

ANNUAL

REPORT

2020/2021

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DISCLAIMERS

This annual report is given for information purposes only and is not exhaustive. While we believe this report's content is accurate, we cannot pledge that it is without fault at all. There may be mistakes and omissions or inadequate for your specific purposes. uMshwathi Municipality does not assume responsibility or liability for any error, failure, or other outcomes, which may result from you depending on its information. You can engage with the Municipality regarding the report's content by visiting the Municipality website, www.uMshwathi.gov.za.

COORDINATES

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UMshwathi Municipality

Integrated Annual Report



For the Financial Year ended 30 June 2021

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The annual report provides our community and stakeholders with information regarding the Municipality's performance against set objectives outlined in the 2020/2021 Integrated Development Plan (IDP), Annual Budget, and the Performance Agreements signed by Municipal Senior Management. The report combines the financial information with a narrative account of performance to paint a complete performance picture.

The report shares the Municipal Council's level of commitment towards good corporate governance and seeks to promote a greater understanding of the Municipality's functioning, responsibilities, and priorities.

The annual report's information is limited to matters on which the Municipality has the statutory capacity to exert its control. We hope you will find the information to be both insightful and accurate. Your engagement and feedback on the report help us enhance its standard and potential quality and is most welcome.

The Annual Report is divided into two volumes and has six chapters as outlined:

Chapter 1: Mayor's Foreword and Executive Summary;

Chapter 2: Governance;

Chapter 3: Service Delivery Performance;

Chapter 4: Organisational Development Performance and PMS;

Chapter 5: Financial Performance;

Chapter 6: Auditor General's Findings; and Opinion

Appendix

Annual Financial Statements

ANNEXURE A: ANNUAL PERFORMANCE REPORT 2020/2021 (FULL REPORT)

Chapter 1

STRATEGY OVERVIEW

To promote social-economic development through sustainable and effective use of resources and dependable delivery of essential services in line with Constitutional mandate and continually strive to remain a green Municipality.

To be a healthy, secure, and self-sustainable community by 2030

- Caring and putting people at the centre stage of all development processes.
- Being democratic, open, and transparent;
- Adhering to a high standard of integrity and morality;
- Supporting anti-corruption drive;
- Constantly improving its business processes in pursuit of excellence and best practice.
- Supporting the development of staff and councillors as a necessary condition of strengthening local governance.

"uMshwathi Owethu, Let's build together."

ESSENTIAL INFORMATION

Chapter 1

CATEGORY B

Mayor

Honourable G.M Zondi

Deputy Mayor

Cllr. M.P Dlamini

Speaker

Cllr. N.P Mdunge

Municipal Manager

Mr N.M Mabaso

Chief Financial Officer

Mr R. Mani

General Manager: Community Services

Mr B.T Zondi

General Manager: Corporate Services

Mrs T.T Mathenjwa

General Manager: Technical Services

Mrs N.P Mncube

Monday to Friday (7:30 – 16:00)

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COMPONENT A: MAYOR'S FOREWORD

The COVID-19 pandemic has placed many significant obstacles and uncertainties for organisations and businesses at all levels. The municipality had to develop new strategies to balance the health and economy and continue operating. We had to learn and implement simultaneously, and we're currently working our way through this sensitive learning process.

The uMshwathi Council has developed a set of strategic objectives that are connected with national and provincial strategic focus areas and goals. This is meant to assist the municipality in achieving particular specific deliverables and goals and the realisation of its vision.

The provision of essential services and creating an environment conducive to economic growth are fundamental obligations of the municipality, and this will not change. Because of the pressing issues of unemployment, poverty, and inequality that we face today, the role of local government has become even more vital. Our culture of consultation and cooperation with other government agencies, stakeholders, and citizens will at all times remain unchanged.

I remain concerned regarding the municipality's failure to sustain a favourable audit opinion. Hence, we have regressed twice in audit opinions received over the last five years. These results misrepresent all our effort towards good governance and sound financial management. We must work tirelessly to prevent a similar occurrence in the following financial years.

Finally, I'd like to express my gratitude to Municipal Council, members of the Executive Committee, Municipal Manager, all of our staff, and the community for everything they do in pursuit of making uMshwathi a safe, healthy, and self-sufficient place to live.

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Lessons learnt during the year will continue to influence our efforts and guide our mission as we attempt to rebuild in 2021, and we look forward to that future.

Cllr GM Zondi

Mayor

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

The COVID-19 epidemic has a significant impact on our global and local communities, affecting our well-being, finances, and social ties. Meanwhile, uMshwathi remained committed to providing its citizens with the best possible living conditions despite the "new normal" imposed by COVID-19.

In a challenging year, uMshwathi residents stayed strong and supported one another. I am pleased with the progress made by the Municipality of uMshwathi in 2020 and look forward to even more in 2021, despite the difficulties and inconveniences caused by COVID-19.

Council and all other committee meetings were moved to an online format when the risks of in-person gatherings became clear. Additionally, uMshwathi citizens could participate in municipal decision-making and acquire information about the municipality via virtual public gatherings.

Our capital projects were impacted negatively during this period, although most of them started during the year, and we could use up our whole MIG budget. Although our Municipality's efforts to enhance the lives of uMshwathi citizens go mostly unnoticed at times, we do everything we can to make our community their lives better.

The Municipality used the Performance Management System (PMS) as a method for evaluating, assessing, the implementation of our IDP and gauging the progress achieved toward reaching its goals. Our overall achievement for the year was 83.6%. This results were heavily and negatively impacted by an unforeseen operating condition over a pandemic health conditions.

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The national lockdown made it more difficult for municipalities to collect their debts, and it compounded the numerous operational issues that companies and governments at all levels were already dealing with. Despite all these challenges the municipality was able to retain a health financial operating condition.

The municipality's revenue grew by 14% to R224.5 million in the fiscal year (2020: R197.2 million). Having spent the whole amount of its capital expenditure budget, the municipality ended up with an R24.1 million deficit, primarily because of an increase in provisions.

In light of a determination that the management of municipal assets does not fully conform with the applicable general recognised accounting practise, all necessary steps will be taken to change the qualified audit opinion acquired during the year.

We really appreciate the dedication and hard effort put in by the entire staff, the administration, and the Council during the last year. It is a pleasure to be a member of a family that is so focused on making uMshwathi a better place to live and work.

