07
	Replacement For Double 4X4	306 999.00
	Replacement Of Yellow Plant	626 640.00
	Replacement Of Yellow Plant	2 108 800.00
		<u>3 683 120.63</u>
Electricity	132K Breakers Replacement At Polaris Substation	303 574.96
	Ngwelezane Main Rebuild- Replacement Of Switchgear	864 000.00
		<u>1 167 574.96</u>
Housing	Bhambatha Hostels Roof Refurbishment	340 886.14
	Esikhaleni Refurbish Hostels	9 234 668.47
		<u>9 575 554.61</u>
Water	Nseleni Pipe Replacement (Mwig)	338 538.19
	Richards Bay Pipe Replacement	10 560 947.82
		<u>10 899 486.01</u>
TOTAL		<u>30 555 093.75</u>

APPENDIX N: CAPITAL PROGRAMME BY PROJECT CURRENT YEAR

Function	Account Name	Amount
Budget & Treasury Office	Office Furniture For Credit Control	12 919.00
	Laptop For Internal Audit	30 385.08
	Bulk Note Counter And Desk Note Counter	66 449.25
		109 753.33
Community & Social Services	Aluminium partitioning for CFO Reception	6 000.00
	Air Conditioners	438 100.48
	eSikhaleni Store Room Solid Waste	15 000.00
	Shelter At The Entrance Of The Basement Parking	20 850.00
	Office Furniture	24 805.60
	Aluminium Partitioning CFO reception	28 989.00
	Installation Of New Airconditioner for the Office of the Municipal Manager	29 000.00
	Ntuze Hall - Upgrade (Construct Guard House Fencing And Lift Disabled)	33 911.47
	Felixton Library	43 155.00
	Burglar Bars SCM	43 680.00
	Halls	48 122.67
	Furniture and Office Equipment	174 948.43
	Civic Centre Roofing And Water Proofing	134 980.00
	Aluminium Carport - Urban Water	135 000.00
	Standby Quarters at Services Centre Electr.	160 500.00

Function	Account Name	Amount
	Mayoral Residence	172 000.00
	Fencing at eSikhaleni Cemetery	219 350.00
	Construction Of Taxi Ranks Lot 63	315 550.60
	Refurbishment Of Mandlazini Hall	411 930.00
	Construction of SMME Retail Park (Richards Bay and eSikhaleni)	611 200.00
	Paving eNseleni Hall	694 081.15
	Standby Quaters At Services Centre Electricity	1 047 235.38
	Land And Building - Structural Inspection	1 097 105.86
	Satellite Offices Refurbishment	1 352 855.00
	Renovations-Civic Centre	3 401 311.22
	Land And Buildings-Halls	3 766 309.71
	Construction Of Taxi Ranks (Buildings And Surround)	4 680 394.85
	Construction Of SMME Retail Parks	4 910 595.50
		24 016 961.92
Corporate Services	Laptops	175 905.04
	Screen For HOS - Electricity	11 480.00
	New & Replacement Of IT Related Equip	84 355.01
	RAPID ALCOHOL TESTER	29 000.00
	Trailer For Ride On Mowers	39 950.50
	Network Cabinets for various depots	49 140.00
	RBay Civic Centre Mast Repairs	62 549.31

Function	Account Name	Amount
	5 New Workstations For SCM And Additional Cupboards For New Staff	72 000.03
	Tools - For Fleet	90 119.69
	Replacement Vehicles	110 339.55
	TrailerX2	118 400.00
	Beaches - Rescue Boat	123 853.00
	New and Replacement of ICT devices	156 550.00
	Civic Centre Parking CCTV And Access Control	172 577.80
	Vehicles For Electricity Administration Section	174 593.00
	1 x Delivery Vehicle	180 055.21
	Refuse Trucks	249 242.89
	Double Cab 4x4 With Canopy, Towbar And Roof Rack - Pool Vehicle	293 387.07
	Double Cab (Replacement Of V1219-Insurance)	293 387.07
	1X Double Cab vehicles, with roof rack and towbar: Electricity Supply Services: Street Lighting	304 587.60
	Replacement For Double 4X4	306 999.00
	Survey Equipment - GPS	453 983.60
	4X4 LDV Double Cab Towing Vehicle	461 016.00
	2 x Double Cab 4 X 4 Electricity	609 174.14
	Replacement Of Yellow Plant	626 640.00
	VW Tiguan R For Traffic	646 702.62

Function	Account Name	Amount
	Ntambanana Network Upgrade	767 970.38
	3 X Double Cab Vehicles	913 761.21
	1X Cherry Picker: I &TS: Electricity Supply Services (Operations & Maintenance)	957 582.50
	Councillors ICT Devices	973 121.66
	eNseleni Fibre	1 000 000.00
	2 Toyota Hilux 4X4 Double Cabs	1 383 722.28
	Asset Maintenance Management System	1 763 992.43
	6X Double Cab vehicles, with roof rack and towbar: Electricity Supply Services (Operations & Maintenance)	1 827 525.60
	Road Sweeper	1 886 700.00
	3 X Pull Behind Jetting Machine with Trailer And 10 000 Litre Water Tanker: Urban Roads (Northern, Southern & Western Depot)	2 023 778.40
	Replacement Of Yellow Plant	2 108 800.00
	Road Sweeper	3 079 614.00
	Vehicles-Traffic Enforcement Vehicles	4 275 825.16
	IT Fibre Link to EMpangeni	4 541 000.00
	Vehicles-Refuse Trucks	5 500 000.00
	Fibre Link To Esikhaleni & ENseleni	17 497 047.80
	Financial Erp System	24 350 533.23
		80 746 962.78
Electricity	Electrical- Machinery And Equipment	1 750.00
	2XFluke 179 Multi Meters For Electricity Supply Services(O&M)	3 580.00

Function	Account Name	Amount
	O & M Standby Quarters Furniture	6 400.00
	Madlanzini Electrification	8 888.00
	Ngwelezana A1276 & A1277	16 665.00
	Network Master Plan (Roll Over 15/16)	16 796.03
	Dumisani Makhaye Village (Counter Funding)	17 721.21
	14X A-frame ladders: I&TS Electricity Supply Services (Operations & Maintenance)	38 626.00
	3X Manual MV Crimpers: I&TS Electrical Supply Services (Operations & Maintenance)	39 000.00
	Portable Radios	172 880.00
	132K Breakers Replacement At Polaris Substation	303 574.96
	Cygnus Switchgear Substation	393 600.00
	Power System Modelling Software.Dig Silent	498 412.88
	Cygnus SwitchGear Substation	612 358.16
	Cygnus Transformers Protection & Tap Change Design And Setting	798 300.00
	Ngwelezana Main Rebuild- Replacement Of Switchgear	864 000.00
	Electricity And Gas Distribution and Planning	2 440 500.00
	Energy Saving Initiative	3 712 191.15
	Electrification Brackenhams	5 931 316.70
	132KV Oil Filled cables in the south dunes between Hydra and Capella Substations	44 393 221.95

Function	Account Name	Amount
		60 269 782.04
Executive & Council	Councillors Tools Of Trade	12 974.00
	Embroidery Machine	169 000.00
		181 974.00
Health	Furniture And Office Equipment	22 284.00
	Treadmill	22 500.00
	Furniture For New Occupational Health Clinic	126 723.95
	Pollution Control	318 749.56
	Occupational Health Hall	464 232.83
		954 490.34
Housing	Bhambatha Hostels Roof Refurbishment	340 886.14
	Esikhaleni Refurbish Hostels	9 234 668.47
		9 575 554.61
Planning & Development	Fencing - Various Agriculture Projects	457 054.90
	Construction Of Market Stalls (ENSeleni, Madlankala & Empangeni)	3 074 143.35
		3 531 198.25
Public Safety	Furniture	13 436.00
	Fire Pump For 4x4 Bakkie	18 200.00
	Radios	42 850.00
	CCTV cameras for cashiers	174 152.00
	Firearms	175 050.00

Function	Account Name	Amount
	Construction Of eSikhaleni Fire Station	5 910 391.67
	High Mast Lighting Installation	11 098 524.40
		17 432 604.07
Road Transport	Stretch Tent	16 000.00
	Assets:Non-current Assets:Property, Plant and Equipment:Cost Model:Furniture and Office Equipment:In-use:Cost:Acquisitions	18 170.00
	Bus Shelters & Laybys - All Areas	66 900.00
	Esikhaleni Intersection	334 703.76
	Construction Of Steel Bridge	384 801.62
	Civic Services Infill Areas (J1 & H3 Area)	647 967.83
	Traffic Calming	903 248.04
	Walkways And Bridges (Roll Over 15/16)	1 368 252.15
	Bus Shelters And Laybys - All Areas	1 729 313.00
	Pedestrian Bridges Rural Areas	2 787 594.43
	Upgrade Roads-EMpangeni & Aquadene	4 006 522.30
	Rural Roads - Roads Counter Funding	7 110 981.41
	Roads Project- Madlanzini Road (Tarring Main Road)	21 557 062.86
	Roads Resealing	82 163 289.69
		123 094 807.09
Sport & Recreation	Construction Of Combi Court at Mandlazini	-173 065.70
	Floodlights - Various Sportsfields	579 008.80

Function	Account Name	Amount
	Office Furniture	177 300.00
	Goal Posts X 10	185 200.00
	Beach Erosion Project	244 261.50
	Sports Dev. and Sportsfields	785 130.71
	Tourism Development	1 130 299.60
	Upgrading Rural Sportfields	1 232 648.00
	Additions to Athletics Track- Lotto Funding	1 512 234.25
	Beautification (All Areas)	3 403 368.14
	Land And Buildings- Sports Projects	4 927 883.32
	Floodlights - Central Sportfields	6 560 000.00
		20 564 268.62
Waste Management	Establishment Transfer Station Enseleni for recycling	26 501.75
	High Pressure Water Machine	72 600.00
	Establishment Transfer Station Mzingazi	1 499 966.49
	Machinery And Equipment-Skips	1 884 544.00
		3 483 612.24
Waste Water Management	Kildare Stream Channelization&Sewer	1 199 974.99
	Water Distribution-Urban Water-Rural Sanitation	2 580 632.12
	Dumisani Makhaye Village Bulk Sanitation	3 893 830.23
	Kildare Stream Chann and Sewer Replac.	5 427 000.00
	Aquadene Bulk Services (Sanitation)	14 902 213.86

Function	Account Name	Amount
	Land And Buildings- Rural Sanitation	31 350 718.03
		59 354 369.23
Water	Furniture And Office Equipment	25 200.00
	Fridge For Chem Lab	62 300.00
	Jojo Tanks	101 368.20
	ENseleni Pipe Replacement (Mwig)	338 538.19
	Water Supply- EMpangeni Water Network Improvements (MWIG)	774 726.78
	Water Supply - Mega Housing	999 420.50
	Various Machinery And Equipment For Land	2 247 102.06
	Water Loss And Drought Relief Project	3 466 948.50
	Water Supply- EMpangeni Water Network Improvements (MWIG)	4 757 367.06
	Ngwelezana Pipe Replacement (MWIG)	5 283 760.48
	Esikhaleni Waste Water Treatment Works (MWIG)	5 799 077.62
	eSikhaleni Water Improvement (Counter Funding)	7 036 321.40
	Water Loss and Drought Relief Project	8 443 839.79
	Richards Bay Pipe Replacement	10 560 947.82
	Reduction Of Non-Revenue	11 438 156.81
	Richards Bay Pipe Replacement (MWIG)	13 119 099.90
	Aquadene Bulk Services (Water)	14 982 006.43
	Water Supply- Rural/Semi-Urban Areas	15 156 463.87
		104 592 645.41
TOTAL		507 908 983.94

APPENDIX O: CAPITAL PROGRAMME BY PROJECT FOR ALL WARDS CURRENT YEAR

The capital programme reflected in Appendix N is spread over all wards within the municipality benefitting the total community.

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS.

None

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

Non-Core Functions 2016/2017		
Request	Ward	Responsible Department
Clinic	32	Department of Health
Clinic	31	Department of Health
Clinic	33	Department of Health
Clinic	19	Department of Health
Clinic	9	Department of Health
Clinic	15	Department of Health
Clinic	1	Department of Health
Clinic	26	Department of Health
Clinic	5	Department of Health
Clinic	15	Department of Health
Clinic	12	Department of Health
Clinic	22	Department of Health
Clinic	24	Department of Health
Clinic	25	Department of Health
Clinic	23	Department of Health
Crèche	33	Department of Social Development
Crèche	22	Department of Social Development
Crèche	7	Department of Social Development
Crèche	34	Department of Social Development
Crèche	21	Department of Social Development
Crèche	34	Department of Social Development
Crèche	15	Department of Social Development
Crèche	13	Department of Social Development
Crèche	10	Department of Social Development
Crèche	9	Department of Social Development
Crèche	27	Department of Social Development
Crèche	31	Department of Social Development

Non-Core Functions 2016/2017		
Request	Ward	Responsible Department
Crèche	11	Department of Social Development
Crèche	34	Department of Social Development
High School	33	Department of Education
High School	9	Department of Education
High School	22	Department of Education
Mobile Clinic	30	Department of Health
Mobile Clinic	11	Department of Social Development
Mobile Clinic	16	Department of Health
Mobile Clinic	5	Department of Health
Orphanage Home	13	Department of Social Development
Safety	31	Department of Community Safety and Security
Safety	33	Department of Community Safety and Security
Safety	19	Department of Community Safety and Security
Safety	15	Department of Community Safety and Security
Safety	27	Department of Community Safety and Security
Safety	16	Department of Community Safety and Security
Safety	21	Department of Community Safety and Security
Safety	14	Department of Community Safety and Security
Safety	6	Department of Community Safety and Security
Safety	26	Department of Community Safety and Security
Safety	5	Department of Community Safety and Security
Safety	1	Department of Community Safety and Security
Safety	2	Department of Community Safety and Security
Safety	15	Department of Community Safety and Security
Safety	17	Department of Community Safety and Security
Safety	21	Department of Community Safety and Security
Safety	13	Department of Community Safety and Security
Safety	11	Department of Community Safety and Security
Safety	14	Department of Community Safety and Security
Safety	19	Department of Community Safety and Security
Safety	21	Department of Community Safety and Security
Safety	34	Department of Community Safety and Security
Safety	30	Department of Community Safety and Security
Safety	22	Department of Community Safety and Security
Safety	9	Department of Community Safety and Security
Safety	24	Department of Community Safety and Security
Safety	8	Department of Community Safety and Security
Safety	7	Department of Community Safety and Security
School	16	Department of Education
School	25	Department of Education

APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the Municipality			
All organisations or Persons in receipt of Grants provided by the Municipality	Nature of Project	Conditions attached to funding	Value
Richards Bay Primary School	Grant- in - aid	None	20 000
Hippo Rally	Grant- in - aid	None	60 000
Richards Bay Country Club	Grant- in - aid	None	73 197
Black Industrial Business Partnership	Grant- in - aid	None	100 000
Youth Summit	Grant- in - aid	None	108 947
Downstream Aluminium Centre for Technology	Grant- in - aid	None	150 000
Keep Girls in School Program	Grant- in - aid	None	179 000
Maskandi Festival	Grant- in - aid	None	182 000
University Registrations	Grant- in - aid	None	616 000
Disaster Management	Grant- in - aid	None	726 251
Lance Dance Festival	Grant- in - aid	None	1 000 000
SATMA Awards	Grant- in - aid	None	1 500 000
Thanda Roya Zulu Football Club	Grant- in - aid	None	2 500 000
Various grants in aid	Grant- in - aid	None	2 103 983
			9 319 378

APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA

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All returns submitted on time as required in terms of MFMA section 71

APPENDIX T: TOP RATED RISKS 2016/2017

APPENDIX T: TOP RATED RISKS 2016/2017			
1	ITS01: Total water shutdown		25
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Drought C2. Climate change C3. Aging infrastructure C4. Non- availability of water C5. Contamination C6. Failure at treatment plants	I1. Industry shut down I2. Business interruptions I4. Health care- inability to deliver essential services I5. Inability to fight fires I6. Community unrest I7. Disruption of Education I8. Disruption of Civil services I9. Escalation of crime I10. Financial loss I11. Litigation I12. Loss of life I13. Environmental pollution I14. Disease outbreak I16. Damage to municipal infrastructure (pipelines, sports fields) I17. Decreased investor confidence I18. Roll over effect on job creation, industrial development and economic growth	CM1. JOC- management structure- ad hoc basis CM2. Desalination plant for DWS (10ML/day- fed into M See) CM4. Drought awareness program CM5. War on leaks program CM6. Pipe replacement program CM7. Pressure management CM8. Water restrictions- level 4 CM9. Drought tariffs CM10. Lake Mzingazi preparedness (water treatment) CM11. Sampling around all surface water and reporting thereon
2	ITS09: Failure to successfully execute capital projects		25
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Inadequate management of project cycle C2. Inadequate organisational structure C3. SCM processes C4. Inadequate specifications	I1. Inability to deliver services to communities I2. Community unrest I3. Decreased investor confidence I4. Increased unemployment I5. Increased social ills I6. Reputational damage	CM1. SDBIP CM2. Procurement plans CM3. Performance monitoring CM4. Timeous planning for projects CM5. Project Steering Committee

		17. Negative impact on equitable share 18. Withdrawal of grant funding	
3	ITS07: Ineffective Fleet Management		25
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Aged fleet C2. Substandard workshop C3. Inadequate organisational structure C4. Inadequate training for workshop C5. Poor fleet management system C6. Inadequate funding C7. Historical ineffective fleet management C8. Unmatched fleet resource planning with growth of the City	11. Inability to deliver services to communities due to downtime 12. Fruitless expenditure due to idle labour 13. Community unrest 14. Litigation and increased damage claims 15. Loss of life and injury to public 16. Business interruption 17. Decreased investor confidence 18. Increased unemployment 19. Increased social ills 110. Negative impact on corporate climate 111. Additional financial pressure on Council fiscus	CM1. Fleet management policy CM2. Results of fleet audit CM3. Outsourcing of specialized repairs and maintenance CM4. Geotab vehicle tracking system CM5. Promis financial system CM6. Discussion around audit findings with M Team-presentation
4	ITS13: Coastal Erosion		25
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Adverse weather conditions and storms C2. Scouring of Beach Sand through currents from harbour construction and shipping activities	11. Loss of life 12. Negative impact on tourism/ economy 13. Negative impact on investment 14. Inability to maintain Blue Flag Status 15. Reputational damage	CM1. Beach Replenishment Sand Bypass Scheme through Sand Pumping. CM2. Construction of Geobag Revetment Wall
5	CD02: Poor standard of living in rural and urban areas for vulnerable groups		25
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Lack of funding C2. Unplanned settlements C3. Lack of co-ordination between Ingonyama Trust and the municipality C4. Lack of integrated approach to Rural Development C5. Demand is higher than supply of housing due to lead time to deliver housing: Due to, amongst others, C6. Infrastructure challenges C7. Land availability challenges. C8. Vast land parcels owned by private individuals and business	11. Lack of access to services 12. Growth of informal settlements 13. General health and social issues 14. Hampered disaster management due to unplanned settlement in floodline areas 15. Degradation of natural resources 16. Additional pressure on municipal services and infrastructure on boundaries of formalized settlements (R293 towns) 17. Inability to plan effectively and deliver various services due to budget implications - Pressure on social facilities (clinic, schools), pressure on services, pollution, pressure on housing availability, settlement in unsafe areas (floodlines, etc.), pressure on public transport facilities 18. Vandalisation of completed housing structures 19. Inability to meet over growing demand for housing	CM1. Provision of RDP houses (not all citizens in informal settlements qualify for RDP houses) CM2. National Upgrading Support Program (NUSP)- incremental upgrading of informal settlements CM3. Engagements with ITB aimed at having a dialogue around settlement issues on an ad-hoc basis (limited capacity at ITB to hold meetings results in meeting only during crises) CM4. National Housing Needs Register available online on DOHS website (user specific access) CM5. Level 2 Accreditation CM6. Restructuring zones CM7. Refurbishment of hostels