NM Mabaso

Municipal Manager

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1.2. POPULATION

Age Groups	2001	2011	2016
0 - 4	11 858	12 584	14 408
5 - 9	10 803	11 047	14 054
10 - 14	16 553	11 251	14 177
15 - 19	12 853	12 251	11 242
20 - 24	10 145	10 838	10 317
25 - 29	8 537	9 149	9 036
30 - 34	6 710	7 026	8 307
35 - 39	6 288	6 189	5 058
40 - 44	5 298	4 817	5 167
45 - 49	4 320	4 789	4 229
50 - 54	3 921	4 192	4 214
55 - 59	2 720	3 520	3 530
60 - 64	2 604	3 198	3 591
65 - 69	1 791	1 880	1 837
70 - 74	1 400	1 458	1 296
75 - 79	1 163	926	566
80 - 84	715	681	325
85 +	359	577	291
Total population	108 038	106 374	111 645

Source: Municipal IDP 2021/2022

The table above shown the municipality population from 2001 to 2016 as reported South Africa Statistics.

DEMOGRAPHY SPLIT INTO THREE BROAD AGE GROUP

Age Groups	2001	2011	2016
Children and young Adolescents (under 15 years old)	39 214	34 882	42 639
Working age (15 – 34years)	38 245	39 264	38 902
Adults (35 – 64 years)	25 151	26 705	25 789
Elderly (above 65 years older)	5 428	5 522	4 315
Total population	108 038	106 373	111 645

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Age Groups Demographics



From 2001 to 2016, the population increased by 3.3%, as shown in the preceding three tables. In 2016, children under the age of 15 accounted for 38% of the total population, followed by youth aged 15 to 34 (35%), adults aged 35 to 64 (23%), and individuals over 65 (4%). Between 2001 and 2016, this pattern has remained the same.

1.3. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The level of economic difficulties on the Global and National scale is rising due to substantial infrastructure backlogs, high unemployment, and the COVID 19 pandemic. In response, the government searches for more robust and resilient plans and strategies to identify and implement a responsive approach to deal with these challenges.

The government primarily exists to offer services to its citizens that would make life worthwhile. As a result, local governments are established as the third tier of government in South Africa to bring the government closer to the people at the grassroots level and alter lives at the rural level.

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One of the most effective means of bringing government closer to the people at the grassroots level is providing services in an acceptable, timely, effective, and adequate manner, among other things. uMshwathi local government continues to make an effort to remove the obstacles that have hindered the ability to expedite service delivery and create an environment conducive to economic development.

uMshwathi Municipality is a vital growth node for the district and province. As a result, its spatial development frameworks must be compatible with the surrounding communities and comply with applicable legislation. Collaboration with nearby municipalities is essential for the following reasons:

- Ensure a unified district and provincial vision for infrastructure development
- For the efficient delivery of services, community and economic development
- Maximise the competitive advantages available across local borders.
- Prevent incompatible projects and land uses from being implemented on opposing sides of a border.
- Enable residents to access amenities such as government services across municipality boundaries

COVID-19 Pandemic

In these historic and challenging times, the municipality's capacity to effectively communicate with a wide range of stakeholders has never been more critical. Things are constantly changing, and each transition necessitates a new requirement to reduce the negative impact of the complex COVID-19 variant.

The municipality has responded positively to the national government safety response protocol. Keeping the community informed and supported to help them navigate the constantly shifting living situation remains essential. Some of the responses during the

Chapter 1

COVID-19 outbreak include increased use of virtually assembled to conduct political and day-to-day affairs and improve the cleanliness level of our living environment.

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1.4. SERVICE DELIVERY OVERVIEW

The Municipality is one of seven local municipalities that form the uMgungundlovu District Municipality. In terms of square kilometres, the Municipality is the largest in the District. uMshwathi Local Municipality is surrounded by beautiful scenes of hills, farm plantations, rivers, a dam transversal road that mixes all the benefits and challenges of semi-rural area living.

With more than 111 645 people, the Municipality covers 1 811 square metres. The municipality enjoys the advantageous located near the Provincial Capital Municipality of KwaZulu-Natal Province and is located just below 100 kilometres from Ethekwini Metropolitan, the province's economic hub. Whilst the scope for intra-transport improvements remains extensive, access to major economic areas and other regions is unrivalled.

The area infrastructure, land use, and economy are predominantly centred on agricultural activities. Hence the area ranks predominantly among the greenest Municipality in the province. The ownership and access to economic activities are primarily skewed on the basis traceable to the previous economic and political dispensation. Its scenic green landscape characterises the Municipality, precious cultural heritage, thriving agricultural economy, unrivalled access to the regional and logistics networks, and the beautiful Albert Falls and Nagle Dam.

The most underdeveloped periphery residential area provides a setting of unparalleled natural beauty.

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SERVICE DELIVERY

The socioeconomic data provided in the following paragraphs informs and complements the Integrated Development Plan (IDP). The information plays an essential role in deciding on the allocation of resources such that the most efficient resource allocation can be achieved. In this manner, service delivery can be enhanced, most value can be received on every rand amount spent, and a more robust democratic culture can continue to be cultivated.

The Municipality focuses on improving access to sustainable and reliable service delivery and local economic development. We will continue to promote economic growth activities and measures that preserve our environment and people. Our goals are consistent with the objectives of the KZN Provincial Growth and Development Plan (PGDS) and the National Development Plan (NDP) 2030.

Waste management, roads, and storm water are some of the basic services provided to the community of uMshwathi Municipality. Planning and economic development, environmental, housing, library, cemeteries, community, sport and leisure, traffic, and disaster services are among the other services provided. Chapter 3 of the Annual Report describes these services in-depth.

The uMgungundlovu District Municipality is responsible for supplying water and sanitation. Eskom is in charge of direct electricity supply to consumers within the Municipality's borders. Electricity is available to more than seventy per cent of the population for cooking and other uses. The electricity backlog is getting phase-out at a significant rate annually.

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DEMOGRAPHIC PROFILE

According to Statistics South Africa's 2016 Community Survey, uMshwathi has 116,645 people. This figure accounts for about 10% of Umgungundlovu District's overall population of 1,095,865. IsiZulu is the most spoken language in the area, with just a tiny per centage of the population speaking English as a home language.