		I10. Community unrest	
6	COMS01: Inadequate public safety and security		25
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Municipal security- inadequate contract management C2. Land invasion C3. Inherited / historical imbalances C4. Challenges in enforcing legislative requirements- municipal, SAPS C5. Financial constraints C6. Unavailability of fleet C7. Inaccessible roads C8. Electricity load shedding C9. Lack of resources C10. Social ills- drug and alcohol addiction C11. High rates of unemployment, low economic growth and sustainability of industries C12. High levels of poverty and inequality C13. Low levels of education C14. Insufficient collaboration between government and private sector to combat unemployment, specifically in regard to the youth C15. Weaknesses in the Justice System C16. Inadequate Local Economic Development C17. Insufficient stakeholder engagement C18. Fraud and Corruption- Lack of controls C19. Poor understanding of the ramifications of Fraud and Corruption C20. Poor Management C21. Poor Oversight C22. Development unmatched to resource availability.	I1. Loss/ damage to property I2. Loss of life, injuries I3. Legal non-compliance I4. Reputational damage I5. Loss of trust in political leadership I6. Negative impact on staff morale I7. Inability to deliver services I8. Service delivery protests I9. Financial losses I10. Loss of time spent on investigations I11. High staff turnover I12. Loss of investor confidence I13. Business interruption I14. Service interruptions I15. Negative impact on economy I16. Negative impact on tourism I17. Increased informal settlement putting pressure on service delivery I18. Litigation- financial implications I19. Theft of assets I20. Compromised safety of employees I21. Lower standard of living I22. Socio- economic impact I23. Increased levels of crime I24. Mismanagement of public funds I25. Compromised governance I26.	CM1. Outsourced service- Security contract divided to enhance service levels CM2. Contract monitoring- SLA's CM3. Public participation- Ward committees, Community Policing Forum CM4. Collaboration with SAPS CM5. Comprehensive Security assessment conducted by NIA in 2011 CM6. SOPS CM7. Bylaw enforcement officers- enforcing only traffic related Bylaws- nuisance, etc CM8. Escorts to high risk areas CM9. Improved Security/ Crime awareness- capacitation of municipal officials to conduct awareness programs CM10. Report on the progress on CCTV project (part of Crime Prevention Strategy)
7	CD25: Unplanned settlements on Council owned land (including environmentally sensitive areas); land invasions of non-Council owned plan (including environmentally sensitive areas)		25
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	1. Perceived: social and economic opportunities, availability of housing, general affordability of land and services, service delivery expectations post settlement 2. Lack of institutional arrangements/structures to facilitate engagement between Council, Traditional Leaders and ITB. 3.	I1. Inability to plan effectively and deliver various services due to budget implications - Pressure on social facilities (clinic, schools), pressure on services, pollution, pressure on housing availability, settlement in unsafe areas (floodlines, etc.), pressure on public transport facilities	CM1. Strategic planning documents, i.e. SDF, Municipal Housing Sector Plan, Land Use Management System and interventions such as the NUSP (National Upgrading Support Plan) for informal settlements CM2. Functionality of existing liaison structures between

	Implementation of the Ingonyama Trust Act (xxx) in conflict with legislation governing local government such as MFMA, PDA, MSA, MPRA etc. in respect of planning for land, subdivision of land, planned installation of services as well as rates and taxes.		government and Traditional Councils to be improved in relation to development issues (Corporate Services) CM3. No control measure at local government level, to be addressed at Provincial and National Government level
8	OMM17: Inadequate Fraud Risk management		25
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Inadequate fraud risk assessment C2. Lack of fraud risk management implementation C3. Lack of reporting and monitoring tools	I1. Poor progress of risk maturity I2. Unmanaged fraud risks resulting in poor service delivery and unnecessary expenditure I3. Non- compliance to legislative requirements and PSRMF I4. Wasteful expenditure I5. Reputational damage I6. Community unrest I7. Adverse corporate climate	CM1. Fraud risk policy CM2. Establishment of an Ethics and Fraud, Bribery and Corruption Prevention Plan and Task Team to steer the process
9	ITS08: Failure of and shortened economic lifespan of infrastructure and facilities		20
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Lack of detailed Asset Management Plans C2. Inadequate funding for maintenance of assets C3. Inadequate condition assessment of infrastructure C4. Over commitment of available resources C5. Inadequate assessment of impact of environment on infrastructure C6. Insufficient governance over asset management	I1. Inability to deliver services to communities due to downtime I2. Increased expenditure due to emergencies, replacements and non-rehabilitation (Deviations) I3. Community unrest I4. Litigation and increased damage claims I5. Loss of life and injury to public I6. Business interruption I7. Decreased investor confidence I8. Increased unemployment I9. Increased social ills I10. Reputational damage	CM1. Asset Maintenance Plans (baseline) CM2. ICT Systems- various CM3. Limited budget for Asset Management
10	CD11: Increased unemployment		20
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Large number of community members not having minimum/necessary skills as required by the Private sector. C2. Insufficient funding for skills empowerment	I1. Unemployable community members- due to lack of skills. I2. Increased unemployment rate. I3. Crime and Poverty I4. Closure of businesses due to losses from crime. I5. Reputational damage for the City I6. Negative impact on investment	CM1. Provision of Technical Skills Training in partnership with Private and Public sector CM2. Lobbying for funding from SETA's
11	COMS10: Occurrence of disasters		20
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Natural disasters- Governments reactive stance C2. Man- made disasters	I1. Loss of life, injuries I2. Service/ Business interruption	CM1. Disaster Management Contingency Plan CM2. Disaster Management Advisory forum- quarterly

	<p>C3. Lack of beach contingency planning</p> <p>C4. Lack of resources</p> <p>C5. Climate change</p> <p>C6. Poor stakeholder relations</p> <p>C7. Lack of co-ordination between departments</p> <p>C8. Human migration</p> <p>C9. Shortage of health facilities</p> <p>C10. Environmental pollution- waste management, sanitation, lack of services</p> <p>C11. Social behaviour</p> <p>C12. Overcrowding, slums, land invasion</p> <p>C13. Poor co-ordination between district and local municipality</p> <p>C14. Lack of preventative measures</p> <p>C15. Lack of City wide strategic plan for dealing with disasters</p> <p>C16. Inadequate beach management- NPA failing to dredge as per agreed timeframes</p> <p>C17. Poor town planning- proximity of human settlements to industry</p> <p>Inadequate planning for beach contingency (funding)</p> <p>C18. Inadequate planning for Sporting events</p>	<p>I3. Economic downturn/ Negative impact on economy</p> <p>I4. Property damage</p> <p>I5. Litigation</p> <p>I6. Disease outbreak</p> <p>I7. Displacement of people- socio economic impact</p> <p>I8. Negative impact on tourism</p> <p>I9. Environmental degradation/damage/pollution</p> <p>I10. Influence on development</p> <p>I11. Total communication failure</p> <p>I12. Beach erosion</p>	<p>CM3. Industrial Disaster Advisory forum- quarterly</p> <p>CM4. Emergency Exercises- Industries/ Government departments</p> <p>CM5. Community awareness campaigns</p> <p>CM6. Provincial funding for major disasters provided when the need arises</p> <p>CM7. Basic relief material</p> <p>CM8. Air quality monitoring</p> <p>CM9. Joint Operation Committee / S4 Planning meetings / Response systems</p> <p>CM10. Standby duties at major events</p> <p>CM11. Disaster Management Amendment Act 16 of 2015 (original DM Act 57 of 2002)</p> <p>CM12. National Disaster Management Framework</p> <p>CM13. Disaster Risk Assessment: Ward level- collaboration with UDM</p>
12	FS02: Failure to meet mSCOA deadline		20
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	<p>C1. Uncertainty as a result of implementation of an ERP system</p> <p>C2. Differing expectations of internal and external stakeholders</p> <p>C3. Complete or partial non-functioning of the system, including seldom-used processes such as Project based accounting module, General enquiry module, Interface with Sub-ledger systems, Assets module, National Treasury upload, Exception analysis report for new mSCOA versions, Database still under control of Service Provider</p> <p>C4. Uncertainty regarding accounting transactions across all segments of mSCOA</p> <p>C5. Change management around budgeting by projects aligned to the IDP</p>	<p>I1. Protracted acceptance stages and re-work of solutions</p> <p>I2. Missed timelines, poor quality and/or incomplete requirements.</p> <p>I3. Hampered business processes, therefore Service delivery adversely affected due to system process bugs and training delays</p> <p>I4. Non- payment of equitable share from NT</p> <p>I5. Non- compliance with legislation</p> <p>I6. Reputational damage</p>	<p>CM1. Development and testing of interface with General Ledger sub-systems</p> <p>CM2. Additional requirements identified and prioritized.</p> <p>CM3. Change Management processes in place- budget preparation meetings with departments</p> <p>CM4. SLA bi-monthly progress meetings</p> <p>CM5. Adjustment of Scope of Classification to a phased approach</p> <p>CM6. Attendance of National Treasury technical workshops</p> <p>CM7. Adherence to mSCOA circulars</p> <p>CM8. Sensitizing of Management during management meetings on the changes that will be resulting from the implementation of the new modules</p> <p>CM9. Quality and continuity in the approach to End-user Training</p> <p>CM10. Workflow control administration in place</p>

13	FS13: Compromised service delivery/Non-adherence to legislative requirements		20
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Lack of business planning C2. Unclear scope and specifications C3. Lack of technology and market/industry needs	I1. Wasteful expenditure I2. Service delivery protests I3. Customer dissatisfaction I4. Adverse audit opinion I5. Fraud and corruption I6. High total cost of ownership I7. Increased tariffs to cover costs I8. Disputes and lawsuits I9. Low Capital expenditure	CM1. IDP CM2. Budget CM3. Procurement plans and SDBIP CM4. Bid committee system CM5. SCM Policy CM6. Recruitment and Selection Policy CM7. Procedure manuals CM8. ICT Backup system

Risk Continuum: Residual Risk Rating (RRR)			
Risk Index	Risk Magnitude	Risk Acceptability	Proposed Actions
20-25	Maximum risk (red)	Unacceptable	Take action to reduce risk as highest priority. Municipal Management imperative.
15-19	High risk (red)	Unacceptable	

8-14	Medium risk (amber)	Unacceptable	Take action to reduce risk. Inform Municipal Management.
5-7	Low risk (green)	Acceptable	No risk reduction- control, monitor.
1-4	Minimum risk (green)	Acceptable	Inform Municipal Management.

CHAPTER 4: FINANCIAL PERFORMANCE



City of uMhlathuze
Annual Financial Statements
for the year ended 30 June 2017

City of uMhlathuze

Annual Financial Statements for the year ended 30 June 2017

General Information

Nature of business and principal activities

Local government

Executive committee

Councillors

Cllr MG Mhlongo (Mayor)
 Cllr SG Mkhize (Deputy Mayor)
 Cllr M Mthenjana (Speaker)
 Cllr M Lourens (Chief Whip)
 Cllr LCM Fourie (Exco)
 Cllr TS Gumede (Exco)
 Cllr KM Mthethwa (Exco)
 Cllr RM Zikhali (Exco)
 Cllr BC Mthembu (Exco)
 Cllr KD Sibiya (Exco)
 Cllr M Sookroo (Exco)
 Cllr TM Phahla (Exco)
 Cllr DJ Ndimande (Chairperson of Section 79 MPAC)
 Cllr PT Mbatha (Chairperson of Section 79 BYLAWS)

Chief Finance Officer (CFO)

Mr M Kunene

Accounting Officer

DR NJ Sibeko

Registered office

5 Mark Strasse
 Central Business District
 Richards Bay
 3900

Business address

5 Mark Strasse
 Central Business District
 Richards Bay
 3900

Business address

5 Mark Strasse
 Central Business District
 Richards Bay
 3900

Postal address

Private Bag X1004
 Richards Bay
 3900

Bankers

ABSA

Auditors

Auditor-General
 Registered Auditors

City of uMhlathuze
Annual Financial Statements for the year ended 30 June 2017

Index

The reports and statements set out below comprise the annual financial statements presented to the Municipal Council:

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Statement of Financial Performance for the year ended 30 June 2017	5
Statement of Changes in Net Assets for the year ended 30 June 2017	6
Cash Flow Statement for the year ended 30 June 2017	7
Statement of Comparison of Budget and Actual Amounts	8 - 13
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Abbreviations

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

Auditor-General of South Africa

City of uMhlathuze - Audit report

2016-17

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the council on the City of uMhlathuze

Report on the audit of the financial statements

Opinion

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

Context for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 41 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2017.

Uncertainty relating to the future outcome of exceptional litigation

8. With reference to note 39 to the financial statements, the municipality is the defendant in a breach of contract lawsuit. This matter was referred to the adjudicator who ruled in favour of the contractor for general costs and loss of profits. The municipality is opposing the decision of the adjudicator and a review application has been lodged with the high court. The ultimate outcome of the matter cannot be determined currently and no provision for any liability that may result has been made in the financial statements.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

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

12. In preparing the financial statements, the accounting officer is responsible for assessing the City of uMhlathuze's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to liquidate the municipality or cease operations, or there is no realistic alternative but to do so.

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

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

Introduction and scope

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priority presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice for development priority 2 – basic service delivery and infrastructure development on pages ... to ..., presented in the annual performance report of the municipality for the year ended 30 June 2017.
18. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not raise any material findings on the usefulness and reliability of the performance information for the selected development priority:

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. The annual performance report on pages ... to ... includes information on the achievement of planned targets for the year and explanations are provided for the under/over achievement of a number of targets.

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of development priority 2 – basic service delivery and infrastructure development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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

Other information

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

Internal control deficiencies

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon.
30. I did not identify any significant deficiencies in internal control.

Other reports

31. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
32. The Department of Co-operative Governance and Traditional Affairs investigated allegations of possible maladministration and corruption at the request of the municipality which covered the period 1 July 2013 to 30 June 2014. The investigation concluded on 30 June 2015 and a report on the findings of the investigation was still outstanding.

Auditor-General

Pietermaritzburg

1 December 2017



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Management Comments on Audit Report

Management comments and corrective action to be instituted on the matters raised in the report of the Auditor General to the Council on the Financial Statements of the City of uMhlathuze for the year ended 30 June 2017 in terms of Section 121(3) (g) of the Municipal Finance Management Act, no 56 of 2003.

The unqualified audit report contains the following emphasis of matter for which management comments are provided:

Restatement of corresponding figures

The matter is noted by management and no corrective action is required as restatements are permissible in terms of GRAP standards.

Outstanding investigation

The municipality is still awaiting the report from the Department of Co-operative Governance and Traditional Affairs.

Adjustment of material performance information misstatements.

The matter is noted and relates mainly to adjustment of performance information in relation to wards 31, 32, and 33 from the former Ntambanana Municipality. The draft Annual Report for 2016/2017 was updated accordingly.

NO corrective action is required henceforth.

Municipal Manager's Responsibility and Approval

City of uMhlathuze

Annual Financial Statements for the year ended 30 June 2017

Municipal Manager's Responsibilities and Approval

The City of uMhlathuze, situated at 5 Mark Strasse, Richards Bay, is a category B municipality, established in terms of section 12(1) of the Municipal Structures Act, 1998 (Act No. 117 of 1998) and published in terms of the Provincial Government Notice 346 on 19 September 2000. The Local Government operations of the Municipality are assigned by section 156 and 229 of the Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996) and are defined specifically in terms of section 83 of the Municipal Structures Act.

The annual financial statements set out on pages 4 to 63, which have been prepared on the going concern basis by the accounting officer in terms of section 126 (1) of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and were signed off on 31 August 2017.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 27 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act, 1998 (Act No 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with this Act.

As required by Section 45 of the Municipal Systems Act and Section 121(4)(a) and (b) of the Municipal Finance Management Act, the Annual Financial Statements were submitted to the Auditor-General South Africa (AGSA) on 31 August 2017.



DR NI Sibeko
Municipal Manager

Richards Bay

31 August 2017

Statement of Financial Position as at 30 June 2017

	Note	2017 R	2016 Restated* R
Assets			
Current Assets			
Inventories	2	74 767 901	72 416 830
Current portion of long-term receivables	3	30 481	39 310
Receivables from non-exchange transactions	4	122 181 038	110 409 410
VAT receivable	5	34 246 293	52 771 853
Consumer debtors	6	350 981 207	284 908 020
Cash and cash equivalents	7	715 115 759	462 406 308
		<u>1 297 322 679</u>	<u>982 951 731</u>
Non-Current Assets			
Investment property	8	124 379 462	125 125 248
Property, plant and equipment	9	5 230 608 852	5 061 147 711
Intangible assets	10	31 410 939	7 131 967
Heritage assets	11	2 766 994	2 766 994
Long-term Receivables	3	48 103	75 627
		<u>5 389 214 350</u>	<u>5 196 247 547</u>
Total Assets		<u>6 686 537 029</u>	<u>6 179 199 278</u>
Liabilities			
Current Liabilities			
Financial liabilities	12	155 996 320	122 346 149
Payables from exchange transactions	13	604 342 264	532 996 142
Consumer deposits	14	67 946 807	45 196 572
Unspent conditional grants and receipts	15	10 596 053	27 911 112
Provisions	16	13 899 657	12 998 173
		<u>852 781 101</u>	<u>741 448 148</u>

	Note	2017 R	2016 Restated* R
Assets			
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Provisions	16	13 899 657	12 998 173
		<u>852 781 101</u>	<u>741 448 148</u>
Non-Current Liabilities			
Financial liabilities	12	539 612 552	348 099 897
Employee benefit obligation	17	332 531 737	341 274 601
		<u>872 144 289</u>	<u>689 374 498</u>
Total Liabilities		<u>1 724 925 390</u>	<u>1 430 822 646</u>
Net Assets		<u>4 961 611 639</u>	<u>4 748 376 632</u>
Reserves			
Housing development fund	18	2 749 778	2 749 778
Accumulated surplus	19	4 958 861 861	4 745 626 854
Total Net Assets		<u>4 961 611 639</u>	<u>4 748 376 632</u>

Statement of Financial Performance for the year ended 30 June 2017

	Note	2017 R	2016 Restated* R
Revenue			
Revenue from exchange transactions			
Service charges	20	2 003 817 657	1 707 782 459
Rental of facilities and equipment		11 111 229	9 945 445
Interest earned - outstanding debtors		45 202	53 973
Agency services		6 594 664	6 249 887
Licences and permits		3 830 585	3 525 092
Reduction in post-employment benefits	17	8 742 864	-
Other income	21	68 936 039	63 534 903
Interest received - investment	22	60 875 363	32 411 106
Total revenue from exchange transactions		2 163 953 603	1 823 502 865
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	23	397 693 723	371 073 925
Property rates - penalties imposed	23	3 211 971	2 221 128
Transfer revenue			
Government grants & subsidies	24	424 859 036	492 508 010
Public contributions and donations	25	2 543 313	4 740 213
Fines, Penalties and Forfeits		14 325 913	11 282 606
Total revenue from non-exchange transactions		842 633 956	881 825 882
Total revenue		3 006 587 559	2 705 328 747
Expenditure			
Employee related costs	26	644 024 834	592 773 040
Remuneration of councillors	27	25 542 373	23 891 059
Post-employment benefit expenses	17	-	42 673 837
Depreciation and amortisation	28	352 389 418	351 345 981
Finance costs	29	68 940 376	58 693 589
Debt Impairment	30	8 891 010	36 646 113
Collection costs		2 090 644	606 236
Repairs and maintenance		171 286 435	142 611 180
Bulk purchases	31	1 201 342 941	1 047 811 485
Contracted services	32	165 429 802	105 528 161
Transfers and Subsidies	33	9 319 378	18 149 132
General Expenses	34	183 635 066	173 591 046
Total expenditure		2 832 892 277	2 594 320 859
Operating surplus		173 695 282	111 007 888
Loss on disposal of assets		(1 295 842)	(2 295 590)
Gain on disposal of land	35	1 368 441	15 553 385
Gain from transfer of functions between entities not under common control	49	39 467 128	-
		39 539 727	13 257 795
Surplus for the year		213 235 009	124 265 683

Statement of Changes in Net Assets for the year ended 30 June 2017

	Housing Development Fund R	Accumulated surplus R	Total net assets R
Balance at 01 July 2015	52 328 564	4 571 782 385	4 624 110 949
Changes in net assets			
Surplus for the year	-	124 265 683	124 265 683
Transfer from Housing Development Fund	(49 578 786)	49 578 786	-
Total changes	(49 578 786)	173 844 469	124 265 683
Opening balance as previously reported	2 749 778	4 420 400 613	4 423 150 391
Adjustments			
Prior year adjustments	-	325 226 239	325 226 239
Restated* Balance at 01 July 2016 as restated*	2 749 778	4 745 626 852	4 748 376 630
Changes in net assets			
Surplus for the year	-	213 235 009	213 235 009
Total changes	-	213 235 009	213 235 009
Balance at 30 June 2017	2 749 778	4 958 861 861	4 961 611 639
Note(s)	18		

Cash Flow Statement for the year ended 30 June 2017

	Notes	2017 R	2016 Restated* R
Cash flows from operating activities			
Receipts			
Sale of goods and services		2 014 928 886	1 724 322 306
Grants		427 402 349	497 248 223
Interest income		60 875 363	32 411 106
Other receipts		493 269 656	454 362 449
		<u>2 996 476 254</u>	<u>2 708 344 084</u>
Payments			
Employee costs		(644 024 834)	(592 773 040)
Suppliers		(1 538 059 178)	(1 508 543 846)
Finance costs		(68 940 376)	(58 693 589)
Other cash item		(213 367 381)	-
		<u>(2 464 391 769)</u>	<u>(2 160 010 475)</u>
Net cash flows from operating activities	37	<u>532 084 485</u>	<u>548 333 609</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(481 296 035)	(390 147 866)
Proceeds from sale of property, plant and equipment	9	676 719	1 065 709
Purchase of investment property	8	-	(404 557)
Purchase of other intangible assets	10	(26 612 939)	(3 185 124)
Purchases of heritage assets	11	-	(43 300)
Non-current receivables		36 353	47 897
Proceed from sale of land		2 658 042	15 553 385
Net cash flows from investing activities		<u>(504 537 860)</u>	<u>(377 113 856)</u>

Purchase of property, plant and equipment	9	(481 296 035)	(390 147 866)
Proceeds from sale of property, plant and equipment	9	676 719	1 065 709
Purchase of investment property	8	-	(404 557)
Purchase of other intangible assets	10	(26 612 939)	(3 185 124)
Purchases of heritage assets	11	-	(43 300)
Non-current receivables		36 353	47 897
Proceed from sale of land		2 658 042	15 553 385
Net cash flows from investing activities		(504 537 860)	(377 113 856)
Cash flows from financing activities			
Proceeds from financial liabilities		385 500 000	-
Repayment of long-term liabilities		(160 337 174)	(130 450 983)
Net cash flows from financing activities		225 162 826	(130 450 983)
Net increase/(decrease) in cash and cash equivalents		252 709 451	40 768 770
Cash and cash equivalents at the beginning of the year		462 406 308	421 637 538
Cash and cash equivalents at the end of the year	7	715 115 759	462 406 308

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% of actual amount vs final budget
	R	R	R	R	R	
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	1 848 200 230	166 339 700	2 014 539 930	2 003 817 657	(10 722 273)	99.47 %
Rental of facilities and equipment	12 099 300	1 480 200	13 579 500	11 111 229	(2 468 271)	81.82 %
Interest earned - outstanding debtors	100 000	(50 000)	50 000	45 202	(4 798)	90.40 %
Agency services	7 000 000	-	7 000 000	6 594 664	(405 336)	94.21 %
Licences and permits	3 630 500	(20 000)	3 610 500	3 830 585	220 085	106.10 %
Reduction in post-employment benefits	-	-	-	8 742 864	8 742 864	- %
Other income	31 697 200	10 404 000	42 101 200	68 936 039	26 834 839	163.74 %
Interest received - investment	29 000 000	3 511 000	32 511 000	60 875 363	28 364 363	187.25 %
Total revenue from exchange transactions	1 931 727 230	181 664 900	2 113 392 130	2 163 953 603	50 561 473	
Taxation revenue						
Property rates	402 140 000	7 740 000	409 880 000	397 693 723	(12 186 277)	97.03 %
Property rates - penalties imposed	-	-	-	3 211 971	3 211 971	- %
Transfer revenue						
Government grants & subsidies	443 984 000	(1 082 000)	442 902 000	424 859 036	(18 042 964)	95.93 %
Public contributions and donations	-	-	-	2 543 313	2 543 313	- %
Fines, Penalties and Forfeits	3 732 300	(1 500 000)	2 232 300	14 325 913	12 093 613	641.76 %
Total revenue from non-exchange transactions	849 856 300	5 158 000	855 014 300	842 633 956	(12 380 344)	99.00
Total revenue	2 781 583 530	186 822 900	2 968 406 430	3 006 587 559	38 181 129	101.28
Expenditure						
Personnel	(676 868 500)	(303 800)	(677 172 300)	(644 024 834)	33 147 466	95.11 %
Remuneration of councillors	(26 461 500)	(468 600)	(26 930 100)	(25 542 373)	1 387 727	94.85 %
Depreciation and amortisation	(252 372 900)	(55 000 000)	(307 372 900)	(352 389 418)	(45 016 518)	114.65 %
Finance costs	(80 335 400)	10 947 500	(69 387 900)	(68 940 376)	447 524	99.36 %
Debt Impairment	(6 950 000)	(18 061 800)	(25 011 800)	(8 891 010)	16 120 790	35.55 %
Collection costs	(1 245 000)	(2 281 800)	(3 526 800)	(2 090 644)	1 436 156	59.28 %
Repairs and maintenance	(112 425 300)	(13 813 800)	(126 239 100)	(171 286 435)	(45 047 335)	135.68 %
Bulk purchases	(1 128 614 500)	(92 925 900)	(1 221 540 400)	(1 201 342 941)	20 197 459	98.35 %
Contracted Services	(124 176 600)	(8 394 700)	(132 571 300)	(165 429 802)	(32 858 502)	124.79 %
Transfers and Subsidies	(12 681 100)	1 645 300	(11 035 800)	(9 319 378)	1 716 422	84.45 %
General Expenses	(207 205 700)	(34 752 100)	(241 957 800)	(183 635 066)	58 322 734	75.90 %
Total expenditure	(2 629 336 500)	(213 409 700)	(2 842 746 200)	(2 832 892 277)	9 853 923	99.64
Operating surplus	152 247 030	(26 586 800)	125 660 230	173 695 282	48 035 052	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% of actual amount vs final budget
	R	R	R	R	R	
Loss on disposal of assets and liabilities	-	-	-	(1 295 842)	(1 295 842)	- %
Gain on disposal of land	-	-	-	1 368 441	1 368 441	- %
Gain from transfer of functions between entities not under common control	-	-	-	39 467 128	39 467 128	- %
	-	-	-	39 539 727	39 539 727	
Surplus before taxation	152 247 030	(26 586 800)	125 660 230	213 235 009	87 574 779	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	152 247 030	(26 586 800)	125 660 230	213 235 009	87 574 779	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% of actual amount vs final budget
	R	R	R	R	R	
Statement of Financial Position						
Assets						
Current Assets						
Inventories	82 485 950	-	82 485 950	74 767 901	(7 718 049)	90.64 %
Long-term Receivables	44 965	-	44 965	30 481	(14 484)	67.79 %
Receivables from non-exchange transactions	-	-	-	122 181 038	122 181 038	- %
VAT receivable	-	-	-	34 246 293	34 246 293	- %
Consumer debtors	283 122 000	92 326 345	375 448 345	350 981 207	(24 467 138)	93.48 %
Other debtors	31 902 752	-	31 902 752	-	(31 902 752)	- %
Cash and cash equivalents	465 224 071	126 953 672	592 177 743	715 115 759	122 938 016	120.76 %
	862 779 738	219 280 017	1 082 059 755	1 297 322 679	215 262 924	125.01 %
Non-Current Assets						
Investment property	124 188 700	400 248	124 588 948	124 379 462	(209 486)	99.83 %
Property, plant and equipment	5 329 789 005	(245 311 320)	5 084 477 685	5 230 608 852	146 131 167	102.87 %
Intangible assets	17 312 200	4 208 768	21 520 968	31 410 939	9 889 971	145.96 %
Heritage assets	2 723 696	43 298	2 766 994	2 766 994	-	100.00 %
Long-term Receivables	90 205	-	90 205	48 103	(42 102)	53.33 %
	5 474 103 806	(240 659 006)	5 233 444 800	5 389 214 350	155 769 550	102.97 %
Total Assets	6 336 883 544	(21 378 989)	6 315 504 555	6 686 537 029	371 032 474	106.75 %

Liabilities**Current Liabilities**

Financial liabilities	162 390 000	516 271	162 906 271	155 996 320	(6 909 951)	95.76 %
Payables from exchange transactions	300 638 394	-	300 638 394	604 342 260	303 703 866	201.02 %
VAT payable	2 884 572	-	2 884 572	-	(2 884 572)	- %
Consumer deposits	43 796 788	-	43 796 788	67 946 807	24 150 019	155.14 %
Unspent conditional grants and receipts	57 078 000	-	57 078 000	10 596 053	(46 481 947)	18.56 %
Provisions	22 522 704	-	22 522 704	13 899 657	(8 623 047)	61.71 %
	589 310 458	516 271	589 826 729	852 781 097	262 954 368	144.58 %

Non-Current Liabilities

Financial liabilities	540 473 257	(7 479 373)	532 993 884	539 612 552	6 618 668	101.2 %
Employee benefit obligation	293 670 118	-	293 670 118	332 531 737	38 861 619	113.2 %
	834 143 375	(7 479 373)	826 664 002	872 144 289	45 480 287.0	105.5 %
Total Liabilities	1 423 453 833	(6 963 102)	1 416 490 731	1 724 925 386	308 434 655	121.77 %
Net Assets	4 913 429 711	(14 415 887)	4 899 013 824	4 961 611 643	62 597 819	101.28 %

Net Assets

**Net Assets Attributable to Owners
of Controlling Entity**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% of actual amount vs final budget
	R	R	R	R	R	
Reserves						
Housing development fund	191 059 146	-	191 059 146	2 749 778	(188 309 368)	1.44 %
Accumulated surplus	4 722 370 565	(14 415 887)	4 707 954 678	4 958 861 865	250 907 187	105.33 %
Total Net Assets	4 913 429 711	(14 415 887)	4 899 013 824	4 961 611 643	62 597 819	101.28 %

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% of actual amount vs final budget
	R	R	R	R	R	
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Sale of goods and services	1 860 299 530	167 879 900	2 028 179 430	2 014 928 886	(13 250 544)	99.35 %
Grants	443 984 000	(1 082 000)	442 902 000	427 402 349	(15 499 651)	96.50 %
Interest income	29 000 000	3 511 000	32 511 000	60 875 636	28 364 636	187.25 %
Other receipts	448 300 000	16 574 000	464 874 000	494 637 824	29 763 824	106.40 %
	2 781 583 530	186 882 900	2 968 466 430	2 997 844 695	29 378 265	100.99 %
Payments						
Employee costs	(676 868 500)	(303 800)	(677 172 300)	(644 024 834)	33 147 466	95.11 %
Suppliers	(1 365 216 400)	(115 134 400)	(1 480 350 800)	(1 538 059 178)	(57 708 378)	103.90 %
Other payments	(80 335 400)	10 947 500	(69 387 900)	(68 940 376)	447 524	99.36 %
Other cash item	(247 593 300)	(35 857 200)	(283 450 500)	(208 852 178)	74 598 322	73.68 %
	(2 370 013 600)	(140 347 900)	(2 510 361 500)	(2 459 876 566)	50 484 934	97.99 %
Net cash flows from operating activities	411 569 930	46 535 000	458 104 930	537 968 129	79 863 199	
Cash flows from investing activities						
Purchase of property, plant and equipment	(449 385 500)	5 140 354	(444 245 146)	(481 216 616)	(36 971 470)	108.32 %
Proceeds from sale of property, plant and equipment	-	-	-	2 045 160	2 045 160	- %
Purchase of other intangible assets	(22 000 000)	7 611 000	(14 389 000)	(26 612 939)	(12 223 939)	184.95 %
Proceeds from sale of financial assets	90 000	-	90 000	36 353	(53 647)	40.39 %
Net cash flows from investing activities	(471 295 500)	12 751 354	(458 544 146)	(505 748 042)	(47 203 896)	110.29 %

Cash flows from financing activities						
Proceeds from financial liabilities	-	-	-	385 500 000	385 500 000	
Repayment of financial liabilities	-	-	-	(160 337 174)	(160 337 174)	
Net cash flows from financing activities	-	-	-	225 162 826	225 162 826	
Net increase/(decrease) in cash and cash equivalents	(59 725 570)	59 286 354	(439 216)	257 382 913	257 822 129	(58 600.53)%
Cash and cash equivalents at the beginning of the year	346 529 000	-	346 529 000	462 406 308	115 877 308	133.44 %
Cash and cash equivalents at the end of the year	286 803 430	59 286 354	346 089 784	719 789 221	373 699 437	207.98 %
Capital expenditure						
Budget and Treasury Office	-	162 000	162 000	109 753	(52 247)	67.75 %
Community and Social Services	13 000 000	9 067 500	22 067 500	24 971 452	2 903 952	113.16 %
Corporate Services	43 000 000	12 413 600	55 413 600	80 667 543	25 253 943	145.57 %

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% of actual amount vs final budget
	R	R	R	R	R	
Electricity	128 900 000	(22 554 700)	106 345 300	60 269 782	(46 075 518)	56.67 %
Executive and Council	-	14 000	14 000	181 974	167 974	1 299.81 %
Housing	1 000 000	20 347 700	21 347 700	9 575 555	(11 772 145)	44.86 %
Planning and Development	7 000 000	2 627 100	9 627 100	3 531 198	(6 095 902)	36.68 %
Public Safety	-	6 994 900	6 994 900	17 432 604	10 437 704	249.22 %
Sport and Recreation	25 723 900	7 928 700	33 652 600	20 564 269	(13 088 331)	61.11 %
Waste Management	3 500 000	-	3 500 000	3 483 612	(16 388)	99.53 %
Waste Water Management	44 122 400	6 108 000	50 230 400	59 354 369	9 123 969	118.16 %
Water	103 043 300	11 903 000	114 946 300	104 592 645	(10 353 655)	90.99 %
Road Transport	110 107 500	13 786 900	123 894 400	123 094 807	(799 593)	99.35 %
Total expenditure	479 397 100	68 798 700	548 195 800	507 829 563	(40 366 237)	92.64%

Accounting Policies to the Annual Financial Statements for the year ended 30 June 2017

1. Presentation of Annual Financial Statements

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

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

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

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003) with the exception of certain accounting policies adopted in accordance with International Accounting Standards (IAS).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below:

- GRAP 1 Presentation of Financial Statement
- GRAP 2 Cash Flow Statements
- GRAP 3 Accounting Policies, Changes in Accounting Estimates and Error
- GRAP 5 Borrowing Costs
- GRAP 6 Consolidated and Separate Financial Statements
- GRAP 9 Revenue from Exchange Transactions
- GRAP 12 Inventories
- GRAP 13 Leases
- GRAP 14 Events after the Reporting Date
- GRAP 16 Investment property
- GRAP 17 Property, Plant and Equipment
- GRAP 19 Provisions, Contingent Liabilities and Contingent Asset
- GRAP 21 Impairment of non-cash generating asset
- GRAP 23 Revenue from Non-exchange transactions
- GRAP 24 Presentation of budget information
- GRAP 25 Employee benefits
- GRAP 26 Impairment of cash generating assets
- GRAP 31 Intangible Assets
- GRAP 100 Non-Current Assets Held for Sale and Discontinued Operations
- GRAP 103 Heritage Assets
- GRAP 104 Financial Instruments
- GRAP 106 Transfer of Functions between entities not under common Control

These accounting policies are consistent with the previous period.

The following GRAP standards have been issued but are not yet effective and have not been adopted early by the municipality:

- GRAP 18 Segment Reporting
- GRAP 20 Related Party Disclosures
- GRAP 32 Standard of GRAP on Service Concession Arrangements: Grantor
- GRAP 108 Statutory Receivables
- GRAP 109 Accounting by Principals and Agents

The Municipality has not adopted any GRAP standard that is not yet effective, but has based its accounting policies on such standards, except for GRAP 18

The following GRAP standards have been issued and effective but are not applicable to the municipality.

- GRAP 4 The effects of changes in foreign exchange rates
- GRAP 6 Consolidated and separate financial statements
- GRAP 7 Investments in associate
- GRAP 8 Interest in joint ventures
- GRAP 10 Financial reporting in hyperinflationary economics

Accounting Policies

- GRAP 27 Agriculture

1.1 Presentation currency

These annual financial statements are presented in South African Rand. The figures are rounded off to the nearest rand.

1.2 Going concern assumption

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

1.3 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

1.4 Significant judgements and sources of estimation uncertainty

The preparation of the Municipality's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Municipality's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Operating lease – Municipality as lessor

The Municipality has entered into commercial property leases on its investment property portfolio. The Municipality has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Depreciation and impairment

The Municipality depreciates its assets over their estimated useful lives taking into account residual values, where appropriate. The appropriateness of its assets' estimated useful lives, residual values and their depreciation methods are re-assessed on an annual basis. The actual lives of these assets and their respective residual values may vary depending on a variety of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Management used their judgement in applying the internal and external impairment indicators to its assets. No impairment indicators were identified and as such the recoverable amounts of the aforementioned assets was not calculated.

Customer receivables

At year-end management makes an estimate of the amount of total outstanding customer debt that it expects to hand over to external debt collectors and the total subsequent receipts it expects to receive after year end. In addition, management estimates the amounts that it expects to recover from outstanding balances handed over based upon the age profile of debts handed over and based on prior experience and trends. A provision for impairment is raised based on these estimates. A detailed breakdown of the student fee receivable is provided in note 3.

1.5 Comparative figures

Prior year Comparative

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

Accounting Policies

1.5 Comparative figures (continued)

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

Current year Comparative

Budgeted amounts have been included in the annual financial statements for the current financial year only.

1.6 Property, plant and equipment

Initially recognition

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

Infrastructure assets in particular are those that are part of a system or network, specialized in nature and do not have alternative uses, immovable and maybe subject to constraints on disposal.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality.

Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset is measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent measures

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured.

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

Subsequently all property plant and equipment, are measured at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses. Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

Depreciation

Land is not depreciated as it is regarded as having an indefinite life. Depreciation on assets other than land is calculated on cost, using the straight-line method, to allocate their cost to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality on each asset.

1.6 Property, plant and equipment (continued)

Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are based on the following estimated useful lives.

The municipality assesses at each reporting date whether there is any indication that the entity's expectations about the residual value and useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value. The change(s) are accounted for in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Depreciation only commences when the asset is available for use.

Transitional provision

In accordance with the transitional provision as per Directive 3 of the GRAP Reporting Framework, where property, plant and equipment was acquired through a transfer of functions, the municipality is not required to measure that property, plant and equipment for a period of three years from the effective date of the transfer of functions or the effective date of the Standard, whichever is later. The municipality acquired a transfer(s) of function in 2017 and property, plant and equipment has accordingly been recognised at provisional amounts, as disclosed in 9 and 49.

The exemption from applying the measurement requirements of the Standard of GRAP on Property, plant and equipment implies that any associated presentation and disclosure requirements need not be complied with for property, plant and equipment not measured in accordance with the requirements of the Standard of GRAP on Property, plant and equipment.

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

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

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

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

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

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

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 9).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 9).

The table below shows the depreciation methods and average useful lives.

Buildings	Straight line	30
Roads and paving	Straight line	15-65

Accounting Policies

1.6 Property, plant and equipment (continued)

Watercraft	Straight line	15
Furniture and fixtures	Straight line	7
Motor vehicles	Straight line	3-7
Office equipment	Straight line	3-5
Pedestrian bridges	Straight line	30
Electricity infrastructure	Straight line	20-30
Community	Straight line	5-30
Water infrastructure	Straight line	15-65
Sewerage infrastructure	Straight line	15-30
Housing	Straight line	30
Specialised plant and equipment	Straight line	10-15
Bins and containers	Straight line	5-10
Other property, plant and equipment	Straight line	2-5
Specialised vehicles	Straight line	10

Derecognition

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

1.7 Leases

Finance leases - lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases.

Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Finance leases - lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment subject to finance lease agreements are capitalised at the lower of the fair value or present value of minimum lease payments.

The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases - lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Leased assets are classified as investment property measured at cost model and depreciation on leased assets has been calculated in accordance with GRAP 17 Property, plant and equipment.

Operating leases - lessee

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

1.8 Impairment of cash-generating assets

In assessing whether there is any indication that an asset may be impaired, the following have been considered:

External sources of information

Accounting Policies

1.8 Impairment of cash-generating assets (continued)

- Cessation or near cessation, of the demand or need for services provided by the asset;
- Significant long-term changes with an adverse effect on the entity that have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the municipality operates.

Internal sources of information

- Evidence of physical damage of an asset;
- Increased expenditure on repairs and maintenance on the asset.

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the assets Fair Value less cost to sell, or its value in use.

1.9 Impairment of non-cash-generating assets

In assessing whether there is any indication that an asset may be impaired, the following have been considered:

External sources of information

- Cessation or near cessation, of the demand or need for services provided by the asset;
- Significant long-term changes with an adverse effect on the entity that have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the municipality operates.

Internal sources of information

- Evidence of physical damage of an asset;
- Increased expenditure on repairs and maintenance on the asset.

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or circumstances indicate that the serviceable amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable service amount.

The recoverable service amount is the higher of the assets fair value less cost to sell, or its value in use.

The value in use is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

1.10 Intangible assets

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability, or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the Municipality or from other rights and obligations.

Initial recognition

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licenses and development costs.

The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or the 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.

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

Accounting Policies

1.10 Intangible assets (continued)

- the Municipality intends to complete the intangible asset for use or sale
- it is technically feasible to complete the intangible asset
- the Municipality has the resources to complete the project, and
- it is probable that the Municipality will receive future economic benefits or service potential

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Internally generated intangible assets are subject to strict recognition criteria before they are capitalised.

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

Amortisation and impairment

The cost of an intangible asset is amortised over the useful life of 3 years.

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

Subsequent measurement

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

Derecognition

An intangible asset is derecognised when it is permanently withdrawn from use and no future economic benefit or service potential is derived from it. The gain or loss arising from the disposal of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It is recognised in surplus or deficit when the intangible asset is derecognised.

1.11 Investment property

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

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

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

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 8).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 8).

Initial recognition

Investment property is recognised as an asset, only where:

- It is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity; and
- The cost or fair value of the investment property can be measured reliably.

Investment properties have been initially measured at cost (Transaction costs shall be included in this initial measurement). Transaction costs are costs which are directly attributable to the expenditure, for example professional fees for legal services, conveyancing fees, property transfer taxes and other transaction costs shall be included in this initial measurement.

If payment for investment property is deferred, its cost is the cash price equivalent.

The difference between this amount and the total payments is recognised as interest expense over the period of credit.

Accounting Policies

1.11 Investment property (continued)

Subsequent measures

Subsequently investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on cost, using the straight-line method over the useful life of the property. Vacant land held under investment properties is not depreciated.

Derecognition

An investment property is derecognised upon disposal, or when it is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. Any gain or loss arising from the retirement or disposal of investment property is included in surplus or deficit in the period of the retirement or disposal.

1.12 Inventories

Consumable stores, unsold water, and land held for sale are valued at the lower of cost and net realisable value.

In general, the basis of determining cost is the first-in, first-out method.

For the land component recognised in terms of GRAP 12 land is recognised at cost with the cost based on fair value at date of recognition.

Redundant and slow-moving inventories are identified and written down to current replacement cost.

1.13 Revenue from exchange transactions

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

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

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

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

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue in the period of consumption. Where meters cannot be read during a particular month, they are provisionally billed with the necessary adjustments made in the month in which they were read. Revenue from the sale of electricity prepaid meter cards is deferred and recognised as revenue on the consumption basis, commencing on date of purchase.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied.

Service charges from sewerage are based on the water consumption on each developed property using the tariffs approved from Council and are levied monthly.

Interest and rentals are recognised on a time apportionment basis. Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariffs. This includes the issuing of licences and permits.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Revenue from the sale of goods is recognised when the risks and rewards of ownership of the goods is passed to the consumer.

Accounting Policies

1.13 Revenue from exchange transactions (continued)

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts allowed by the Municipality.

1.14 Revenue from non-exchange transactions

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

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

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when it is accrued. Spot fines are usually not given directly to the offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect to summon, the Public Prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use furthermore Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality.

Where public contributions have been received but the Municipality has not met the related conditions, a deferred income (liability) is recognised.

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

The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

1.15 Provisions and contingencies

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate. Contingent Liabilities and Assets are not recognized but disclosed.

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

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

1.16 Housing development fund

Housing selling schemes both complete and in progress at 1 April 1998, were also transferred to the Housing Development Fund. All proceeds from housing developments, which include rental income and sales of houses, is paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund are used to finance housing developments within the municipal area. Any transfers to and from the fund are recognized in the statement of changes in net assets.

1.17 Retirement benefits

The Municipality provides post-retirement medical aid benefits to retired employees. The entitlement to these benefits is usually conditional on the employee remaining in employment up to retirement age.

Accounting Policies

1.17 Retirement benefits (continued)

An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

The Expected costs of these benefits are accrued over the period of employment. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized immediately in the statement of financial performance for the reporting period. The Defined benefit obligations are valued once in two years by independent qualified actuaries.

1.18 Borrowing costs

Borrowing costs incurred are recognised as an expense in the Statement of Financial Performance in accordance with the revised GRAP 5.

1.19 Financial instruments

Classification

The Municipality has types of financial instruments and these can be broadly categorised as either Financial Assets or Financial Liabilities.

Subsequent measurement of financial assets and financial liabilities

Financial assets are categorised according to their nature as financial assets at amortised costs and financial liabilities are categorized as financial liabilities carried at amortised cost in accordance with GRAP 104.

Financial assets

The classification of financial assets depends on their nature and purpose, and is determined at the time of initial recognition.

Investments

Non-derivative investments with fixed or determinable payments and fixed maturity dates, which the municipality has the positive intent and ability to hold to maturity, are measured at amortised cost using the effective interest method less any impairment.

Trade and other receivables

Trade and other receivables are categorised as financial assets: loans and receivables including statutory receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. The fair value of Debtors is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

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

Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

Accounting Policies

1.19 Financial instruments (continued)

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The Municipality categorises cash and cash equivalents as Financial assets: loans and receivables. The closing balance on the bank account is representative of its fair value of the monies held

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

Financial liabilities

Trade and other payables from exchange transactions

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest. The fair value of Creditors is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Borrowings and other financial liabilities

Borrowings are recognised initially at fair value, net transaction costs incurred. Borrowings are subsequently stated at amortised cost. Long-term borrowings are non-derivative financial loans and the Municipality does not hold financial loans for trading purposes. Long-term borrowings are utilised. Other financial liabilities are carried at amortised cost.

The interbank rate or prime lending rate is not the risk-free interest rate, however it has been used as a benchmark for determining the market related rate of interest which is not significantly different to the current rates on long-term loans, hence the fair value of these loans equates their amortised cost.

1.20 Heritage assets

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

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

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

Initial measurement

A heritage asset that qualifies for recognition as an asset shall be measured at its cost (Cash price equivalent at the recognition date). Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

Subsequent measurement

Heritage assets are not depreciated, since their long economic life and high residual value mean that any depreciation would be immaterial.

After recognition as an asset, heritage assets shall be carried at its cost less any accumulated impairment losses. The Municipality assesses at each reporting date whether there are any indicators of impairment of Heritage assets.

Where there is an indication of impairment the assets are recorded at their recoverable amount or their recoverable service amount.

Derecognition

A Heritage asset is de-recognised when it is disposed or where there is no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from de-recognition, is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognized.

Accounting Policies

1.21 Short term benefits

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.22 Grants in aid

The Municipality donates money, goods or services to individuals, organisations and other sectors of government from time to time. When making these donations, the Municipality does not:

Receive any goods or services directly in return as would be expected in a purchase or sale transaction;
Expect to be repaid in future; or
Expect a financial return, as would be expected from an investment.

These transfers are recognized in the statement of financial performance as expenses in the period during which events giving rise to the transfer occurred.

1.23 Budget information

The budget is prepared on an accrual basis. The budget amounts are scheduled as a separate additional financial statement called the statement of comparison of budget and actual amounts.

Explanatory comments are provided in the notes to the annual financial statements, first stating reasons for changes from approved to final budget and secondly reasons for overspending or underspending on line items.

1.24 Unauthorised expenditure

Unauthorized expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003).

1.25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27 Tax

Vat

The Municipality accounts for Value Added Tax on payments basis. This means that VAT is declared to the South African Revenue Services as input VAT or output VAT only when payments are made to suppliers or payments are received for goods or services. The net output VAT on debtors where money has not been received or creditors where payment has not been made is disclosed separately in the Statement of Financial Position in terms of GRAP 1.

Accounting Policies

1.27 Tax (continued)

Normal tax

Current tax and deferred taxes are charged or credited to net assets if the tax relates to items that are credited or charged, in the same or a different period, to net assets.

1.28 Transfer of functions between entities not under common control

Definitions

An acquiree is the entity and/or the functions that the acquirer obtains control of in a transfer of functions.

An acquirer is the entity that obtains control of the acquiree or transferor.

Acquisition date is the date on which the acquirer obtains control of the acquiree.

Contingent consideration is usually, an obligation of the acquirer to transfer additional assets or a residual interest to the former owners of an acquiree as part of the exchange for control of the acquiree if specified future events occur or conditions are met. However, contingent consideration also may give the acquirer the right to the return of previously transferred consideration if specified conditions are met.

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

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

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an entity's objectives, either by providing economic benefits or service potential.

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A merger is the establishment of a new combined entity in which none of the former entities obtain control over any other and no acquirer can be identified.

A merger is the establishment of a new combined entity in which none of the former entities obtain control over any other and no acquirer can be identified.

Non-controlling interest is the interest in the net assets of a controlled entity not attributable, directly or indirectly, to a controlling entity.

Owners (for the purposes of this Standard), is used broadly to include holders of residual interests.

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

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

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another entity.

The acquisition method

The municipality accounts for each transfer of functions between entities not under common control by applying the acquisition method.

Accounting Policies

1.28 Transfer of functions between entities not under common control (continued)

Applying the acquisition method requires:

- (a) identifying the acquirer;
- (b) determining the acquisition date;
- (c) recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; and
- (d) recognising the difference between (c) and the consideration transferred to the seller.

Identifying the acquirer

For each transfer of functions between entities not under common control, one of the combining entities is identified as the acquirer.

The terms and conditions of a transfer of functions undertaken between entities not under common control are set out in a binding arrangement.

Determining the acquirer includes a consideration of, amongst other things, which of the combining entities initiated the transaction or event, the relative size of the combining entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. If no acquirer can be identified, the transaction or event is accounted for in terms of the Standard of GRAP on Mergers.

Determining the acquisition date

The acquirer identifies the acquisition date, which is the date on which it obtains control of the acquiree.

All relevant facts and circumstances are considered in identifying the transfer date.

Recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree

Recognition principle

As of the acquisition date, the municipality as acquirer recognises, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree.

Recognition conditions:

To qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements and the recognition criteria in the applicable Standards of GRAP at the acquisition date.

In addition, to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must be part of what the municipality as acquirer and the acquiree (or its former owners) agreed in the binding arrangement rather than the result of separate transactions.

Operating leases:

The municipality as acquirer recognises no assets or liabilities related to an operating lease in which the acquiree is the lessee.

The municipality as acquirer determines whether the terms of each operating lease in which the acquiree is the lessee are favourable or unfavourable. The municipality as acquirer recognises an intangible asset if the terms of an operating lease are favourable relative to market terms and a liability if the terms are unfavourable relative to market terms.

An identifiable intangible asset may be associated with an operating lease, which may be evidenced by market participants' willingness to pay a price for the lease even if it is at market terms.

Intangible assets:

The municipality as acquirer separately recognises the identifiable intangible assets acquired in a transfer of functions. An intangible asset is identifiable if it meets either the separability criterion or the contractual-legal right criterion.

Classifying or designating identifiable assets acquired and liabilities assumed in a transfer of functions:

Accounting Policies

1.28 Transfer of functions between entities not under common control (continued)

At the acquisition date, the municipality as acquirer classifies or designates the identifiable assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequent to the acquisition date. The municipality as acquirer makes those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, its operating or accounting policies and other relevant conditions as they exist at the acquisition date.

Measurement principle

The municipality as acquirer measures the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

The municipality as acquirer does not recognise a separate valuation allowance as of the acquisition date for assets acquired in a transfer of functions that are measured at their acquisition-date fair values because the effects of uncertainty about future cash flows are included in the fair value measure.

In measuring the acquisition-date fair value of an asset such as a building or a patent that is subject to an operating lease in which the acquiree is the lessor, the municipality as acquirer takes into account the terms of the lease.

Exceptions to the recognition principles

Contingent liabilities:

The requirements in the Standard of GRAP on Provisions, Contingent assets and Contingent liabilities do not apply in determining which contingent liabilities to recognise as of the acquisition date. Instead, the municipality as acquirer recognises as of the acquisition date a contingent liability assumed in a transfer of functions if it is a present obligation that arises from past events and its fair value can be measured reliably.

Exceptions to both the recognition and measurement principles

Employee benefits:

The municipality as acquirer recognises and measures a liability (or asset, if any) related to the acquiree's employee benefit arrangements in accordance with the Standard of GRAP on Employee Benefits.

Measurement period

If the initial accounting for a transfer of functions is incomplete by the end of the reporting period in which the transfer occurs, the municipality as acquirer reports in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the municipality as acquirer retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

During the measurement period, the municipality as acquirer also recognises additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the municipality as acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period does not exceed two years from the acquisition date.

1.29 Events after reporting date

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

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

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

Accounting Policies

1.29 Events after reporting date (continued)

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

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
2. Inventories		
Consumable stores	17 665 685	14 524 262
Water	1 047 216	547 968
Land	56 055 000	57 344 600
	74 767 901	72 416 830
3. Long-term Receivables		
At amortised cost		
Study loans	78 584	114 937
Terms and conditions		
Non-current assets		
At amortised cost	48 103	75 627
Current assets		
At amortised cost	30 481	39 310
4. Receivables from non-exchange transactions		
Fines	21 422 690	10 809 065
Rates	49 844 273	42 523 450
Amounts paid in advance	7 683 457	11 661 199
Other receivables from non-exchange revenue	88 210 627	81 000 489
Impairment - Rates	(24 200 000)	(25 100 000)
Impairment - Fines	(20 780 009)	(10 484 793)
	122 181 038	110 409 410
Rates		
Current 0 - 30 days	26 063 589	27 405 290
31 - 60 days	2 617 536	2 356 729
61 - 90 days	1 699 628	1 470 359
91 - 120 days	1 417 644	1 080 044
121 - 360 days	12 098 783	6 218 140
361 + days	5 947 094	3 992 887
	49 844 274	42 523 449

Notes to the Annual Financial Statement for the year ended 30 June 2017

	2017 R	2016 R
4. Receivables from non-exchange transactions (continued)		
Fines		
Current 0 - 30 days	636 125	980 900
31 - 60 days	694 550	812 575
61 - 90 days	1 151 800	639 450
91 - 120 days	845 350	791 200
121 - 360 days	8 745 275	7 584 940
361+	9 349 590	-
	<u>21 422 690</u>	<u>10 809 065</u>
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening Balance	35 584 793	66 561 193
Contribution	10 303 308	13 322 492
Write off	(908 098)	(44 298 892)
	<u>44 980 003</u>	<u>35 584 793</u>
5. VAT receivable		
VAT	<u>34 246 293</u>	<u>52 771 853</u>
Reconciliation of Vat		
Output suspense	18 438 187	19 659 600
Input suspense	(40 959 245)	(59 728 628)
Vat control	(11 725 235)	(12 702 825)
	<u>(34 246 293)</u>	<u>(52 771 853)</u>
6. Consumer debtors		
Gross balances		
Electricity	189 567 215	202 750 754
Water	149 028 470	107 114 653
Sewerage	14 238 027	12 181 975
Refuse	9 352 459	8 194 013
Sundry debtors	30 377 920	13 714 399
Housing rental	10 217 116	7 152 226
	<u>402 781 207</u>	<u>351 108 020</u>
Less: Allowance for impairment		
Electricity	(17 000 000)	(34 100 000)
Water	(29 000 000)	(25 900 000)
Sewerage	(3 400 000)	(3 600 000)
Refuse	(2 400 000)	(2 600 000)
	<u>(51 800 000)</u>	<u>(66 200 000)</u>

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
6. Consumer debtors (continued)		
Net balance		
Electricity	172 567 215	168 650 754
Water	120 028 470	81 214 653
Sewerage	10 838 027	8 581 975
Refuse	6 952 459	5 594 013
Sundry debtors	30 377 920	13 714 399
Housing rental	10 217 116	7 152 226
	350 981 207	284 908 020
Electricity		
Current (0 -30 days)	176 552 178	142 269 934
31 - 60 days	2 123 833	4 145 934
61 - 90 days	1 266 513	3 128 026
91 - 120 days	1 304 794	2 686 519
121 - 365 days	3 005 318	45 872 434
> 365 days	5 314 579	4 647 907
	189 567 215	202 750 754
Water		
Current (0 -30 days)	68 543 840	42 142 710
31 - 60 days	6 304 431	3 655 613
61 - 90 days	4 024 002	3 527 138
91 - 120 days	3 722 974	2 545 440
121 - 365 days	23 966 605	18 346 865
> 365 days	42 466 618	36 896 887
	149 028 470	107 114 653
Sewerage		
Current (0 -30 days)	7 886 885	6 536 810
31 - 60 days	888 996	760 235
61 - 90 days	649 926	507 975
91 - 120 days	511 550	327 554
121 - 365 days	1 806 044	1 382 628
> 365 days	2 494 626	2 666 773
	14 238 027	12 181 975
Refuse		
Current (0 -30 days)	5 391 214	5 104 450
31 - 60 days	644 511	561 590
61 - 90 days	443 504	344 396
91 - 120 days	372 616	229 166
121 - 365 days	1 410 234	1 039 561
> 365 days	1 090 380	914 850
	9 352 459	8 194 013

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
6. Consumer debtors (continued)		
Other debtors		
Current (0 -30 days)	(753 483)	6 922 299
31 - 60 days	1 136 102	715 678
61 - 90 days	1 134 137	3 153 309
91 - 120 days	495 654	776 932
121 - 365 days	9 276 550	4 358 072
> 365 days	19 088 960	(2 211 891)
	<u>30 377 920</u>	<u>13 714 399</u>
Housing rental		
Current (0 -30 days)	673 140	710 631
31 - 60 days	402 059	349 293
61 - 90 days	357 254	327 324
91 - 120 days	338 959	318 201
121 - 365 days	2 810 503	2 061 747
> 365 days	5 635 201	3 385 030
	<u>10 217 116</u>	<u>7 152 226</u>