DEVELOPMENT AND PLANNING

Some areas of the Municipality have witnessed development encroachment on previously undeveloped sites. This modernization is necessary for several associated beneficial consequences. Recently, modern dwellings are sprouting in the middle of impoverished and traditional villages. This attests to urbanization as the driver for rural-urban transformation. Slums are frequently seen in the middle of modern growth, with no discernible development pattern. At times, immediate assistance is required. Several urgent interventions are being used to address the imbalance, including rural regeneration, slums clearance, repair of destroyed structures, and revitalization to establish formal systems in such environments.

uMshwathi Land Use Management (LUM) is the Municipality's primary policy guide for future growth. It is one of the Municipality's critical components in its Spatial Development Plan. The LUM, which has been amended throughout time, represents the Municipality's smart growth principles by focusing future development along transit corridors to maximise the advantages of the Municipality's multi-modal transportation choices and existing infrastructure. Additionally, the County strives to balance uMshwathi's diverse land uses and its cultural and natural resources. uMshwathi's has developed into a world-class community due to its dedication to thorough and deliberate community planning and its adherence to established regulations.

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HOUSEHOLDS

UMshwathi Local Municipality is projected to have 29 083 homes (Source: Community Surveys: 2016). In the area, 51.5 per cent are houses, 37.7 per cent are conventional dwellings, 6.2 per cent are shantytowns, 3 per cent are backyard flats, and 1.8 per cent are classified as "other." The following table summarises the total number of households by housing type.

INCOME LEVELS

Many people struggle with unemployment and a lack of income to maintain their families and sustain their way of life. Individual monthly income levels in the municipality continue to be dangerously low, with 92 per cent of the population surviving on less than R3 200 in monthly income. As a result, low family income levels continue to be a significant economic issue, increasing the community's reliance on government handouts and financial assistance.

According to the findings of research studies, there is a significant relationship between income and poverty. Having this information is critical for effective local economic development planning, which will ultimately result in a substantial decrease in poverty within the Municipality.

EMPLOYMENT

According to the 2016-census report, the area's overall unemployment rate was 24.9%, with youth employment sitting at 31.5%. The Municipality has experienced a high unemployment growth from 2001 to 2011. The high unemployment rate could be attributed partly to the economic recession, which dramatically affected the country's economic growth rate. A high unemployment rate is often associated with the number of illiterate people. Based on the latest statistics indicators, the impact of COVID-19 is expected to have a negative impact on the unemployment rate.

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LOCAL ECONOMY

The economic backbones of the area are farming, government services, retail, limited mining, and local industries. There is also a flourishing livestock industry, which includes cattle, crocodiles, poultry, and skins, among other things. Agri-cultural processing operations, particularly sugar and wood processing activities, account for the majority of manufacturing activity in the municipality. Commercial farmers and subsistence farmers are the two types of farmers that operate in the local agricultural industry.

It is estimated that five agricultural sectors account for more than 92 per cent of the district's total economic output. Agriculture, manufacturing, wholesale and retail commerce, finance, community service, and homes are some of the industries involved. A slight decrease of 2.4 per cent is seen in agriculture and forestry compared to the overall province trend during the period under consideration.

While manufacturing is showing a 2 per cent decrease at the provincial level, it seems to be steady at little more than 14 per cent at the district level. Community service is increasing at a rate of about 2% each year. According to the 2016 census, agriculture is the primary source of income for 33 per cent of the households in the Municipality. According to the graph of households by type of activity, families engaged in agricultural planting are the second most common kind of activity.

NATURAL RESOURCES

Natural resources, both renewable and non-renewable, and ecosystem services, constitute a significant portion of our municipality's contribution to the country's economic wealth. They contribute to the collection of taxes, the payment of salaries,

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and the alleviation of poverty. It is natural capital that serves as the foundation for the production of other forms of capital.

The municipality activities support the management of natural resources sustainably, given their inherent significance. When it comes to ensuring that natural resources contribute to the long-term economic development of our local economy, we play an essential role as part of the government.

Land	Opportunities for agriculture and alternative energy sources
Water dams	Tourism opportunities
Labour force	Human capital provides an opportunity for local economic development

1.5. FINANCIAL HEALTH OVERVIEW

Numerous factors have a significant effect on the municipality's financial health as a whole. Both internal and external causes cause these financial circumstances, and their consequences vary depending on the municipality's demographic and socio-economic characteristics.

The municipality fulfils its financial commitments prudently, provides basic services, delivers infrastructure, and maintains its operations without the need for forced borrowing for more than ten years. The limited capacity to earn money via own methods is an obvious source of frustration due to large pieces of land under Ingonyama Trust.

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FINANCIAL POSITION	R'000	2021	2020
		R	R
Total Assets		368 182	384 542
Total Liabilities		19 839	12 092
Net Accumulated Surplus		348 343	372 450

The municipality's net accumulated surplus declined by 6.5% in 2021; this can be mainly attributable to a reported deficit of R24.1 million in operating results for the reporting period.

FINANCIAL PERFORMANCE	R'000	2021	2020
		R	R
Revenue from Non-Exchange Transactions		217 895	190 241
Revenue from Exchange Transactions		6 616	6 942
Total Revenue		224 511	197 183
Expenditure		248 618	158 170
(Deficit) / Surplus for the year		(24 107)	39 013

The municipality reported a deficit of R24.1 million is due mainly to an increase in provisions.

1.6. ORGANISATIONAL DEVELOPMENT OVERVIEW

The municipality uses organizational development to build the internal capacity necessary to fulfil its purpose and maintain itself over time effectively. Council and Staff members are motivated to engage and tackle complex municipality challenges and keep their eyes focused on accomplishing the municipality's mission and development. Amongst the critical consideration for municipality development are the five concerns as explained below:

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- **Municipality survival** – A deliberate thought is given to activities and actions that need to be taken to survive and continue delivering on its mission. This is done within the regulator's legislations and the municipality's policies.
- **High performance** – In a quest for high performance, the municipality strives for continuously developing technological resources that improve the quality of work.
- **Revenue enhancement.** - Raising more resources for mission work - when organisations improve their capacity for assessment, communication, cooperation, and fundraising, they could draw additional resources to enhance the level and impact of their programme work.
- **"Walking our talk"** - by concentrating on the principles that underpin mission work, OD has compelled companies to commit to internalising what they aim to achieve externally.
- **Developing staff** may enhance programme outcomes by cultivating an atmosphere in which individuals feel appreciated and strive for continuous learning and development; staff and board members improved their enthusiasm and effectiveness in pursuit of the goal.

1.7. AUDITOR GENERAL REPORT

The municipality received a qualified audit opinion for the year under consideration. This was attributable to our failure to treat the municipality fixed assets in compliance with the appropriate generally recognised accounting practice. A plan of action has been devised to remedy the situation and return the municipality to the status of consistently receiving unqualified audit opinions.