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
6. Consumer debtors (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	91 962 776	64 255 303
31 - 60 days	5 237 959	3 501 419
61 - 90 days	5 097 725	3 103 278
91 - 120 days	4 832 726	3 095 177
121 - 365 days	28 497 645	56 330 096
> 365 days	47 790 832	-
	<u>183 419 663</u>	<u>130 285 273</u>
Less: Allowance for impairment	<u>(31 973 700)</u>	<u>(28 684 839)</u>
	<u>151 445 963</u>	<u>101 600 434</u>
Industrial/ commercial		
Current (0 -30 days)	167 736 233	143 034 695
31 - 60 days	3 769 498	8 647 165
61 - 90 days	2 709 100	4 706 446
91 - 120 days	2 013 466	1 931 355
121 - 365 days	14 708 213	81 609 439
> 365 days	33 312 486	-
	<u>224 248 996</u>	<u>239 929 100</u>
Less: Allowance for impairment	<u>(38 517 187)</u>	<u>(59 654 066)</u>
	<u>185 731 809</u>	<u>180 275 034</u>
National and provincial government		
Current (0 -30 days)	17 241 407	10 528 420
31 - 60 days	567 507	309 944
61 - 90 days	357 364	154 131
91 - 120 days	472 856	87 694
121 - 365 days	3 849 132	3 581 278
> 365 days	3 378 611	-
	<u>25 866 877</u>	<u>14 661 467</u>
Less: Allowance for impairment	<u>(4 509 112)</u>	<u>(2 961 094)</u>
	<u>21 357 765</u>	<u>11 700 373</u>
Total		
Current (0 -30 days)	276 940 417	211 981 332
31 - 60 days	9 574 964	12 458 527
61 - 90 days	8 164 189	7 963 855
91 - 120 days	7 319 047	5 114 226
121 - 365 days	47 054 990	141 520 812
> 365 days	84 481 929	-
	<u>433 535 536</u>	<u>379 038 752</u>
Less: Allowance for impairment	<u>(82 554 329)</u>	<u>(94 130 732)</u>
	<u>350 981 207</u>	<u>284 908 020</u>
Less: Allowance for impairment		
> 365 days	<u>(51 800 000)</u>	<u>(66 200 000)</u>

Notes to the Annual Financial Statements for the year ended 30 June 2017

2017
R

2016
R

6. Consumer debtors (continued)

Reconciliation of allowance for impairment

Balance at beginning of the year	(55 715 207)	(43 100 000)
Contributions to allowance	(2 182 394)	(23 323 621)
Debt impairment written off against allowance	6 097 601	223 621
	<u>(51 800 000)</u>	<u>(66 200 000)</u>

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	43 848	41 848
Cash book balances	70 071 911	172 364 460
Short-term deposits	645 000 000	290 000 000
	<u>715 115 759</u>	<u>462 406 308</u>

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances		
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	
Absa Bank - Cheque - 2150000028	1 019 453	29 135 252	-	27 761 982	54 147 129
Absa Bank - Deposit - 2150000095	6 330 052	19 802 725	-	8 614 204	21 820 045
Absa Bank - Deposit - 9123615121	396 459	297 572	-	398 316	5 383 066
Absa Bank - Cheque - 9171373496	2 497 104	2 359 068	-	2 508 802	2 370 120
Absa Bank - Deposit - 9092247889	5 668 248	5 357 653	-	5 680 640	5 369 366
Absa Bank - Deposit - 9171373917	21 688 305	60 894 554	-	21 782 418	61 433 296
Absa Bank - Deposit - 9233674990	3 906	3 690	-	3 919	769 812
Absa Bank - Deposit - 9272068005	1 369 986	1 294 255	-	1 371 044	1 295 266
Absa Bank - Deposit - 4079286548	36 154	123 483	-	3 710	3 710
Absa Bank - Deposit - 9283221999	2 675 057	17 908 001	-	1 945 665	19 939 903
Absa Bank - Deposit - 9082916767	1 205	1 139	-	1 211	(167 253)
Total	41 685 929	137 177 392	-	70 071 911	172 364 460

Notes to the Annual Financial Statements for the year ended 30 June 2017

2017
R

2016
R

8. Investment property

	2017			2016		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	133 435 299	(9 055 837)	124 379 462	133 435 299	(8 310 051)	125 125 248

Reconciliation of investment property - 2017

	Opening balance	Depreciation	Total
Investment property	125 125 248	(745 786)	124 379 462

Reconciliation of investment property - 2016

	Opening balance	Additions	Depreciation	Total
Investment property	125 458 588	404 557	(737 897)	125 125 248

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

9. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	525 026 950	-	525 026 950	525 026 950	-	525 026 950
Infrastructure	10 722 635 865	(6 843 807 174)	3 878 828 691	10 328 439 405	(6 568 128 652)	3 760 310 753
Community	437 688 702	(137 683 741)	300 004 961	375 355 700	(117 687 998)	257 667 702
Other property, plant and equipment	729 862 237	(378 316 201)	351 546 036	670 627 947	(320 008 123)	350 619 824
Housing	187 533 704	(12 331 490)	175 202 214	177 958 149	(10 435 667)	167 522 482
Total	12 602 747 458	(7 372 138 606)	5 230 608 852	12 077 408 151	(7 016 260 440)	5 061 147 711

City of uMhlathuze

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements for the year ended 30 June 2017

Figures in Rand

9. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Work in progress	Disposals	Transfers received	Additions through transfer of functions	Depreciation	Total
Land	525 026 950	-	-	-	-	-	-	525 026 950
Infrastructure	3 760 310 753	162 011 865	223 427 352	-	5 624 601	-	(272 545 880)	3 878 828 691
Community	257 667 702	20 954 979	10 838 275	-	-	26 887 652	(16 343 647)	300 004 961
Other property, plant and equipment	350 619 824	45 892 070	8 595 939	(1 972 561)	-	6 837 705	(58 426 941)	351 546 036
Housing	167 522 482	9 575 555	-	-	-	-	(1 895 823)	175 202 214
	5 061 147 711	238 434 469	242 861 566	(1 972 561)	5 624 601	33 725 357	(349 212 291)	5 230 608 852

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Work in progress	Disposals	Transfers	Restatement	Depreciation	Total
Land	533 426 950	-	-	-	(8 400 000)	-	-	525 026 950
Infrastructure	3 635 249 452	3 072 658	197 737 516	-	-	202 318 724	(278 067 597)	3 760 310 753
Community	233 100 159	33 973 806	4 561 009	(11 811)	-	264 359	(14 219 820)	257 667 702
Other property, plant and equipment	343 334 242	62 765 148	1 223 125	(3 243 720)	-	776 169	(54 235 140)	350 619 824
Housing development fund	82 401 808	86 814 604	-	-	-	72 452	(1 766 382)	167 522 482
	4 827 512 611	186 626 216	203 521 650	(3 255 531)	(8 400 000)	203 431 704	(348 288 939)	5 061 147 711

Notes to the Annual Financial Statements for the year ended 30 June 2017

2017
R

2016
R

9. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2017

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	407 291 270	7 350 543	2 116 961	416 758 774
Additions/capital expenditure	223 427 357	10 838 275	8 595 939	242 861 571
Transferred to completed items	(51 433 643)	(1 339 210)	(85 800)	(52 858 653)
	<u>579 284 984</u>	<u>16 849 608</u>	<u>10 627 100</u>	<u>606 761 692</u>

Reconciliation of Work-in-Progress 2016

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	223 352 132	2 789 534	939 906	227 081 572
Additions/capital expenditure	197 458 716	4 561 009	1 223 125	203 242 850
Restatement	6 554 279	-	-	6 554 279
Transferred to completed items	(20 073 857)	-	(46 070)	(20 119 927)
	<u>407 291 270</u>	<u>7 350 543</u>	<u>2 116 961</u>	<u>416 758 774</u>

Expenditure incurred to repair and maintain property, plant and equipment

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

Employee related costs (internal charge)	185 899 027	212 865 327
Contracted services	105 302 790	88 311 010
Materials	65 975 945	42 124 763
Transport (internal charge)	22 644 186	25 928 926
	<u>379 821 948</u>	<u>369 230 026</u>

Internal charges are not reflected under repairs and maintenance in the Statement of financial performance.

Transitional provisions

Property, plant and equipment recognised at provisional amounts

In accordance with the transitional provisions as per Directive 3 of the GRAP Reporting Framework, as disclosed in note 49, certain property, plant and equipment with a carrying value of R33 725 357.

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

10. Intangible assets

	2017			2016		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	43 538 998	(12 128 059)	31 410 939	16 679 941	(9 547 974)	7 131 967

Notes to the Annual Financial Statements for the year ended 30 June 2017

2017
R

2016
R

10. Intangible assets (continued)

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Additions through transfer of functions	Amortisation	Total
Computer software, other	7 131 967	26 612 939	97 488	(2 431 455)	31 410 939

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	6 371 756	3 185 123	(105 767)	(2 319 145)	7 131 967

11. Heritage assets

	2017			2016		
	Cost	Accumulated impairment losses	Carrying value	Cost	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	245 913	-	245 913	245 913	-	245 913
Historical monuments	278 401	-	278 401	278 401	-	278 401
Historical buildings	2 242 680	-	2 242 680	2 242 680	-	2 242 680
Total	2 766 994	-	2 766 994	2 766 994	-	2 766 994

Reconciliation of heritage assets 2017

	Opening balance	Total
Art Collections, antiquities and exhibits	245 913	245 913
Historical monuments	278 401	278 401
Historical buildings	2 242 680	2 242 680
Total	2 766 994	2 766 994

Reconciliation of heritage assets 2016

	Opening balance	Additions	Total
Art Collections, antiquities and exhibits	245 913	-	245 913
Historical monuments	235 101	43 300	278 401
Historical buildings	2 242 680	-	2 242 680
Total	2 723 694	43 300	2 766 994

12. Financial liabilities

At amortised cost

DBSA	97 609 915	152 972 710
Nedbank	185 969 135	225 506 232
Rand merchant bank	3 383 832	5 308 123
Standard bank	348 437 779	-
Terms and conditions		
INCA	60 208 211	86 658 981
Total	695 608 872	470 446 046

City of uMhlathuze

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
12. Financial liabilities (continued)		
Total other financial liabilities	<u>695 608 872</u>	<u>470 446 046</u>
Non-current liabilities		
At amortised cost	<u>539 612 552</u>	<u>348 099 897</u>
Current liabilities		
At amortised cost	<u>155 996 320</u>	<u>122 346 149</u>

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
13. Payables from exchange transactions		
Trade payables	433 411 422	389 476 054
Amounts received in advance	29 569 191	24 280 809
Retentions	53 473 185	35 414 073
Other payables	77 253 909	74 244 816
Accrued leave pay	10 634 557	9 580 390
	604 342 264	532 996 142
14. Consumer deposits		
Electricity and Water	64 336 315	42 589 460
Other deposits	3 610 492	2 607 112
	67 946 807	45 196 572
15. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Municipal Water Infrastructure Grant	-	9 344 019
Provincial Housing Grant	2 784 831	12 000 081
Infrastructure Skills Development Grant	1 654 232	(967 268)
Restructuring Grant	9 385	9 385
Provincial Local Government Grants	5 408 820	5 560 424
Provincial Libraries Grant	685 793	346 706
Water Services Operating Grant	-	1 049 215
Extended Public Works Program	-	5 773
Integrated Electrification Program	-	349 157
uThungulu District	52 992	213 620
	10 596 053	27 911 112

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

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

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

These amounts are invested in a ring-fenced investment until utilised.

Notes to the Annual Financial Statements for the year ended 30 June 2017

2017
R

2016
R

16. Provisions

Reconciliation of provisions - 2017

	Opening Balance	Additions	Total
Pro rata Bonus	12 998 173	901 484	13 899 657

Reconciliation of provisions - 2016

	Opening Balance	Additions	Total
Pro rata Bonus	11 743 466	1 254 707	12 998 173

Pro rata Bonus

Bonus accrue to staff on an annual basis based on their anniversary month. The provision is an estimate of the amount payable to staff for the following year on a pro-rata basis. The timing of the amount is uncertain with regards to payment of pro-rata bonus when staff members resign.

17. Employee benefit obligations

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

Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(341 274 601)	(298 600 764)
Current service cost	(20 991 753)	(19 229 724)
Interest cost	(31 089 339)	(27 192 949)
Actuarial gain	56 766 363	-
Benefits paid	4 057 593	3 748 836
	<u>(332 531 737)</u>	<u>(341 274 601)</u>

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	341 274 601	298 600 764
Net amount recognised in the statement of financial performance	(8 742 864)	42 673 837
	<u>332 531 737</u>	<u>341 274 601</u>

Net amount recognised in the statement of financial performance

Current service cost	20 991 753	19 229 724
Interest cost	31 089 339	27 192 949
Actuarial (gains) losses	(56 766 363)	-
Settlement	(4 057 593)	(3 748 836)
	<u>(8 742 864)</u>	<u>42 673 837</u>

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
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17. Employee benefit obligations (continued)

Key assumptions used

The Municipality operates on 5 accredited medical aid schemes, namely: Bonitas, Hosmed, Keyhealth, LA Health and Samwumed. Pensioners continue on the option they belonged to on the day of their retirement. The independent valuers, ARCH Actuarial Consulting, carried out a statutory valuation for the year ended 30 June 2015 with projected liabilities for year ending 2016 and 2017. There are no planned assets. Assumptions used at the reporting date:

Net discount rates - health care cost inflation	1.46 %	0.86 %
Discount rates used	9.78 %	9.16 %
Average retirement age	56	55
Maximum subsidy inflation rate	5.78 %	7.74 %
Net discount rate - Maximum subsidy inflation	3.79 %	1.32 %
Continuation of membership at retirement	80.00 %	80.00 %
Expected increase in healthcare costs	8.20 %	8.24 %
Proportion married at retirement	90.00 %	90.00 %

18. Housing development fund

The Housing development fund is represented by the following assets:

Opening Balance	2 749 778	167 450 030
Bank and Cash	2 749 778	13 122 552
Accumulated Surplus	(2 749 778)	(177 822 804)
	<u>2 749 778</u>	<u>2 749 778</u>

19. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2017

	Capital replacement reserve	Accumulated surplus	Total
Opening balance	236 017 261	4 509 609 590	4 745 626 851
Transfer to capital replacement reserve	75 280 395	(75 280 395)	-
Surplus for the year	-	213 235 009	213 235 009
	<u>311 297 656</u>	<u>4 647 564 204</u>	<u>4 958 861 860</u>

20. Service charges

Sale of electricity	1 506 657 693	1 332 585 701
Sale of water	336 492 585	222 982 447
Sewerage and sanitation charges	81 746 919	79 471 780
Refuse removal	73 580 195	68 121 503
Surcharge on water	5 340 265	4 621 028
	<u>2 003 817 657</u>	<u>1 707 782 459</u>

An amount of R10 418 194.54 (2016: R9 627 039.85) received in respect of prepaid electricity sales has been deferred and transferred to amounts received in advance.

City of uMhlathuze

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
21. Other income		
Building plans	1 284 354	1 495 836
Extension fees	18 698 542	18 008 449
Connection fees	8 354 955	7 617 922
Skills levy fees	1 456 441	1 123 481
Insurance claims refund	7 571 590	4 299 455
Sundries	28 396 789	24 148 552
Advertisement	2 609 645	2 698 651
Transaction handling fees	530 009	2 573 807
Discount received	902	1 521 744
Inventory gains	-	47 006
Meter Replacement	30 212	-
Fines and penalties	2 600	-
	68 936 039	63 534 903
22. Interest received - investment		
Interest revenue		
Bank	60 875 363	32 411 106

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
23. Property rates		
Rates received		
Residential	151 618 223	144 301 380
Commercial	101 239 514	90 391 524
State	26 479 114	24 418 295
Vacant land	33 016 363	29 284 776
Public benefit organisations	116 110	2 436
Agriculture	1 608 729	1 544 784
Industrial	128 464 936	119 792 494
Mining	682 898	643 425
Public service infrastructure	158 555	49 477
Less: Income forgone	(45 690 719)	(39 354 666)
	397 693 723	371 073 925
Property rates - penalties imposed	3 211 971	2 221 128
	400 905 694	373 295 053
Valuations		
Residential	18 256 894 010	18 256 471 360
Commercial	5 785 938 000	5 478 898 000
State	2 858 829 000	2 713 381 000
Vacant land	2 589 763 000	2 461 746 000
Public benefit organisations	48 601 000	111 510 000
Agriculture	723 633 000	613 025 000
Industrial	7 072 976 000	7 028 947 000
Mining	71 334 000	35 942 000
Public service infrastructure	182 818 150	172 953 200
Multiple use	511 065 000	618 475 000
	38 101 851 160	37 491 348 560

The first valuation in terms of the Property Rates Act No.6 of 2004 came into effect on 01 July 2008. Valuations were performed on land and buildings together. Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2013. One supplementary valuation roll and objection roll in terms of the new Act were processed during the financial year. The following rate randage and ratio to residential tariff were applied:

New Category Of Properties	Rates Randage	Ratio to Residential Tariff
Residential	0.0083	1:1.00
Business/Commercial	0.0174	1:2.10
Industrial	0.0181	1:2.20
Agricultural	0.0021	1:0.25
Public Service Purposes (State Owned)	0.0095	1:1.10
Public Services Infrastructure	0.0021	1:0.25
PBO's	0.0021	1:0.25
Mining	0.0190	1:2.30
Vacant Land	0.0145	1:1.75

Subject to the provisions contained in the Rates Policy and upon application, the following rebates were applied:

Agricultural Properties - 5%

Non-profit Organisations - 20%

Notes to the Annual Financial Statements for the year ended 30 June 2017

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23. Property rates (continued)

Pensioners - R15 000 Valuation Reduction on primary developed property

In addition to the statutory R15 000 reduction in the valuation on residential properties, a further reduction of R105 000 of the valuation on all developed residential properties with >R40 000 was made.

Rates are levied on a monthly basis but upon request can be levied annually. The final date for payment of rates that are levied on an annual basis is 30 September of each year, and 30 June for monthly ratepayers. Interest of prime plus 1% is levied on outstanding rates.

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
24. Government grants and subsidies		
Operating grants		
Equitable share	251 497 164	229 925 000
Municipal Demarcation Grant	6 314 000	930 000
Financial management grant	2 440 166	1 481 930
Expanded public works program	5 061 000	2 955 227
Infrastructure skills development grant	3 878 500	7 395 576
uMhlathuze urban development framework	-	42 390
Provincial Housing	1 526 798	16 755 066
Provincial Libraries	8 773 913	8 009 056
uThungulu District Municipality	160 628	-
Other Government Grants	21 304	-
King Cetshwayo Refuse Grant	318 040	-
	279 991 513	267 494 245
Capital grants		
Municipal Infrastructure Grant	88 045 120	92 017 343
Integrated National Electrification Program	-	948 412
Rural Household Infrastructure Grant	-	4 500 000
Water Services Infrastructure Grant	40 736 000	36 436 825
Water Services Operating Subsidy Grant	-	5 219 987
Provincial Housing Grant	9 234 668	83 262 330
Provincial Local Government Grant	1 130 300	2 154 863
Provincial Libraries	-	355 935
Financial Management Grant	96 834	118 070
King Cetshwayo Grant	5 624 601	-
	144 867 523	225 013 765
	424 859 036	492 508 010
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
Municipal Systems Improvement Grant		
Current-year receipts	-	930 000
Conditions met - transferred to revenue	-	(930 000)
Conditions still to be met - remain liabilities (see note 15)	-	-

National Conditional Grants are allocated in terms of the Division of Revenue Act. The Municipal Systems Improvement Grant is used to assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal systems act and related legislation.