Audit Opinion	Unqualified	Unqualified	Qualified	Unqualified	Qualified

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1.8. STATUTORY ANNUAL REPORT PROCESS

NO.	ACTIVITY	TIMEFRAME
1.	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	
2.	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3.	Finalize the 4th quarter Report for the previous financial year	
4.	Submit the draft year 2020 Annual Report to Internal Audit and Auditor-General	
5.	Audit/Performance committee considers the draft Annual Report of the Municipality	
6.	Mayor tables the draft unaudited Annual Report	August 2021
7.	Municipality submits draft Annual Report including annual financial statements and performance report to Auditor General	Covid 19 Pandemic
8.	Annual Performance Report as submitted to the Auditor General to be provided as input to the IDP Analysis Phase	
9.	Auditor General audits Annual Report including Annual Financial Statements and Performance data (COVID 19 deal)	November – February
10.	Municipalities receive and start to address the Auditor General's comments	
11.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
12.	Audited Annual Report is made public, and representation is invited	January 2022
13.	Oversight Committee assesses Annual Report	
14.	Council adopts Oversight report	March 2022
15.	Oversight report is made public	
16.	Oversight report is submitted to relevant provincial councils	
17.	Commencement of draft Budget/ IDP finalization for the next financial year. Annual Report and Oversight Reports being used as input	January – March 2022

The significance of meeting the dates mentioned above and ensuring that the Council-approved IDP, Budget, and Performance Management System are implemented cannot be overstated since failing to do so would result in the municipality being unable to function.

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Ward Committee Functionality	All Ward Committees are functional
Good Governance	<ul style="list-style-type: none">• Council fully functional• Sound Risk Management exercised.• Sound oversight role through MPAC and other role players• Audit and Performance Committee functional.• Section 79/80 Committee meetings were fully functional.• IDP/Budget and PMS approved on time• Sound community and media perception
Operation Sukuma Sakhe	Uniforms were distributed to various schools within uMshwathi
Sound Financial Management	Sustained municipality financial and political stability
Ward Committee Report-back to Respective Constituencies	Building capacity to Ward Committee members to manage and report back to constituencies
Attendance of Portfolio Committees by members	To regulate attendance of meetings by public representatives, Council has to review the rules of the Committee(s)
Combined assurance	Revive interaction between MPAC and Audit and Performance Committee

OUTPUT

Sound political and administrative governance is based on meaningful public involvement and the observance of all relevant laws and regulations, among other things.

INTRODUCTION TO GOVERNANCE

This chapter discusses the municipality's governance, public involvement, and management. While working towards realising the municipality's goal, which is to "become a healthy, safe, and self-sufficient community by 2030," it is critical that the municipality be managed in a way that encourages good governance and accountability. When it comes to service delivery, the Municipality strives for excellence by striking a balance between community needs and the constitutional and legal framework applicable to local government while also making the most available resources to ensure that services are delivered efficiently and cost-effectively.

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COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

Governance is concerned with the "how" in which an organisation is run. A clear distinction is made in the administration of uMshwathi between the politically elected structure (Councillors serving on the Council) responsible for the municipality's oversight and legislative functions and those matters which the municipality has retained as its functions. Other elected Councillors serve as full-time office bearers who are involved in the day-to-day operation of the Municipal Council from a political standpoint, especially the Executive Mayor in conjunction with the Mayoral Committee, the Speaker, and the administration of the Municipal Council.

An elected Municipal Council, an Executive Committee, and Section 79/80 Committees are all part of the political component of the municipality's structure. The Speaker of the Council is the Chairperson of the Council, while the Mayor is the Chairman of the Executive Committee, which consists of five members. To the Speaker, it is incumbent upon them to oversee the administration of Council and Councillors' adherence to the

Code of Conduct for Councillors (CCC). On the other hand, the mayor is in charge of the Executive Committee as well as the day-to-day operations of the Municipality Council. This promotes healthy relationships inside the Council and a distinct line of demarcation between tasks.

The Speaker serves as the council's chairman. The Executive Mayor is in charge of the administration, which is supported by an Executive Committee of five (5) members. The Council's organisational structure is discussed later in this chapter.

2.2 ADMINISTRATIVE GOVERNANCE

The Municipal Manager, who also serves as the organization's Accounting Officer, is in charge of the administration and oversees the whole operation. To guarantee that duties, responsibilities, and decision-making powers are clearly defined and unambiguous inside the organisation, powers have been delegated to the various functions.

T 2.1.1

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Mayor is responsible for identifying the municipality's needs; reviewing and prioritising those needs; recommending to the municipal council strategies, programmes, and services to address priority needs through the integrated development plan and revenue and expenditure estimates, taking into account any applicable national and provincial development plans; and recommending or dissenting from any relevant national or provincial development plans.

When the mayor is away or unavailable, or when the mayor's office is vacant, the deputy mayor exercises the mayor's powers and performs the mayor's responsibilities. The mayor may appoint a deputy mayor to perform specific tasks.

The Speaker preside over council meetings and performs the responsibilities and executes the powers given to him by section 59 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); [S 37(b) was amended by section 14(a) of Act 51 of 2002. Must guarantee that the council meets at least quarterly; maintain order during meetings; and ensure that the council and its committees adhere to the Code of Conduct set down in Schedule 1 to the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). Must see that council meetings are conducted in line with the Council's rules and regulations.

COUNCIL

Political decisions are made through official Council sessions, during which all participating political parties have the chance to debate issues on the agenda, followed by the adoption of resolutions. If consensus cannot be established, things are submitted to a vote following a debate. Councillors are the guardians of community needs and are subject to various statutory responsibilities under the many pieces of law that regulate the municipality's existence and operation. Municipal councils are subject to the following legal duties under section 160(2) of the South African Constitution:

- Approval of the municipality's Integrated Development Plan;
- Approval of the municipality's annual budget.
- Approve and imposition of service charges, tariffs, taxes, and other costs.

-
- Supervise the yearly budget presentation, approval of service delivery and budget implementation plans, and execute annual performance agreements and personnel contracts for S54/56 managers.
 - Adoption and yearly review of municipal policies
 - Approval of loan raising
 - Adoption of by-laws

The Independent Electoral Committee has concluded that the overall number of councillors and seats in 2020 will be twenty-seven (27). This total includes fourteen (14) wards and thirteen (13) councillors elected on a proportional representation basis. Appendix A and the following paragraphs provide a complete list of councillors, including the names of the portfolio committees on which they serve.