Water Services Infrastructure Grant

Balance unspent at beginning of year	9 344 019	4 122 856
Current-year receipts	40 736 000	50 882 000
Grant withheld	(9 344 019)	(4 121 454)
Conditions met - transferred to revenue	(40 736 000)	(36 436 825)
Conditions met - transferred to revenue	-	(5 102 558)
Conditions still to be met - remain liabilities (see note 15)	-	9 344 019

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
24. Government grants and subsidies (continued)		
National Conditional Grant are allocated in terms of the Division of Revenue Act. This grant is used to construct water and sewerage infrastructure as part of the upgrading of informal settlement areas. No funds have been withheld.		
Municipal Infrastructure Grant		
Balance unspent at beginning of year	-	9 099 693
Current-year receipts	99 817 000	93 154 000
Conditions met - transferred to revenue	(88 045 120)	(92 017 344)
Other	(11 771 880)	(10 236 349)
Conditions still to be met - remain liabilities (see note 15)	-	-
National Conditional Grant are allocated in terms of the Division of Revenue Act. This grant is used to construct water and sewerage infrastructure as part of the upgrading of informal settlement arrears. No funds have been withheld.		
Provincial Housing Grant		
Balance unspent at beginning of year	12 000 081	14 838 929
Current-year receipts	903 640	86 329 120
Conditions met - transferred to revenue	(10 761 467)	(90 233 239)
Interest Received	642 577	1 065 271
Conditions still to be met - remain liabilities (see note 15)	2 784 831	12 000 081
Provincial Housing Grant were allocated to assist in the refurbishment of various hostels. The grant are spent in accordance with a business plan approved by the Provincial government. Fund were provided for the housing operating account. Funds were also provided for the Municipality to implement the enhanced extended discount benefit scheme. No funds were withheld. An amount of R 5 598 678 was transferred to the Brackenham Housing reserve (Municipal housing operating account) in terms of an agreement between Council and the Department of Human Settlement . A tri-party agreement between Waterstone country estate, the City of Umhlathuze and the Department of Human Settlement was signed to procure the property for affordable housing development.		
Infrastructure skills grant		
Balance unspent at beginning of year	(967 268)	(1 071 692)
Current-year receipts	6 500 000	7 500 000
Conditions met - transferred to revenue	(3 878 500)	(7 395 576)
Conditions still to be met - remain liabilities (see note 15)	1 654 232	(967 268)
National Conditional Grant are allocated in terms of the Division of Revenue Act. The infrastructure and skills development grant is used to strengthen capacity of local government, to effectively and efficiently deliver quality infrastructure by increasing the pool of skills available, to facilitate lifelong learning and the transfer of knowledge and skills to municipalities and to sustain infrastructure related management capacity in local government.		
Finance Management Grant		
Current-year receipts	2 537 000	1 600 000
Conditions met - transferred to revenue	(2 537 000)	(1 600 000)
Conditions still to be met - remain liabilities (see note 15)	-	-
National Conditional Grant are allocated in terms of the Division of Revenue Act. The financial management grant is used to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).		

Notes to the Annual Financial Statements for the year ended 30 June 2017

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24. Government grants and subsidies (continued)

Restructuring Grant

Balance unspent at beginning of year	9 385	9 385
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National Conditional Grant are allocated in terms of the Division of Revenue Act. The Restructuring grant received in 2002, 2003 and 2004 from National treasury has been earmarked for certain projects that will improve the local economy.

Provincial Local Government Grant

Balance unspent at beginning of year	5 560 424	7 657 678
Current-year receipts	-	266 000
Conditions met - transferred to revenue	(1 151 604)	(2 363 254)
Other	1 000 000	-
Conditions still to be met - remain liabilities (see note 15)	5 408 820	5 560 424

Provincial local government grants are used to implement administrative and financial framework and to provide a municipal infrastructure framework. The grants are spent in accordance with a business plan approved by the Provincial government.

Provincial Libraries

Balance unspent at beginning of year	346 706	380 762
Current-year receipts	8 938 000	8 164 935
Conditions met - transferred to revenue	(8 598 913)	(8 198 991)
Conditions still to be met - remain liabilities (see note 15)	685 793	346 706

Provincial library grants were allocated to subsidise the purchase of equipment for various libraries. A subsidy was also received to assist in the construction of the Empangeni library study hall. Funds were also provided to refurbish the old community hall at Felixton into a library. Further funding was also received for the installation of computer hardware and software for public internet access, the cost of the internet connectivity, furniture to house these computers and salaries for the employment of "cyber-cadets". The subsidies are spent in accordance with a business plan approved by the Provincial government. No funds have been withheld.

Water Services Operating Subsidy Grant

Balance unspent at beginning of year	1 049 215	1 257 477
Current-year receipts	-	7 000 000
Grant Withheld	(1 049 215)	(1 257 477)
Conditions met - transferred to own revenue (VAT)	-	(5 219 987)
Other	-	(730 798)
Conditions still to be met - remain liabilities (see note 15)	-	1 049 215

Department of water affairs refurbishment grant and subsidy for water services works. The grant is spent in accordance with an approved business plan.

Expanded public works program

Balance unspent at beginning of year	5 773	-
Current-year receipts	5 061 000	2 961 000
Conditions met - transferred to revenue	(5 061 000)	(2 955 227)
Grant Withheld	(5 773)	-
Conditions still to be met - remain liabilities (see note 15)	-	5 773

Notes to the Annual Financial Statements for the year ended 30 June 2017

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24. Government grants and subsidies (continued)

National Conditional Grant are allocated in terms of the Division of Revenue Act. The grant is to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in compliance with EPWP guidelines.

Rural Household infrastructure grant

Balance unspent at beginning of year	-	2 352 375
Current-year receipts	-	4 500 000
Grant Withheld	-	(2 352 375)
Conditions met - transferred to revenue	-	(4 500 000)
Conditions still to be met - remain liabilities (see note 15)	-	-

National Conditional Grant are allocated in terms of the Division of Revenue Act. The grant is to provide specific capital funding for the reduction of rural sanitation backlogs and to target existing households where bulk-dependent services are not viable.

Integrated National Electrification Programme

Balance unspent at beginning of year	349 157	(7 702 431)
Current-year receipts	-	9 000 000
Conditions met - transferred to revenue	(349 157)	(948 412)
Conditions still to be met - remain liabilities (see note 15)	-	349 157

Department of Minerals and Energy provided a grant in support of electrification projects. The grants are spent in accordance with an approved business plan.

uThungulu District

Balance unspent at beginning of year	213 620	-
Current-year receipts	-	213 620
Other	(160 628)	-
Conditions still to be met - remain liabilities (see note 15)	52 992	213 620

uThungulu district allocated funds for the capacity building grant, for the beach protection project at Alkantstrand beach Richards Bay and also provided a subsidy to assist in the daily running of the Empangeni museum. No funds have been withheld.

Municipal Demarcation Grant

Current-year receipts	6 314 000	-
Conditions met - transferred to revenue	(6 314 000)	-
Conditions still to be met - remain liabilities (see note 15)	-	-

National Conditional Grant are allocated in terms of the Division of Revenue Act. The purpose of the grant is to subsidise the additional institutional and administrative costs arising from major boundary changes due to come into effect at the time of the 2016 local government elections.

King Cetshwayo Refuse Grant

Current-year receipts	31 040	-
Conditions met - transferred to revenue	(31 040)	-
Conditions still to be met - remain liabilities (see note 15)	-	-

Refuse services grant received from the district municipality in the former Ntambanana municipality area. No funds were withheld.

Notes to the Annual Financial Statements for the year ended 30 June 2017

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24. Government grants and subsidies (continued)

King Cetshwayo Grant

Current-year receipts	5 624 601	-
Conditions met - transferred to revenue	(5 624 601)	-
Conditions still to be met - remain liabilities (see note 15)	-	-

The King Cetshwayo district municipality donated assets that were utilised in providing water services at the Ntambanana area.

25. Public contributions and donations

Lotto Funding	1 512 234	4 740 213
Other Public contributions and donations	1 031 079	-
	<u>2 543 313</u>	<u>4 740 213</u>

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
26. Employee related costs		
Basic	384 809 210	355 159 542
Bonus	31 742 178	29 874 874
Medical aid - company contributions	33 777 543	30 553 620
UIF	3 454 141	3 075 026
Leave pay provision charge	14 954 325	13 784 368
Defined contribution plans	5 291 256	4 447 251
Travel, motor car, accommodation, subsistence and other allowances	40 972 192	35 916 966
Overtime payments	48 927 328	47 055 121
Housing benefits and allowances	4 414 021	3 991 548
Cellphone allowances	2 872 534	2 562 899
Contributions to pensions and group life	72 670 106	66 351 825
Protective Clothing	140 000	-
	644 024 834	592 773 040

2017 : Remuneration to senior managers & managers

	Municipal Manager	COO
Annual Remuneration	1 220 251	1 382 228
Annual Bonus	101 688	-
Performance Bonus	145 611	126 859
Contribution to UIF, Medical & Pension Fund	346 087	76 089
Travel Allowance	240 000	157 057
	2 053 637	1 742 233

2016 : Remuneration to senior managers & managers

	Municipal Manager	COO	DMM: Infrastructure & Technical Service
Annual Remuneration	1 220 251	1 382 228	1 089 640
Annual Bonus	101 688	-	158 694
Performance Bonus	173 347	38 141	57 790
Travel Allowance	240 000	158 103	-
Contribution to UIF, Medical & Pension Fund	335 018	73 507	2 653 802
	2 070 304	1 651 979	3 959 926

2017 : Remuneration to senior managers & managers	DMM: City Development	DMM: Community Services	DMM: Financial Services (CFO)	DMM: Corporate Services	Head: Engineering Services
Annual Remuneration	1 244 163	443 063	1 274 896	1 319 175	633 874
Annual Bonus	103 680	64 456	106 241	-	52 823
Performance Bonus	72 680	95 144	174 431	79 287	-
Housing Subsidy	-	-	-	-	8 904
Contribution to UIF, Medical & Pension Fund	108 459	87 159	29 637	93 848	187 878
Travel Allowance	159 072	40 000	204 600	202 351	267 416
	1 688 054	729 822	1 789 805	1 694 661	1 150 895

Notes to the Annual Financial Statements for the year ended 30 June 2017

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26. Employee related costs (continued)

2016 : Remuneration to senior managers & managers	DMM: City Development	DMM: Community Services	DMM: Financial Services (CFO)	DMM: Corporate Services	Head: Engineering Services
Annual Remuneration	1 229 248	1 160 214	1 274 896	1 319 175	799 038
Annual Bonus	-	87 395	79 056	-	-
Performance Bonus	-	124 826	166 435	36 986	-
Travel Allowance	148 034	120 036	204 600	203 784	278 781
Contribution to UIF, Medical & Pension Fund	95 900	236 940	28 102	90 880	262 483
	1 473 182	1 729 411	1 753 089	1 650 825	1 340 302
2017 : Remuneration to senior managers & managers	Head: Financial Service Exp	Head: Financial Service Revenue	Head: Transport Roads	Head: Water and Sanitation	Head: Human Resources
Annual Remuneration	633 874	633 874	846 980	633 874	633 874
Annual Bonus	52 823	52 823	-	52 823	52 823
Housing Subsidy	8 904	-	-	-	-
Travel Allowance	267 416	267 416	298 765	267 416	267 415
Contribution to UIF, Medical & Pension Fund	268 986	179 553	277 909	194 337	177 732
	1 232 003	1 133 666	1 423 654	1 148 450	1 131 844
2016 : Remuneration to senior managers & managers	Head: Financial Service Exp	Head: Financial Service Revenue	Head: Transport Roads	Head: Water and Sanitation	Head: Human Resources
Annual Remuneration	597 994	498 329	597 994	249 164	597 994
Annual Bonus	49 833	-	49 833	-	49 833
Housing Subsidy	8 400	-	8 400	-	-
Travel Allowance	253 514	211 089	253 514	105 567	253 514
Contribution to UIF, Medical & Pension Fund	265 247	116 898	177 275	70 536	166 070
	1 174 988	826 316	1 087 016	425 267	1 067 411
2017 : Remuneration to senior managers & managers	Head: Health & Safety	Head: Electrical Services	Head: Public Safety	Head: Park, Sport & Recreation	Head: SCM
Annual Remuneration	392 099	633 874	36 306	422 583	63 863
Annual Bonus	57 309	-	-	56 875	-
Travel Allowance	163 842	267 415	13 134	185 921	23 203
Contribution to UIF, Medical & Pension Fund	323 946	235 092	-	311 019	-
	937 196	1 136 381	49 440	976 398	87 066

2016 : Remuneration to senior managers & managers	Head: Health & Safety	Head: Electrical Services	Head: Public Safety	Head: Park, Sport & Recreation	Head: SCM
Annual Remuneration	597 994	597 994	73 839	597 994	87 358
Annual Bonus	49 833	49 833	-	49 833	-
Travel Allowance	253 513	253 513	25 084	253 514	31 509
Contribution to UIF, Medical & Pension Fund	231 035	169 940	-	293 427	-
	1 132 375	1 071 280	98 923	1 194 768	118 867

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
27. Remuneration of councillors		
Mayor	758 270	785 310
Deputy Mayor	626 184	666 974
Mayoral Committee Members	4 405 387	4 997 184
Speaker	622 354	640 344
Councillors	16 526 594	14 477 144
Councillors' pension contribution	2 603 584	2 324 103
	25 542 373	23 891 059

In-kind benefits

The Mayor, Deputy Mayor, Speaker, Chief Whip and Executive Committee Members are full-time. They are provided with an office and secretarial support at the cost of the Council.

The Mayor, Speaker and the Deputy Mayor and Chief Whip each have the use of separate Council owned vehicles for official duties.

28. Depreciation and amortisation

Property, plant and equipment	349 212 177	348 288 940
Investment property	745 786	737 896
Intangible assets	2 431 455	2 319 145
	352 389 418	351 345 981

29. Finance costs

Non-current borrowings	68 940 376	58 693 589
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30. Debt impairment

Debt impairment	8 891 010	36 646 113
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31. Bulk purchases

Electricity	1 087 028 181	921 140 887
Water	114 314 760	126 670 598
	1 201 342 941	1 047 811 485

32. Contracted services

Cleaning Services	2 805 071	1 945 962
Security	47 802 560	37 924 078
Sewerage and waste disposal	93 738 946	42 969 330
Meter reading	4 892 990	6 326 536
Other Contractors	16 190 235	16 362 255
	165 429 802	105 528 161

33. Transfers and subsidies

Transfers and subsidies		
Subsidies	9 319 378	18 149 132

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
33. Transfers and subsidies (continued)		
Municipal Grants and Subsidies Paid		
Richards Bay Country Club	73 197	271 239
16 Days of Activism	52 500	-
SATMA Awards	1 500 000	1 000 000
S P C A	-	333 300
Hippo Rally	60 000	-
Second Annual Spring Music Tour Festival	-	80 500
Sundries	1 078 464	236 750
Bursaries Employees Children	570 834	676 225
uMhlathuze Gospel Competition	-	82 500
Dolos Festival	-	100 000
Reed Dance	-	8 000
Women's Summit	16 271	-
Senior Citizens	15 750	-
Operation Sukuma Sakhe Programs	19 950	-
Community Mayor Outreach	48 184	-
University Registration	616 000	488 500
Thanda Royal Zulu	2 500 000	1 500 000
Last Dance Festival	1 000 000	700 000
Youth Summit	108 947	25 827
Afrika Rize Reggea Festival	-	30 000
Disaster Management	726 251	321 735
Diwali Committee	-	100 000
Matriculants	-	12 850
World Open Champion	-	10 000
Zululand Trade Fair	-	213 950
Comedy Show	-	60 000
Umlathuze Music Festival	-	100 000
Ungulehova Tour	-	15 000
Mncwabe Gospel Competition	-	62 000
Maskandi Competition	-	24 000
SA Got Talent	-	10 000
Soccer Madness Tournament	-	384 450
Learners Attending Eskom Expo	-	4 400
Mkhwanazi Traditional Authority Prayer Day	-	100 000
Economic Development and Job Creation	-	151 750
Department of Human Settlement	-	10 696 156
uThungulu Social Cohesion Summit	-	350 000
Profiling People with Disability	51 130	-
Amenisto Christmas Jam	67 000	-
Keep Girls in School	22 800	-
uMhlathuze Local Football Association	179 000	-
Empangeni Rugby Club	50 000	-
2016 Cluster Elimination Games	83 100	-
Netball Athletics	10 500	-
National Rhythmic Gymnastics Championship	1 500	-
Maskandi Festival	182 000	-
Downstream Aluminium Centre for Technology	150 000	-
eSikhawini Kyokushin Karate Club	16 000	-
Black Industrial Business Breakfast Partnership	100 000	-
Richards Bay Primary School	20 000	-
	9 319 378	18 149 132

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
34. General expenses		
Advertising	5 432 045	4 997 106
Auditors remuneration	3 332 906	3 372 055
Bank charges	5 965 645	4 909 882
Cleaning	26 007	16 207
Commission paid	6 399 000	5 240 323
Consulting and professional fees	14 287 423	13 772 377
Consumables	2 646 483	2 830 400
Legal expenses	2 413 967	4 226 275
Entertainment	579 017	104 919
Catering Municipal Activities	4 402 253	4 146 068
Insurance	3 883 007	3 400 329
Community development and training	3 539 518	4 066 044
Conferences and seminars	511 871	758 172
Employee Awards	339 910	276 439
Examination of samples	6 625 565	2 594 824
Levies	5 435 720	4 974 530
Motor vehicle expenses	-	392 421
Packaging	149 346	43 093
Pest control	154 090	14 634
Fuel and oil	18 155 169	22 054 757
Resettlement Cost	123 281	143 924
Postage and courier	1 739 216	1 776 100
Printing and stationery	358 665	179 844
Workmen's Compensation Fund	3 259 362	2 894 745
Software expenses	12 798 583	9 249 453
Subscriptions and membership fees	6 828 850	6 984 018
Telephone and fax	3 408 160	2 135 882
Refuse	6 549 763	6 554 343
Uniforms	4 292 970	2 385 878
Bursaries	742 290	524 807
Indigent support	2 697 247	2 212 267
Licences	1 692 563	2 480 045
Materials and Supplies	10 554 209	35 976 955
Travel and Subsistence	4 139 315	4 776 783
Rental of property, plant and equipment	37 790 109	11 164 455
Venue expenses	2 381 541	1 960 692
	183 635 066	173 591 046
35. Gains on disposal of land		
Gain arising from sale of land	1 368 441	15 553 385
36. Auditors' remuneration		
Fees	3 332 906	3 372 055

Notes to the Annual Financial Statements for the year ended 30 June 2017

	2017 R	2016 R
37. Cash generated from operations		
Surplus	213 235 009	124 265 683
Adjustments for:		
Depreciation and amortisation	352 389 418	351 345 981
Gain (loss) on sale of assets and liabilities	1 295 842	(13 257 795)
Debt impairment	8 891 010	36 646 113
Movements in retirement benefit assets and liabilities	(8 742 864)	42 673 837
Movements in provisions	901 484	1 254 707
Gain on sale of land	(1 368 441)	-
Gain on transfer of functions	(39 467 128)	-
Other non-cash items	(1 269 803)	14 592 716
Changes in working capital:		
Inventories	(2 351 071)	28 190 066
Consumer debtors	(74 964 197)	(86 331 140)
Other receivables from non-exchange transactions	(11 771 628)	(50 563 552)
Payables from exchange transactions	71 346 118	153 693 960
VAT	18 525 560	(42 589 772)
Unspent conditional grants and receipts	(17 315 059)	(12 831 701)
Consumer deposits	22 750 235	1 244 506
	532 084 485	548 333 609
38. Commitments		
Authorised capital expenditure		
Approved and contracted for		
• Property, plant and equipment	163 443 964	181 565 435
Approved but not yet contracted for		
• Property, plant and equipment	357 811 136	297 831 655
Total capital commitments		
Approved and contracted for	163 443 964	181 565 435
Approved but not yet contracted for	357 811 136	297 831 655
	521 255 100	479 397 090

This committed expenditure relates to property and will be financed by available bank facilities, government grants, funds internally generated, etc.

Notes to the Annual Financial Statements for the year ended 30 June 2017

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R

39. Contingencies

Guy Morton Shaw Smith N.O. and 2 others referred to as Indlovu Development Trust (Mzingazi Golf Estate developers) launched an application against council for an amount of R1 142 748.90 in respect of bulk services contribution. They claim that Council unlawfully appropriated this amount from the proceeds of the sale while council was only supposed to levy R 121 355.45. They seek an order for payment of the sum of R 1 142 748.90, interest at the rate of 9% per annum from the date of demand costs of suit and further and / or alternative relief. The matter was defended and is ongoing. The court date has not been set.

Council procured services from Kulu Civils in respect of Tenders 8/2/1/UMH22-15/16 and 8/2/1/UMH23-15/16. The contractor subsequently did not comply with the conditions in the letter of intention to award. The intention to award was subsequently cancelled. Kulu Civils has referred the matter to the Adjudicator who found in favour of the contractor that they were entitled to general costs, loss of profit. The decision of the Adjudicator has been challenged and a review application has been lodged in the High Court. The possible outflow of economic benefits is R500 000. The matter is ongoing.

Chemalum (Pty) Ltd claims R635 648 plus interest and legal costs for alleged overpayment of electricity. Attorneys await Plaintiff's set down on case management roll and discovery affidavit from the Municipality.

40. Related parties

There were no related party transactions that occurred during the year.

41. Prior-year adjustments

During the year the municipality reversed depreciation on assets that were fully depreciated but still in use. There was also inventory land that was disclosed incorrectly and therefore prior year adjustment was made. The housing development fund was adjusted in the prior year because of reserves that were included in the fund but were not part of the fund. Presented below are those items contained in the statement of financial position that have been affected by prior-year adjustments:

Statement of Financial Position

2016

	Note	As previously reported	Correction of error	Restated
Property, plant and equipment (Accumulated depreciation)	9	7 219 692 144	(203 431 702)	7 016 260 442
Inventory	2	67 672 230	4 744 600	72 416 830
Unspent conditional grants and subsidies	15	18 126 956	9 784 156	27 911 112
Housing development fund	18	129 588 396	(126 838 618)	2 749 778
Accumulated surplus	19	4 420 400 614	325 226 240	4 745 626 854
		<u>11 855 480 340</u>	<u>9 484 676</u>	<u>11 864 965 016</u>

42. Financial risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: liquidity risk, credit risk and interest rate risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the . Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Notes to the Annual Financial Statements for the year ended 30 June 2017

Figures in Rand

42. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the municipality will not be able to meet its obligations as they fall due. The municipality's approach is to ensure that sufficient liquidity is available to meet its liabilities when due. The municipality uses cash flow forecasts to ensure that sufficient cash is available to meet expected operating expenses. This is guided by working capital and revenue enhancement policy.

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

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

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Up to one year	1 - 5 years	> 5 years	Total
Financial liabilities	228 219 795	544 905 987	191 318 018	964 443 800
Trade and other payables	611 624 953	-	-	611 624 953
	<u>839 844 748</u>	<u>544 905 987</u>	<u>191 318 018</u>	<u>1 576 068 753</u>

Credit risk

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

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

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

Financial instrument	2017	2016
Call Investments	645 000 000	290 000 000
Cash and Cash Equivalents	124 745 373	172 406 308
Long term receivables	48 103	71 828
Consumer debtors	350 981 207	288 063 026
Other Receivables	34 325 712	94 027 207

Market risk

Interest rate risk

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

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. Municipality policy is to maintain its borrowings in fixed rate instruments.

43. Events after the reporting date

No material facts and circumstances have occurred between the accounting date and the date of this report that would have an impact on the financial statements.

Notes to the Annual Financial Statements for the year ended 30 June 2017

Figures in Rand

44. Unauthorised expenditure

Opening balance	124 815 000	-
Incurred during the year	-	124 815 000
Condoned by Council	(124 815 000)	-
	<u>-</u>	<u>124 815 000</u>

Unauthorised expenditure incurred in prior year related to over expenditure on non-cash items. This expenditure was condoned by Council on 24 January 2017 under resolution 11331.

45. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	<u>6 828 849</u>	<u>6 984 018</u>
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Audit fees

Current year subscription / fee	<u>3 332 906</u>	<u>3 372 055</u>
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PAYE and UIF

Opening balance	7 662 452	6 153 482
Current year subscription / fee	95 235 378	88 234 096
Amount paid - current year	(95 235 378)	(80 571 644)
Amount paid - previous years	(7 662 452)	(6 153 482)
	<u>-</u>	<u>7 662 452</u>

Pension and Medical Aid Deductions

Opening balance	7 208 807	6 496 247
Current year subscription / fee	152 735 146	174 316 918
Amount paid - current year	(152 737 099)	(167 108 111)
Amount paid - previous years	(7 208 807)	(6 496 247)
	<u>(1 953)</u>	<u>7 208 807</u>

VAT

VAT receivable	<u>34 246 293</u>	<u>52 771 853</u>
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VAT output payables and VAT input receivables are shown in note .

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

Notes to the Annual Financial Statements for the year ended 30 June 2017

Figures in Rand

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

Councillors' arrear consumer accounts

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

30 June 2017	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Dlamini SG (Gift)	178	1 321	1 499
Mthembu SP (Solile P)	-	2 581	2 581
Wanda TP (Thabisile)	-	1 771	1 771
Zondi G (Graduate)	1 645	21 588	23 233
Mthethwa KN (Khethumusa)	912	2 478	3 390
Xulu ZZ (Zakheleni)	1 136	1 558	2 694
	3 871	31 297	35 168
30 June 2016	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Dlamini SG (Gift)	186	4 030	4 216
Mthembu SP (Solile P)	-	2 581	2 581
Wanda TP (Thabisile)	-	1 741	1 741
Zondi LP (Lucky)	1 112	19 881	20 993
	1 298	28 233	29 531

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Incident		
Emergency	28 600 912	31 254 536
Sole Provider	5 994 960	4 049 062
Exceptional case where it is impossible to follow the official procurement processes	46 331 047	25 612 475
	80 926 919	60 916 073

46. Budget differences

Material differences between final budget and actual amounts (20% variance)

Statement of Financial Performance

Revenue

Other Income: The variance is the result of high revenue received on extension fees for engineering contribution and also own revenue on MIG vat.

Interest Received- Investment: The variance is the result of increased in surplus funds available for investments during the year mainly due to delayed capital expenditure.

Notes to the Annual Financial Statements for the year ended 30 June 2017

Figures in Rand

46. Budget differences (continued)

Fines: The variance is due to that the municipality uses past trends when budgeting for traffic fines revenue whilst actual revenue is recorded by applying IGRAP 1 requirements.

Expenditure

Debt Impairment: The contribution to the debt impairment provision reduced due to an increase in bad debt written off in the financial year.

Reduction in post employment benefits: This item represents the amounts calculated by an actuarial valuator on the post-employment medical benefits as required in terms of GRAP 25. This cost is not included in the budget.

Collection costs: The variance is due to a reduction in number of debtors accounts that have been handed over to the attorneys for collection.

Repairs and maintenance: The variance is due to increase in unplanned maintenance which is caused by emergencies.

Contracted Services: The variance is due to increase in security costs and waste disposal costs

General Expenses: The variance is due to reduced expenditure on material and supply, legal fees and uniforms

Statement of Financial Position

Total liabilities: The variance is due mainly to an increase in payables from exchange transactions as resulting from increased expenditure in the month of June.

47. Contractual Liabilities

Guarantee by uMhlathuze Municipality in respect of Postal Services is R 200 000

48. Operating lease

The municipality as a lessee

At the reporting date, the municipality has an outstanding commitments under operating leases which fall due as follows:

Buildings	2017	2016
Within one year	-	2 400
In the second to the fifth year inclusive	-	9 600
	<u>-</u>	<u>12 000</u>
IT equipment	2017	2016
Within one year	1 331 618	-
In the second to the fifth year inclusive	2 219 363	-
	<u>3 550 981</u>	<u>-</u>

Operating lease payment represents rentals payments by the municipality for certain of its offices. The municipality also has current lease arrangements for three years for printers. No contingent rent is payable.

Notes to the Annual Financial Statements for the year ended 30 June 2017

Figures in Rand

49. Transfer of functions between entities not under common control

Gain from transfer of Ntambanana municipality

On 11 August 2016 the municipality took over 3 wards from former Ntambanana municipality due to the de-establishment of Ntambanana municipality as a result of re-determination of boundaries in terms of Section 21 of the Local Government: Municipal Demarcation Act, 1998 (ACT NO 27 of 1998) and Provincial notice 15 of 2016. The amount representing cash and cash equivalents due to uMhlathuze Municipality has not been received as yet and is currently disclosed under other receivables in the statement of financial position. The bank account where funds of the former Ntambanana Municipality are held is with ABSA bank and the account number is 4054154293. The balance on the bank account as at 30 June 2017 is R13 227 013.24.

The municipality used transitional provisions as per Directive 3 to report provisional amounts for assets and liabilities acquired through this transfer.

The amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed

Property, plant and equipment	33 725 357	-
Intangible assets	97 488	-
Vat receivable	686 489	-
Receivables from exchange transactions	1 693 788	-
Cash and cash equivalents	5 639 797	-
Unspent conditional grants and receipts	(968 082)	-
Provisions	(8 226)	-
Payables from exchange transaction	(1 399 483)	-
Total identifiable net assets	39 467 128	-

50. Change in estimate

Property, plant and equipment

The municipality in the current financial year changed the estimated useful lives of certain property, plant and equipment, intangible assets and investment properties that were reaching their initial estimated useful lives. The effect of this revision has reduced the depreciation charges for the current and future periods by R 7 716 810.

51. Water Losses

Water Losses for uMhlathuze Municipality calculated at a variable cost per kilolitre amounts to:

Total produced and purchased (KL)	32 596 276	35 232 475
Total Sold (KL)	24 094 620	25 985 940
Water Loss (KL)	8 501 656	9 246 535
% Loss	26	26
Variable Cost / KL	4	4
Loss in rand value	34 006 624	37 078 605

Water Losses are attributed to the following reasons:

Non-technical reasons: Included in these losses is measured water through bulk meters supplying the Traditional Areas of Mkhwanazi South, North and Dube. However individuals are not metered yet hence not billed and therefore recorded as lost at this stage.

Technical reasons: Aged reticulation without sufficient replacement, refurbishment and maintenance.

Notes to the Annual Financial Statements for the year ended 30 June 2017

Figures in Rand

52. Electricity Losses

Electricity losses for uMhlathuze Municipality calculated at a unit cost per kilowatt amount to:

Total Purchases (KW)	1 155 330 744	1 396 529 283
Total Sold (KW)	1 068 081 471	1 302 300 100
Electricity Loss (KW)	87 249 273	94 229 183
% Loss	8	7
Unit Cost / KW	1.06	1.00
Loss in rand value	<u>81 141 823</u>	<u>64 274 183</u>

Electricity losses are attributable to the following reasons:

Non-technical reasons : Theft, unmetered supply and error in metering.

Technical reasons : Electrical resistivity in the network. Ageing of network without sufficient replacement, refurbishment and maintenance. Incorrect meter calibration and monitoring.

Supplementary Schedules

Appendix A

June 2017

Schedule of external loans as at 30 June 2017

Loan Number	Redeemable	Balance at 30 June 2016	Received during the period	Redeemed written off during the period	Balance at 30 June 2017	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand		
Development Bank of South Africa							
Development Bank of SA	10593	2018/03/31	1 828 511	-	861 455	967 056	-
Development Bank of SA	10594	2017/03/31	474 403	-	474 403	-	-
Development Bank of SA	10595	2017/03/31	1 781 163	-	1 781 163	-	-
Development Bank of SA	10596	2017/03/31	414 482	-	414 482	-	-
Development Bank of SA	10597	2018/03/31	2 447 669	-	1 138 994	1 308 675	-
Development Bank of SA	10600	2017/03/31	808 363	-	808 363	-	-
Development Bank of SA	10601	2017/03/31	480 473	-	480 473	-	-
Development Bank of SA	10602	2017/03/31	121 537	-	121 537	-	-
Development Bank of SA	103170	2018/12/31	89 201 762	-	32 671 986	56 529 776	-
Development Bank of SA	103494	2019/06/30	13 028 710	-	4 057 713	8 970 997	-
Development Bank of SA	103494	2019/06/30	42 412 637	-	12 579 226	29 833 411	-
			152 999 710	-	55 389 795	97 609 915	-
Annuity loans							
Rand Merchant Bank	UMHL	2019/06/30	5 281 123	-	1 897 291	3 383 832	-
INCA		2019/06/28	86 658 981	-	26 450 770	60 208 211	-
Nedbank	05/7831/2	2019/12/31	90 172 056	-	22 338 141	67 833 915	-
Nedbank	7831003878/3	2022/06/17	55 334 176	-	7 198 956	48 135 220	-
Nedbank	7831003878/4	2024/06/28	80 000 000	-	10 000 000	70 000 000	-
Standard Bank	407554	2026/06/30	-	385 500 000	37 062 222	348 437 778	-
			317 446 336	385 500 000	104 947 380	597 998 956	-
Total external loans							
Development Bank of South Africa			152 999 710	-	55 389 795	97 609 915	-
Annuity loans			317 446 336	385 500 000	104 947 380	597 998 956	-
			470 446 046	385 500 000	160 337 175	695 608 871	-

Appendix B

June 2017

Analysis of property, plant and equipment as at 30 June 2017

	Cost/Revaluation						Accumulated depreciation							
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Land and buildings

Land (Separate for AFS purposes)	525 026 950	-	-	-	-	-	525 026 950	-	-	-	-	-	-	525 026 950
	525 026 950	-	-	-	-	-	525 026 950	-	-	-	-	-	-	525 026 950

Infrastructure

Roads, Pavements & Bridges	3 330 781 176	118 267 708	-	-	-	9 788 873	3 458 837 757	2 200 820 204	-	-	(83 126 813)	-	2 283 947 017	1 174 890 740
Transmission & Reticulation	681 506 292	8 082 619	-	-	-	62 221 363	751 810 274	(265 358 666)	-	-	(30 052 241)	-	(295 410 907)	456 399 367
Water purification	4 684 937 378	3 466 949	-	8 517 973	-	93 045 974	4 789 968 274	3 207 285 756	-	(2 893 378)	(110 694 831)	-	3 320 873 965	1 469 094 309
Sewerage purification	1 583 283 271	6 626 975	-	-	-	58 371 148	1 648 281 394	(864 747 866)	-	-	(44 887 656)	-	(909 635 522)	738 645 872
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	2 923 262	-	-	-	-	-	2 923 262	(384 422)	-	-	(103 377)	-	(487 799)	2 435 463
Waste Management	-	1 526 468	-	-	-	-	1 526 468	-	-	-	(87 319)	-	(87 319)	1 439 149
Pedestrian Malls	25 411 905	-	-	-	-	-	25 411 905	(16 275 198)	-	-	(1 234 326)	-	(17 509 524)	7 902 381
Other (fibre optic, WIFI infrastructure)	-	24 041 145	-	-	-	-	24 041 145	-	-	-	(422 701)	-	(422 701)	23 618 444
Security Measures	19 596 122	-	-	-	-	-	19 596 122	(13 256 654)	-	-	(1 936 501)	-	(15 193 155)	4 402 967
	10 328 439 406	162 011 864	-	8 517 973	-	223 427 358	0 722 396 601	6 568 128 766	-	(2 893 378)	(272 545 765)	-	6 843 567 909	3 878 828 692

Community Assets

Parks & gardens	13 662 813	3 403 368	-	-	-	-	17 066 181	(7 740 018)	-	-	(496 785)	-	(8 236 803)	8 829 378
Sportsfields and stadium	115 093 922	-	-	-	-	4 927 883	120 021 805	(21 576 311)	-	-	-	-	(21 576 311)	98 445 494
Swimming pools	35 386 835	1 374 561	-	-	-	-	36 761 396	(15 115 909)	-	-	(1 202 670)	-	(16 318 579)	20 442 817
Community halls	26 223 186	4 954 357	-	13 426 000	-	-	44 603 543	(9 506 317)	-	(1 409 005)	(2 359 435)	-	(13 274 757)	31 328 786
Libraries	17 719 385	43 155	-	2 529 824	-	-	20 292 364	(7 263 830)	-	(749 885)	(710 607)	-	(8 724 302)	11 568 062
Recreational facilities	67 311 117	10 495 956	-	10 379 738	-	-	88 186 811	(30 679 210)	-	(1 049 596)	(4 160 071)	-	(35 888 877)	52 297 934
Clinics	4 021 125	464 233	-	-	-	-	4 485 358	(217 647)	-	-	(182 624)	-	(400 271)	4 085 087
Public conveniences	8 057 133	-	-	-	-	-	8 057 133	(6 624 259)	-	-	(825 044)	-	(7 449 303)	607 830
Land main investments	54 541 111	-	-	-	-	-	54 541 111	(12 319 034)	-	-	-	-	(12 319 034)	42 222 077
Cemeteries	20 232 054	219 350	-	-	-	-	20 451 404	(5 301 449)	-	-	(765 417)	-	(6 066 866)	14 384 538
Fire, safety & emergency	13 107 220	-	-	-	-	5 910 392	19 017 612	(1 344 016)	-	-	(279 783)	-	(1 623 799)	17 393 813
Buses / Taxi ranks	-	-	-	4 204 185	-	-	4 204 185	-	-	(443 627)	(5 361 212)	-	(5 804 839)	(1 600 654)
	375 355 701	20 954 980	-	30 539 747	-	10 838 275	437 688 703	(117 688 000)	-	(3 652 093)	(16 343 648)	-	(137 683 741)	300 004 962

Appendix B

June 2017

Analysis of property, plant and equipment as at 30 June 2017

Cost/Revaluation							Accumulated depreciation						
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	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
Painting and art galleries	2 766 994	-	-	-	-	-	2 766 994	-	-	-	-	-	-	2 766 994
	2 766 994	-	-	-	-	-	2 766 994	-	-	-	-	-	-	2 766 994
Specialised vehicles														
Other assets														
General vehicles	148 627 132	12 908 481	(6 168 726)	435 900	-	-	155 802 787	(85 397 003)	4 300 420	(250 537)	(13 428 326)	-	(94 775 446)	61 027 341
Plant & equipment	142 381 107	22 317 659	(73 423)	4 128 144	-	-	168 753 487	(50 529 829)	59 629	(1 151 278)	(23 046 691)	-	(74 668 169)	94 085 318
Furniture & Fittings	16 608 321	565 912	-	2 563 346	-	-	19 737 579	(8 524 867)	-	(1 527 914)	(10 132)	-	(10 062 913)	9 674 666
Office Equipment	49 151 312	1 480 937	(1 086 890)	433 679	-	-	49 979 038	(28 599 495)	996 430	(294 232)	(9 296 982)	-	(37 194 279)	12 794 759
Emergency Equipment	1 318 253	-	-	-	-	-	1 318 253	(541 188)	-	-	-	-	(541 188)	777 065
Other buildings	234 578 179	8 539 662	-	4 514 259	-	8 595 939	256 228 039	(110 869 237)	-	(2 013 662)	(12 644 810)	-	(125 527 709)	130 700 330
Land main investments	69 849 075	-	-	-	-	-	69 849 075	(31 276 777)	-	-	-	-	(31 276 777)	38 572 298
Bins and Containers	7 762 008	-	-	-	-	-	7 762 008	(4 002 869)	-	-	-	-	(4 002 869)	3 759 139
Water craft	352 552	-	-	-	-	-	352 552	(266 860)	-	-	-	-	(266 860)	85 692
Housing development	177 958 149	9 575 555	-	-	-	-	187 533 704	(10 435 666)	-	-	(1 895 824)	-	(12 331 490)	175 202 214
	848 586 088	55 388 206	(7 329 039)	12 075 328	-	8 595 939	917 316 522	(330 443 791)	5 356 479	(5 237 623)	(60 322 765)	-	(390 647 700)	526 668 822