The Municipality elected the following Councillors to represent uMshwathi at the uMgungundlovu District Municipality (UMDM).

Cllr S.J. Luthuli Cllr G.H. Ngcobo Cllr B.K. Mkhize

THE EXECUTIVE COMMITTEE

The Executive Committee supports the Executive Mayor. Each member of the Executive Committee has a portfolio with specific functions. The Executive Mayor may delegate specific responsibilities to each member of the Executive Committee. Any powers and duties delegated to the Executive Mayor by the Municipal Council must be exercised and performed by the Mayor together with the other members of the Mayoral Committee.

SECTION 79/80 - PORTFOLIO AND OVERSIGHT COMMITTEES

Five Section 80 committees have been created, namely Finance Services, Corporate Services, Infrastructure and Planning, Community Services, Local Economic Development, and Community Services, to advise the Executive Mayor on policy and other topics. They are allocated to focus on specific functional areas of the Municipality and are solely delegated authority to make decisions on specific operational concerns. Council appoints the members. The Executive Mayor appoints chairpersons who are full-time Councillors and are members of the Mayoral Committee.

Additionally, three Section 79 committees have been established to assist the local Council, namely the Municipal Public Accounts Committee, the Audit Committee, and the Risk and Fraud Management Committee. T 2.1.3

FINANCE SERVICES PORTFOLIO COMMITTEE

The Finance Portfolio Committee consists of seven (7) councillors and is led by Cllr. GM Zondi (The Mayor). The purpose of the Committee is to advise the Council on matters relating to the budget, revenue, supply chain management, and treasury functioning.

Table : Finance Portfolio Committee

Name of member	Capamunicipality
Cllr G.M. Zondi	Chairperson
Cllr M.P. Dlamini	Member
Cllr N.A. Thusi	Member
Cllr N. Gasa	Member
Cllr M.Z. Mbewana	Member
Cllr A.T. Ndlovu	Member
Cllr M.V. Mncwabe	Member
Mr R. Mani	Chief Financial Officer

CORPORATE SERVICES PORTFOLIO COMMITTEE

The Corporate Services Portfolio Committee consists of five (5) councillors and is led by Cllr. M.P Dlamini (Deputy Mayor). The role of the Committee is to advise the Executive Committee on administration and operational support, legal issues, strategic human resources and personnel services.

Table: Corporate Services Portfolio Committee

Name of member	Capamunicipality
Cllr M.P. Dlamini	Chairperson
Cllr G.H. Ngcobo	Member
Cllr N. Ngubane	Member
Cllr S.J. Luthuli	Member
Cllr B.K. Mkhize	Member
Mrs T.T. Mathenjwa	GM: Corporate Services

INFRASTRUCTURE AND PLANNING SERVICES PORTFOLIO COMMITTEE

The Infrastructure and Planning Services Portfolio Committee consists of five (5) councillors and is led by Cllr. N.E Cebekhulu.

This Committee monitors and advises the Council on the Technical and Community Services' functioning and implements the Council's resolution, especially capital projects resolutions. Its duties extended to formulating policies and by-laws relating to infrastructure and community services.

Table: Infrastructure and Planning Services Portfolio Committee

Name of member	Capamunicipality
Cllr N.E. Cebekhulu	Chairperson
Cllr M. Mngadi	Member
Cllr S. Jila	Member
Cllr N.R. Khanyile	Member
Cllr M. Dumakude	Member
Mrs N. Mncube	GM: Technical Services

COMMUNITY SERVICES PORTFOLIO COMMITTEE

The Community Services Portfolio Committee consists of nine (6) and is chaired by councillors Cllr. S.M Mbatha-Ntuli.

The Community Services Committee aims to assist the executive committee in economic development, planning development, and environmental management.

Table: Community Services Portfolio Committee

Name of member	Capamunicipality
Cllr S.M. Mbatha – Ntuli	Chairperson
Cllr C.S. Dube	Member
Cllr L.P. Zondi	Member
Cllr M.P. Majazi	Member
Cllr M.N. Shezi	Member
Cllr B.E. Mncube	Member
Cllr B.T Zondi	GM: Community Services

UMshwathi Municipality made extra efforts to include the Ward Committees and Councilors in the maximum of administrative functions and outputs possible at all levels. Any inputs or comments from the committees are reflected or accommodated in the reports pertaining to Council matters.

Ward Committees are also involved in commenting on reports such as the Annual Report so that they are up to date with changes and developments within the municipality and inform the community. A report has to follow a lengthy process to ensure all role-players are aware and supportive of the recommendations before being included in the Council agenda. This ensures a high level of public participation and promotes our institutional value system, articulated by our values statement.

Reports are generally forwarded from the meeting of the Municipal Manager with the Heads of Department (MANCO) to the Section 80 – Portfolio Committee. EXCO

members chair portfolio Committee. According to the delegated powers, EXCO reports are submitted to Council for resolution or recommendation and then to Council for approval.

After the Council Meeting, resolutions are then captured into the Resolution Register, which is regularly updated after each meeting. The role player is then notified about the implementation to execute the work and is monitored. The ward committees are then informed about the progress of the resolution, and the community is then informed; this is the process of community participation.

MUNICIPAL PUBLIC ACCOUNT COMMITTEE (MPAC)

The Committee consists of (5) Councillors under the leadership of Cllr. E.B Mbongwe held (xx) meeting during the year under review.

MPAC is part of the Section 79 committees whose mandate is to advise the Municipal Council. Council established the Municipal Public Accounts Committee (MPAC) to perform an oversight function on behalf of the Council over the executive functionaries of the Council. The MPAC, inter alia, serves as an oversight body to make recommendations to the Council when it adopts the Oversight Report on the Annual Report in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

The committee met on ten occasions during the year under review and mainly dealt with the compilation of the Oversight Report on the 2019/2020 Annual Report and considering matters relating to unauthorised, irregular, fruitless and wasteful expenditure.

Chapter 2

Table: Municipal Public Accounts Committee

Name of member	Capamunicipality
Cllr. E.B. Mbongwe	Chairperson
Cllr T. Dlame	Member
Cllr N. Nzama	Member
Cllr R. Govender	Member
Cllr. P.M Dladla	Member
Mr S.N. Lunga	Senior Manager MM's Office

The committee carried out the following duties during the period under review.

The MPAC activities are directed by the committee using terms of reference as approved by the Council during the Committee establishment. Annual the Council further approved the MPAC work plan to ensure operational efficiency. The following paragraphs summarise the committee's annual work activities.

The Committee noted and expressed appreciation for the effort to remedy all of the items listed in the audit action plan. However, any unsolved issues with fixed assets and the cash flow statement must still be addressed, as they may result in undesired audit outcomes in the end.

The Committee remained concerned over the municipal hall's utilisation and encouraged the administration to do a financial and management review to ensure that these facilities were handled and maintained effectively. Additionally, the Committee would like the municipality to hold service providers accountable for their contractual responsibilities, as evidenced by project delays and other concerns.

MPAC is closely monitoring the expenditures associated with the ongoing COVID19 epidemic. The public's curiosity was stirred by a broad outcry reported in other

government sectors. The investigation sought to ascertain whether or not the expenditure complied with current SCM and associated standards.

The committee also conducted and concluded an investigation into UIF and W expenditures and presented Council with accepted recommendations without alteration.

Other committee activities included the following:

- Capital projects implementation review
- Financial situation consideration
- Consideration of report relating to Fixed Asset Register
- Land Audit
- Maintenance
- Motor-Vehicle Licencing Bureau (MLB)
- Revenue
- Municipal debt

Annual Oversight and Reporting

As a result of the shutdown regulation, the oversight activities for the municipality's annual report were delayed. Public hearings on the annual report began in early April 2021 and concluded in May 2021, followed by a Council discussion of the Annual Report in May 2021, which resulted in its acceptance.

As part of combined assurance, MPAC is coordinating a plan to have the joint sitting with the Audit and Performance Committee in future.

AUDIT COMMITTEE

The Audit Committee is constituted in terms of sections 166(2) and 166 (6) (b) of the Municipal Finance Management Act, No. 56 of 2003 (MFMA). The Audit Committee is an independent advisory body that must advise the Council of uMshwathi Municipality (Council), Accounting Officer, and uMshwathi Municipality management (Municipality) on matters relating to:

Internal control;

- Risk management;
- Accounting policies;
- Adequacy, reliability and accuracy of financial reporting and information;
- Annual financial statements;
- Performance management;
- Governance;
- Compliance with MFMA, DoRA and other applicable legislation;
- Issues raised by the Auditor-General and Internal Audit; and
- Monitoring and evaluation of the Internal Audit Unit.

The Audit Committee consists of three members and one official with appropriate competence and experience required to perform the duties as outlined in the Charter. Council appointed members of the Audit Committee for a three (3) year term which ends in December 2022.

The Audit Committee meets every quarter and submits reports regarding their recommendations to Council can be found in Appendix G of the Annual Report. Council reviews the Audit Committee Terms of Reference annually to ensure compliance with legislation and governance best practices.

The following members served on the Audit Committee for the 2020/21 financial year:

Table : Audit Committee

Name of member	Capamunicipality
Ms P. Nzimakwe	Chairperson
Ms N. Zondo	Member
Mr A. Singh	Member
Mr S.N. Lunga	Senior Manager MM's Office
Internal Auditors (Support)	

The committee carried out the following duties during the period under review:

- Considered management reports for the period ended 30 June 2021 submitted by the Municipality to the Audit Committee;
- Reviewed the quality, adequacy, accuracy, and reliability of financial and performance information;
- Reviewed management responses to issues raised by the Auditor-General and discussed control measures put in place to address the issues submitted; and
- We reviewed various reports from the Internal Auditors and the report on the adequacy and effectiveness of internal control systems.
- We considered the report on the audit action plan.

The Audit Committee reviewed and made inputs on the following policies:

- Business Continuity Management Framework
- Risk Register
- Budget 2021/2022
- SDBIP
- Performance Management System
- Internal Audit Plan

RISK COMMITTEE'S

The Risk and Fraud Management Committee is a subcommittee of the Audit and Performance Committee of uMshwathi Municipality, and as such, the arrangement is that the Risk Committee reports to the Audit and Performance Committee on a quarterly basis.

The King IV Report on Corporate Governance in South Africa (commonly known as King IV) launched on 01 November 2016 and became effective for organisational implementation on 01 April 2017. Assists organisations in both the public and private sectors in ensuring that their corporate governance practices, including risk governance and management practices, are sufficient. For this reason, King IV does assist organisations with their risk management processes in that it sets out the risk management process as consisting of :

- the identification of possible risks through a risk assessment exercise;
- the analysis of the identified risks to determine their impact on the organisation in terms of its goals and objectives;
- the evaluation of the risks;
- the response to the risks through mitigating measures (that are part of the risk management plan) according to the organisation's risk appetite and tolerance;
- as well as the monitoring of the risks and the review of the implementation and monitoring results.

NEED FOR, AND IMPORTANCE OF, RISK MANAGEMENT

In line with King IV, the Local Government: Municipal Finance Management Act (MFMA), Act No. 56 of 2003, views the issue of risk management in a very serious light. Section 62(1)(c)(i) of this legislation emphasises the need for risk management by prescribing that: "(1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all responsible steps to ensure that (c) the municipality has and maintains effective, efficient and transparent systems of (i) financial and risk management and

internal control". This is also emphasised by Section 95(c)(i) which dictates that "The accounting officer of a municipal entity is responsible for managing the financial administration of the entity, and must for this purpose take all reasonable steps to ensure that (c) the entity has and maintains effective, efficient and transparent systems (i) of financial and risk management and internal control".

Based on the above, uMshwathi Municipality, through the Office of the Municipal Manager, committed itself during the 2020/2021 financial year to implementing an effective, efficient and transparent risk management system aligned to the principles of good corporate governance. The municipality undertook a risk management process to ensure that all potential risks were identified and adequately managed during the year under review.

COMPOSITION/MEMBERSHIP

The Risk and Fraud Management Committee is constituted by the municipal employees and independent chairperson who are the following: the Municipal Manager; the Executive Management Team (Section 57 appointees); the Senior Manager in the Office of the Municipal Manager who is presently responsible for the risk management function because there is no appointed Chief Risk Officer due to financial constraints; one external; as well as a non-executive person who serves as an independent Chairperson of the Committee.

ROLE AND RESPONSIBILITIES

The Risk Committee performs an oversight function on behalf of the Audit and Performance Committee, which reports directly to the Council as the municipality's governing body.