Appendix B

June 2017

Analysis of property, plant and equipment as at 30 June 2017

Cost/Revaluation						Accumulated depreciation							
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	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	525 026 950	-	-	-	-	-	525 026 950	-	-	-	-	-	-	525 026 950
Infrastructure	10 328 439 406	162 011 864	-	8 517 973	-	223 427 358	0 722 396 601	8 568 128 766	-	(2 893 378)	(272 545 765)	-	6 843 567 909	3 878 828 692
Community Assets	375 355 701	20 954 980	-	30 539 747	-	10 838 275	437 688 703	(117 688 000)	-	(3 652 093)	(16 343 648)	-	(137 683 741)	300 004 962
Heritage assets	2 766 994	-	-	-	-	-	2 766 994	-	-	-	-	-	-	2 766 994
Other assets	848 586 088	55 388 206	(7 329 039)	12 075 328	-	8 595 939	917 316 522	(330 443 791)	5 356 479	(5 237 623)	(80 322 765)	-	(390 647 700)	526 668 822
	12 080 175 139	238 355 050	(7 329 039)	51 133 048	-	242 861 572	2 605 195 770	7 016 260 557	5 356 479	(11 783 094)	(349 212 178)	-	7 371 899 350	5 233 296 420
Agricultural/Biological assets														
Intangible assets														
Investment properties														
Total														
Land and buildings	525 026 950	-	-	-	-	-	525 026 950	-	-	-	-	-	-	525 026 950
Infrastructure	10 328 439 406	162 011 864	-	8 517 973	-	223 427 358	0 722 396 601	8 568 128 766	-	(2 893 378)	(272 545 765)	-	6 843 567 909	3 878 828 692
Community Assets	375 355 701	20 954 980	-	30 539 747	-	10 838 275	437 688 703	(117 688 000)	-	(3 652 093)	(16 343 648)	-	(137 683 741)	300 004 962
Heritage assets	2 766 994	-	-	-	-	-	2 766 994	-	-	-	-	-	-	2 766 994
Other assets	848 586 088	55 388 206	(7 329 039)	12 075 328	-	8 595 939	917 316 522	(330 443 791)	5 356 479	(5 237 623)	(80 322 765)	-	(390 647 700)	526 668 822
	12 080 175 139	238 355 050	(7 329 039)	51 133 048	-	242 861 572	2 605 195 770	7 016 260 557	5 356 479	(11 783 094)	(349 212 178)	-	7 371 899 350	5 233 296 420

Appendix D

June 2017

Segmental Statement of Financial Performance for the year ended

Prior Year			Current Year		
Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand	Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality					
1 083 350	97 928 317	(96 844 967)	8 226 407	39 644 147	(31 417 740)
449 778 680	375 551 385	74 227 295	550 358 209	157 295 086	393 063 123
2 660 759	42 303 830	(39 643 071)	22 210 509	79 593 342	(57 382 833)
-	16 197 876	(16 197 876)	262 286	403 938	(141 652)
12 959 834	87 311 587	(74 351 753)	15 523 873	74 671 854	(59 147 981)
102 059 853	26 254 959	75 804 894	13 136 784	15 815 290	(2 678 506)
12 222 507	144 056 147	(131 833 640)	21 054 811	96 776 017	(75 721 206)
11 259 531	175 584 553	(164 325 022)	17 938 868	129 683 818	(111 744 950)
-	-	-	192 984	7 376 782	(7 183 798)
319 367 162	313 658 060	5 709 102	370 084 879	343 308 102	26 776 777
11 959 837	265 988 402	(254 028 565)	38 223 768	186 598 923	(148 375 155)
448 534 719	483 195 174	(34 660 455)	505 190 903	497 125 516	8 065 387
392 407 707	186 840 662	205 567 045	586 734 649	308 833 917	277 900 732
785 655	745 846	39 809	610 720	120 412	490 308
765 079 594	215 616 798	(450 537 204)	149 749 650	937 247 144	212 502 506
Municipal Owned Entities					
Other charges					
(44 001 084)	(618 803 969)	574 802 885	(54 303 020)	(55 035 523)	732 503
(44 001 084)	(618 803 969)	574 802 885	(54 303 020)	(55 035 523)	732 503
765 079 594	215 616 798	(450 537 204)	149 749 650	937 247 144	212 502 506
(44 001 084)	(618 803 969)	574 802 885	(54 303 020)	(55 035 523)	732 503
721 078 510	596 812 829	124 265 681	095 446 630	882 211 621	213 235 009

Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003
June 2017

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts			Quarterly Expenditure				Grants and Subsidies delayed / withheld	Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act
		Sep	Dec	Mar	Sep	Dec	Mar	Jun			
Cleanest Town Award	Nat - Dept of Water Affairs	-	-	-	-	5 992	-	-	-	None	No
Water Services Operating Subsidy	Nat - Dept of Water Affairs	-	-	-	-	-	-	-	(1 049 215)	Grant unspent	Yes
Municipal Infrastructure Grant	National Treasury	28 907 000	30 893 000	40 017 000	19 357 551	16 858 366	17 520 398	46 080 817	-	None	No
Financial Management Grant	National Treasury	2 537 000	-	-	272 134	672 549	330 957	2 537 000	-	None	Yes
Equitable share EPWP	National Treasury	116 901 164	68 724 000	65 872 000	-	-	-	-	-	None	Yes
Infrastructure Skills Development Grant	National Treasury	1 265 000	2 278 000	1 518 000	935 793	850 204	917 305	2 357 698	(5 773)	Grant unspent as at 16/17	Yes
Municipal Demarcation Grant	National Treasury	3 000 000	-	3 500 000	1 213 538	1 105 164	740 165	819 165	-	None	Yes
Municipal Water Infrastructure Electrification	National Treasury	1 943 000	2 914 000	1 457 000	382 461	1 676 883	1 608 837	2 645 819	-	None	Yes
Municipal Water Infrastructure	National Treasury	15 276 000	25 460 000	-	-	254 099	19 593 045	20 888 855	(9 344 019)	Grant unspent as at 16/17	Yes
Museum	KZN - Dept of Educ & Culture	-	-	-	-	-	-	-	(349 157)	Grant unspent as at 16/17	Yes
		-	-	175 000	2 888 434	2 160 353	552 722	1 644 398	-	None	Yes

Esikhwini Hostel Refurbishment	KZN - Dept of Housing	196 182	152 261	133 070	1 619 044	2 031 426	2 764 178	3 346 169	-	None	Yes
Housing Operational Account	KZN - Dept of Housing	-	-	800 800	2 531 355	2 583 975	2 566 427	2 438 700	-	None	Yes
Discount Benefit Scheme	KZN - Dept of Housing	5 376	5 504	5 210	-	38 000	-	59 000	-	None	Yes
Libraries - Internet Access	KZN - Dept of library services	-	-	1 432 000	239 685	250 858	346 578	255 791	-	None	Yes
Library Subsidy	KZN - Dept of library services	-	-	7 506 000	4 565 378	4 526 148	4 533 553	6 388 733	-	None	Yes
Beach Protection Asset	King Cetshwayo D	-	-	-	-	160 628	-	-	-	None	Yes
Donated Refuse Grant	King Cetshwayo DM	-	-	-	-	-	-	5 624 601	-	None	Yes
Richards Bay Airport	King Cetshwayo D	-	-	-	-	-	-	318 040	-	None	Yes
	KZN - Economic Development & Tourism	-	-	1 000 000	-	-	-	-	-	-	
Service delivery on Electrical Services	KZN - COGTA	-	-	-	-	-	7 103	-	-	-	
Land use Management	KZN - COGTA	-	-	-	-	5 422	1 552	1 236	-	-	
Tourism Development	KZN - COGTA	-	-	-	238 670	-	300 829	590 801	-	-	
		170 030 722	130 426 765	123 416 080	34 244 043	33 180 067	51 783 649	95 996 823	(10 748 164)		

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

TOP RATED RISKS 2016/2017

TOP RATED RISKS 2016/2017

Risk ranking	Risk reference and name			Residual Risk Rating
1	ITS01: Total water shutdown			25
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS	
	C1. Drought C2. Climate change C3. Aging infrastructure C4. Non- availability of water C5. Contamination C6. Failure at treatment plants	I1. Industry shut down I2. Business interruptions I4. Health care- inability to deliver essential services I5. Inability to fight fires I6. Community unrest I7. Disruption of Education I8. Disruption of Civil services I9. Escalation of crime I10. Financial loss I11. Litigation I12. Loss of life I13. Environmental pollution I14. Disease outbreak I16. Damage to municipal infrastructure (pipelines, sports fields) I17. Decreased investor confidence I18. Roll over effect on job creation, industrial development and economic growth	CM1. JOC- management structure- ad hoc basis CM2. Desalination plant for DWS (10ML/day- fed into M See) CM4. Drought awareness program CM5. War on leaks program CM6. Pipe replacement program CM7. Pressure management CM8. Water restrictions- level 4 CM9. Drought tariffs CM10. Lake Mzingazi preparedness (water treatment) CM11. Sampling around all surface water and reporting thereon	
2	ITS09: Failure to successfully execute capital projects			25
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS	
	C1. Inadequate management of project cycle C2. Inadequate organisational structure C3. SCM processes C4. Inadequate specifications	I1. Inability to deliver services to communities I2. Community unrest I3. Decreased investor confidence I4. Increased unemployment I5. Increased social ills I6. Reputational damage I7. Negative impact on equitable share I8. Withdrawal of grant funding	CM1. SDBIP CM2. Procurement plans CM3. Performance monitoring CM4. Timeous planning for projects CM5. Project Steering Committee	
3	ITS07: Ineffective Fleet Management			25

	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Aged fleet C2. Substandard workshop C3. Inadequate organisational structure C4. Inadequate training for workshop C5. Poor fleet management system C6. Inadequate funding C7. Historical ineffective fleet management C8. Unmatched fleet resource planning with growth of the City	I1. Inability to deliver services to communities due to downtime I2. Fruitless expenditure due to idle labour I3. Community unrest I4. Litigation and increased damage claims I5. Loss of life and injury to public I6. Business interruption I7. Decreased investor confidence I8. Increased unemployment I9. Increased social ills I10. Negative impact on corporate climate I11. Additional financial pressure on Council fiscus	CM1. Fleet management policy CM2. Results of fleet audit CM3. Outsourcing of specialized repairs and maintenance CM4. Geotab vehicle tracking system CM5. Promis financial system CM6. Discussion around audit findings with M Team- presentation
4	ITS13: Coastal Erosion		25
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Adverse weather conditions and storms C2. Scouring of Beach Sand through currents from harbour construction and shipping activities	I1. Loss of life I2. Negative impact on tourism/ economy I3. Negative impact on investment I4. Inability to maintain Blue Flag Status I5. Reputational damage	CM1. Beach Replenishment Sand Bypass Scheme through Sand Pumping. CM2. Construction of Geobag Revetment Wall
5	CD02: Poor standard of living in rural and urban areas for vulnerable groups		25
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Lack of funding C2. Unplanned settlements C3. Lack of co-ordination between Ingonyama Trust and the municipality C4. Lack of integrated approach to Rural Development C5. Demand is higher than supply of housing due to lead time to deliver housing: Due to, amongst others, C6. Infrastructure challenges C7. Land availability challenges. C8. Vast land parcels owned by private individuals and business	I1. Lack of access to services I2. Growth of informal settlements I3. General health and social issues I4. Hampered disaster management due to unplanned settlement in floodline areas I5. Degradation of natural resources I6. Additional pressure on municipal services and infrastructure on boundaries of formalized settlements (R293 towns) I7. Inability to plan effectively and deliver various services due to budget implications - Pressure on social facilities (clinic, schools), pressure on services, pollution, pressure on housing availability, settlement in unsafe areas (floodlines, etc.), pressure on public transport facilities I8. Vandalisation of completed housing structures I9. Inability to meet over growing demand for housing I10. Community unrest	CM1. Provision of RDP houses (not all citizens in informal settlements qualify for RDP houses) CM2. National Upgrading Support Program (NUSP)- incremental upgrading of informal settlements CM3. Engagements with ITB aimed at having a dialogue around settlement issues on an ad-hoc basis (limited capacity at ITB to hold meetings results in meeting only during crises) CM4. National Housing Needs Register available online on DOHS website (user specific access) CM5. Level 2 Accreditation CM6. Restructuring zones CM7. Refurbishment of hostels

6	COMS01: Inadequate public safety and security		25
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Municipal security- inadequate contract management C2. Land invasion C3. Inherited / historical imbalances C4. Challenges in enforcing legislative requirements- municipal, SAPS C5. Financial constraints C6. Unavailability of fleet C7. Inaccessible roads C8. Electricity load shedding C9. Lack of resources C10. Social ills- drug and alcohol addiction C11. High rates of unemployment, low economic growth and sustainability of industries C12. High levels of poverty and inequality C13. Low levels of education C14. Insufficient collaboration between government and private sector to combat unemployment, specifically in regard to the youth C15. Weaknesses in the Justice System C16. Inadequate Local Economic Development C17. Insufficient stakeholder engagement C18. Fraud and Corruption- Lack of controls C19. Poor understanding of the ramifications of Fraud and Corruption C20. Poor Management C21. Poor Oversight C22. Development unmatched to resource availability.	I1. Loss/ damage to property I2. Loss of life, injuries I3. Legal non-compliance I4. Reputational damage I5. Loss of trust in political leadership I6. Negative impact on staff morale I7. Inability to deliver services I8. Service delivery protests I9. Financial losses I10. Loss of time spent on investigations I11. High staff turnover I12. Loss of investor confidence I13. Business interruption I14. Service interruptions I15. Negative impact on economy I16. Negative impact on tourism I17. Increased informal settlement putting pressure on service delivery I18. Litigation- financial implications I19. Theft of assets I20. Compromised safety of employees I21. Lower standard of living I22. Socio- economic impact I23. Increased levels of crime I24. Mismanagement of public funds I25. Compromised governance I26.	CM1. Outsourced service- Security contract divided to enhance service levels CM2. Contract monitoring- SLA's CM3. Public participation- Ward committees, Community Policing Forum CM4. Collaboration with SAPS CM5. Comprehensive Security assessment conducted by NIA in 2011 CM6. SOPS CM7. Bylaw enforcement officers- enforcing only traffic related Bylaws- nuisance, etc CM8. Escorts to high risk areas CM9. Improved Security/ Crime awareness- capacitation of municipal officials to conduct awareness programs CM10. Report on the progress on CCTV project (part of Crime Prevention Strategy)
7	CD25: Unplanned settlements on Council owned land (including environmentally sensitive areas); land invasions of non-Council owned plan (including environmentally sensitive areas)		25
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	1. Perceived: social and economic opportunities, availability of housing, general affordability of land and services, service delivery expectations post settlement 2. Lack of institutional arrangements/structures to facilitate engagement between Council, Traditional Leaders and ITB. 3.	I1. Inability to plan effectively and deliver various services due to budget implications - Pressure on social facilities (clinic, schools), pressure on services, pollution, pressure on housing availability, settlement in unsafe areas (floodlines, etc.), pressure on public transport facilities	CM1. Strategic planning documents, i.e. SDF, Municipal Housing Sector Plan, Land Use Management System and interventions such as the NUSP (National Upgrading Support Plan) for informal settlements CM2. Functionality of existing liaison structures between

	Implementation of the Ingonyama Trust Act (xxx) in conflict with legislation governing local government such as MFMA, PDA, MSA, MPRA etc. in respect of planning for land, subdivision of land, planned installation of services as well as rates and taxes.		government and Traditional Councils to be improved in relation to development issues (Corporate Services) CM3. No control measure at local government level, to be addressed at Provincial and National Government level
8	OMM17: Inadequate Fraud Risk management		25
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Inadequate fraud risk assessment C2. Lack of fraud risk management implementation C3. Lack of reporting and monitoring tools	I1. Poor progress of risk maturity I2. Unmanaged fraud risks resulting in poor service delivery and unnecessary expenditure I3. Non- compliance to legislative requirements and PSRMF I4. Wasteful expenditure I5. Reputational damage I6. Community unrest I7. Adverse corporate climate	CM1. Fraud risk policy CM2. Establishment of an Ethics and Fraud, Bribery and Corruption Prevention Plan and Task Team to steer the process
9	ITS08: Failure of and shortened economic lifespan of infrastructure and facilities		20
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Lack of detailed Asset Management Plans C2. Inadequate funding for maintenance of assets C3. Inadequate condition assessment of infrastructure C4. Over commitment of available resources C5. Inadequate assessment of impact of environment on infrastructure C6. Insufficient governance over asset management	I1. Inability to deliver services to communities due to downtime I2. Increased expenditure due to emergencies, replacements and non-rehabilitation (Deviations) I3. Community unrest I4. Litigation and increased damage claims I5. Loss of life and injury to public I6. Business interruption I7. Decreased investor confidence I8. Increased unemployment I9. Increased social ills I10. Reputational damage	CM1. Asset Maintenance Plans (baseline) CM2. ICT Systems- various CM3. Limited budget for Asset Management
10	CD11: Increased unemployment		20
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Large number of community members not having minimum/necessary skills as required by the Private sector. C2. Insufficient funding for skills empowerment	I1. Unemployable community members- due to lack of skills. I2. Increased unemployment rate. I3. Crime and Poverty I4. Closure of businesses due to losses from crime. I5. Reputational damage for the City I6. Negative impact on investment	CM1. Provision of Technical Skills Training in partnership with Private and Public sector CM2. Lobbying for funding from SETA's
11	COMS10: Occurrence of disasters		20

	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Natural disasters- Governments reactive stance C2. Man- made disasters C3. Lack of beach contingency planning C4. Lack of resources C5. Climate change C6. Poor stakeholder relations C7. Lack of co-ordination between departments C8. Human migration C9. Shortage of health facilities C10. Environmental pollution- waste management, sanitation, lack of services C11. Social behaviour C12. Overcrowding, slums, land invasion C13. Poor co-ordination between district and local municipality C14. Lack of preventative measures C15. Lack of City wide strategic plan for dealing with disasters C16. Inadequate beach management- NPA failing to dredge as per agreed timeframes C17. Poor town planning- proximity of human settlements to industry Inadequate planning for beach contingency (funding) C18. Inadequate planning for Sporting events	I1. Loss of life, injuries I2. Service/ Business interruption I3. Economic downturn/ Negative impact on economy I4. Property damage I5. Litigation I6. Disease outbreak I7. Displacement of people- socio economic impact I8. Negative impact on tourism I9. Environmental degradation/damage/pollution I10. Influence on development I11. Total communication failure I12. Beach erosion	CM1. Disaster Management Contingency Plan CM2. Disaster Management Advisory forum- quarterly CM3. Industrial Disaster Advisory forum- quarterly CM4. Emergency Exercises- Industries/ Government departments CM5. Community awareness campaigns CM6. Provincial funding for major disasters provided when the need arises CM7. Basic relief material CM8. Air quality monitoring CM9. Joint Operation Committee / S4 Planning meetings / Response systems CM10. Standby duties at major events CM11. Disaster Management Amendment Act 16 of 2015 (original DM Act 57 of 2002) CM12. National Disaster Management Framework CM13. Disaster Risk Assessment: Ward level- collaboration with UDM
12	FS02: Failure to meet mSCOA deadline		20
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Uncertainty as a result of implementation of an ERP system C2. Differing expectations of internal and external stakeholders C3. Complete or partial non-functioning of the system, including seldom-used processes such as Project based accounting module, General enquiry module, Interface with Sub-ledger systems, Assets module, National Treasury upload, Exception analysis report for new mSCOA versions, Database still under control of Service Provider C4. Uncertainty regarding accounting transactions across all segments of mSCOA C5. Change management around budgeting by projects aligned to the IDP	I1. Protracted acceptance stages and re-work of solutions I2. Missed timelines, poor quality and/or incomplete requirements. I3. Hampered business processes, therefore Service delivery adversely affected due to system process bugs and training delays I4. Non- payment of equitable share from NT I5. Non- compliance with legislation I6. Reputational damage	CM1. Development and testing of interface with General Ledger sub-systems CM2. Additional requirements identified and prioritized. CM3. Change Management processes in place- budget preparation meetings with departments CM4. SLA bi-monthly progress meetings CM5. Adjustment of Scope of Classification to a phased approach CM6. Attendance of National Treasury technical workshops CM7. Adherence to mSCOA circulars CM8. Sensitizing of Management during management meetings on the changes that will be resulting from the implementation of the new modules CM9. Quality and continuity in the approach to End-user Training

			CM10. Workflow control administration in place
13	FS13: Compromised service delivery/Non-adherence to legislative requirements		20
	POSSIBLE CAUSES	POSSIBLE IMPACTS	MITIGATIONS
	C1. Lack of business planning C2. Unclear scope and specifications C3. Lack of technology and market/industry needs	I1. Wasteful expenditure I2. Service delivery protests I3. Customer dissatisfaction I4. Adverse audit opinion I5. Fraud and corruption I6. High total cost of ownership I7. Increased tariffs to cover costs I8. Disputes and lawsuits I9. Low Capital expenditure	CM1. IDP CM2. Budget CM3. Procurement plans and SDBIP CM4. Bid committee system CM5. SCM Policy CM6. Recruitment and Selection Policy CM7. Procedure manuals CM8. ICT Backup system