In performing its oversight role, the Risk Committee ensures the following takes place:

- That the risk management strategy, the risk management policy, and risk management action plan are all in place;
- the risk appetite and risk tolerance are determined;
- the risk assessment exercise is performed annually/regularly;
- The municipality has and maintains an effective ongoing risk assessment process consisting of risk identification and quantification, and risk evaluation;
- the municipality's practices concerning risk assessment and risk management are reviewed and evaluated; and
- significant issues identified by the Internal Auditors with regard to risk management and compliance activities are reviewed.

MEETINGS HELD

The Risk Committee held four meetings during the financial year under review as follows:

1. 13 August 2020
2. 26 November 2020
3. 29 March 2021
4. 07 June 2021

TOP FIVE RISKS FOR THE MUNICIPALITY

The municipality identified and implemented mitigating measures during the financial year under review with respect to the following top five risks identified by the municipality after an intensive process of risk assessment, risk analysis, and risk evaluation, which are tabulated below:

1.	Lack of infrastructure maintenance	Inadequate Maintenance plan Inadequate security. Lack of asset verification.	Loss of physical property. Accelerated degradation of property. Safety hazard to users. Exposure to public liability.	Critical
2.	Sluggish EPWP programme	Lack of understanding of programme and guidelines	Non-compliance with National Expanded Public Works Programme and	Critical
3.	Poor implementation of projects	Absence of and/or lack of timely submission of service level agreements.	Project delays and disagreements. Delay in service delivery.	Critical
4.	Lawlessness and disorderly conduct	Lack of enforcement capamunicipality. Need for	Inadequate bylaws. Non-compliance with building regulations	Critical
5.	Ineffective management of Municipal roads	Inadequate Roads Maintenance plan. Inadequate human capital such as Technicians. Lack of Plant, Tool and Equipment. Delays in procurement of material. Lack of asset verification	Public liability claim. Avoidable road accidents. Accelerated depreciation of road asset	Critical

PERFORMANCE IMPROVEMENT

The municipality is working to ensure continued improvement in its planning and implementation practice. Some of the steps taken during the year in this regarding are as follows:

- Development of workplan for 2021/2022. This is the first time that a work plan has been developed and approved by a municipal committee for the 2021/2022 financial year, which will help the Committee better direct and increase its performance.

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- Development of reporting framework for quarterly reports to the Audit and Performance Committee.
 - Mandatory submission of quarterly risk management reports to internal auditors for verification and quality assurance.

ACHIEVEMENTS

Timeous and successful conducting of risk assessment for 2020/2021. Development, approval and implementation of, amongst others, the following risk management instruments to assist in focusing and directing the risk management processes and activities of the municipality; some of which (marked with an asterisk) exist for the first time in the history of the municipality:

- Risk management strategy
- Risk management policy
- Fraud prevention plan
- Whistle-blowing policy*
- Anti-corruption policy*
- Business continuity management framework*
- Risk governance and management action plan

SUMMARY OF COMMITTEE WORK DURING THE FINANCIAL YEAR

The Risk Committee undertook, amongst others, the activities highlighted below during the 2020/2021 financial year:

- Reviewing risk strategy, risk policy framework, and risk policy.
- Reviewing annual risk management framework.
- Reviewing risk register for 2020/2021 financial year.
- Monitoring implementation of the risk management plan.
- Reviewing the developed business continuity management framework.

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- Reviewing whistle-blowing policy, anti-corruption policy, and risk committee work plan for 2021/2022.
 - Developing and reviewing reporting framework for Risk Committee quarterly reports to the Audit and Performance Committee.

Resolutions taken

- Integrated risk strategy and policy recommended for approval.
- Whistle-blowing policy recommended for approval by Council.
- Anti-corruption policy recommended for approval by Council.
- Risk management framework recommended for approval.
- Risk management plan and risk register recommended for approval.
- Business continuity management framework recommended for approval by Council.
- 2021/2022 Risk Committee Workplan recommended for approval by the Audit and Performance Committee.
- Reporting framework for quarterly reports to the Audit and Performance Committee approved.
- Round Robin Template approved.

Plans for the future

The Risk Committee's plans for the 2021/2022 financial year are contained in its 2021/2022 Workplan, which highlights, amongst others, the following critical activities to be undertaken in 2021/2022:

- a) Receiving and reviewing reports on fraudulent activities.
- b) Monitoring declaration of interests on agenda items.
- c) Annually reviewing the risk management framework.
- d) Reviewing the risk management charter.
- e) Evaluating the effectiveness of the implementation of a fraud prevention policy.
- f) Ensuring that the performance of the Risk Committee is conducted annually.

- g) Reviewing the risk register.
- h) Considering reports on compliance with Occupational Health and Safety (OHS) policy and regulations.
- i) Ensure that internal auditors review risk management reports for verification and quality assurance purposes.
- j) Reviewing risk management reports verified and quality assured by internal auditors.

COVID-19 AND RISK MANAGEMENT AND THE MUNICIPALITY'S RESPONSE

Effective risk management holds the key to achieving organisational goals and objectives, particularly with regard to bolstering the effectiveness and efficiency of organisational operations; compliance with established applicable legislation, regulations, procedures and directives; and the reliability of financial reporting.

There is no doubt that the outbreak of the COVID-19 pandemic impacted negatively on institutional operations in terms of effectiveness and efficiency, compliance with relevant laws and regulations, and reliability of financial reports as a result of the deliberate flouting of procurement legislation, policies, regulations, procedures, and directives; thereby leading to increased levels of fraud and corruption, particularly in the procurement of personal protective equipment (PPE), water tanks, food parcels and blankets.

The pandemic also caused profound disruptions to employees' lives and organisational activities, such as holding mandatory meetings. Under this situation, the Municipality was also called upon to adjust its organisational management approach to counter the threats/risks posed by the pandemic to its operations, compliance and risk management efforts. The table below captures and summarises the impact of COVID-19 on the municipality and how the municipality responded to COVID-19 challenges.

Chapter 2

No.	Impact	Threats/Risks Posed	Municipality's Response
1.	Non-convening of public meetings (including IDP community & public consultation meetings) due to lockdown regulations.	Public participation disrupted – threat to community development initiatives being community needs-driven.	
2.	Significant negative impact on municipal revenue and budget - loss of revenue due to low collection rate as a result of non-payment for services by residents for services who have lost their jobs; and reduction of funds to deal with COVID-19.	<p>Inadequate financial resource capamunicipality due to less available revenue for service delivery, infrastructure, and maintenance and appointment of critical personnel; leading to the following:</p> <ul style="list-style-type: none"> • Inadequate human resource capamunicipality; thereby crippling service delivery. • Reduced operating capamunicipality. • Suspension of purchase of critical equipment. • Non-completion of already started projects; leading to community dissatisfaction and possible protests. 	
3.	Deferment, suspension, or postponement of construction, repairs, maintenance and upgrade projects due to reduced operating financial and human resource capamunicipality.	Reduced or non-delivery of services to communities; leading to community dissatisfaction and protests.	
4.	Non-holding of statutory/mandatory governance/management meetings due to lockdown regulations.	Non-compliance with statutory provisions, e.g. the Municipal Finance Management Act.	Hosting of virtual meetings.
5.	Negative impact on employee health - possible infection of employees in the workplace as they work in closed spaces.	<ul style="list-style-type: none"> • Threat to employees' right to life. • Reduced human resource capamunicipality. • Statutory non-compliance, e.g. non-compliance with the provisions of the Occupational Health and Safety Act (OHSA), Act No. 85 of 1993 and associated regulations. 	<p>The municipality implemented the work-from-home arrangement; although this posed a threat to the following:</p> <ul style="list-style-type: none"> • Human resource supervision and monitoring. • Compliance with established policies, procedures and directives.

CHALLENGES AND REMEDIAL MEASURES IMPLEMENTED/PROPOSED

Chapter 2

The challenges highlighted and tabulated below, which faced the municipality during the financial year under review, are worth noting:

No.	Challenges	Remedial Measures
1.	Inadequate financial resource capamunicipality, e.g. lack of funds to appoint risk management-related personnel such as Chief Risk Officer.	Use of Senior Manager in the Office of the Municipal Manager to drive risk management processes and activities.
2.	Inadequate human resource capamunicipality. Non-appointment of key personnel such as Chief Risk Officer due to financial constraints. Lack of education, competence and experience in risk management is an issue; hence the difficulty of linking risk management to the overall municipal strategy.	<u>Short-term</u> - Use of Senior Manager in the Office of the Municipal Manager to drive risk management processes and activities. <u>Long-term</u> – Appointment of Chief Risk Officer through prioritisation of existing funded posts in order to fund this critical position. Creating awareness and educating municipal employees about the importance of risk management through information-sharing and capamunicipality-building workshops.
3.	Lack of overwhelming support and involvement in risk management processes from both managerial and non-managerial employees due to lack of risk knowledge and risk awareness at all levels of the municipal hierarchy; hence measuring the performance of risk management remains difficult.	Creating awareness and educating both managerial and non-managerial municipal employees about the importance of risk management through information-sharing and capamunicipality-building workshops
4.	Difficulty of creating an appropriate municipal culture for risk management; thereby leading to lack of cultural capamunicipality for openness. measuring the performance of risk management.	Creating the necessary cultural capamunicipality for openness through awareness raising, education, and appointing heads of departments as risk champions.

KEY OBSERVATIONS

The municipality does not currently have the necessary adequate financial and human resource capacity to undertake full-scale risk management activities. Some staff members are overloaded, which negatively impacts on risk management at large.

CONCLUSION

There is no doubt that the 2020/2021 financial year was a challenging and busy one for the Office of the Senior Manager (where the risk management function is located and driven from) in the Office of the Municipal Manager due to the outbreak of the coronavirus (COVID-19) and accompanying challenges, such as increased levels of procurement fraud and corruption in public sector institutions in the country in general; as well as reduced financial resource capamunicipality for municipal operations.

LOCAL LABOUR FORUM

When an organisational Rights Agreement and a Main Collective Agreement are signed between an employer representative body and a labour union, the Local Labour Forum is responsible for keeping both safe and secure. This year's financial year (2019/2020) saw the forum have eight meetings total. Listed below are the primary goals and objectives of the Local Labor Forum.

The ability to engage in meaningful engagement and conversation with both labour and management on a continuous basis. Enables both the union and management to meet in a productive environment for a free and open exchange of ideas and to get a deeper knowledge of important issues and changes within the organisation. As a platform, members of both parties will collaborate on critical organisational issues outlined in their collective agreements and labour relations agreements to find workable solutions

and resolve differences, while acknowledging that they may need to agree to disagree on some issues from time to time.

2.2 ADMINISTRATIVE GOVERNANCE

Ms N. Mtshali

Mr V Ramdhany

Mrs T.T. Mathenjwa

Mr T. Mbundu**

Mr P. Majola

Mr S. Thusi

Mr N. Biyela*

The Municipal Manager responsibilities include serving as the principal custodian of service delivery and ensuring that political goals and choices are carried out. He is supported up by his Heads of Departments, which are made up of the General Managers of the four departments under his supervision.

Divisional managers, as seen in the chart below, report directly to the Municipality Manager in addition to the Municipality Manager himself. On a bi-weekly or monthly basis, the Heads of Department meet to review current priorities, strategic interventions to improve service delivery, and new projects that are based on feedback from political leadership, departments, and the local community. The four departments under the supervision of the Heads of Department are as follows:

- Community Services
- Corporate and Administrative Services
- Finance and Accounting Services
- Technical Support Services

T 2.2.1

COMPONENT B: INTERGOVERNMENTAL RELATIONS

In accordance with Section 3 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), municipalities are required to exercise their executive and legislative authority within the constitutional system of cooperative government as stipulated in Section 41 of the Constitution, which states that all spheres of government and all organs of state within each sphere must co-operate with one another in the spirit of mutual trust.

UMshwathi Municipality strives to maintain positive inter-governmental relations with its neighbouring municipalities, the uMgundundlovu District Municipality, the Provincial Authority, the National Government, and other agencies, as well as inter-governmental bodies such as SALGA, the Premier's Co-ordinating Forum, the Municipal Executive Committee, IGR Structures, administrative working committees, and so on. UMshwathi Municipality is a member of the South African Local Government Association.

The following are some of the activities that the Municipality engages in with other government agencies:

- Integration and coordination of municipal plans with those of other levels of government.
- Facilitating the exchange of information and expertise with other areas of government. This involves the exchange of management and technical capamunicipality through forums, workshops, seminars, and conferences, among other venues.
- Participation in job creation initiatives such as public works projects.
- Maintaining a good image and message that is congruent with those of other sectors of government.

Assuring that municipal finances, IDP planning and execution, and provincial and national government departments are in sync is a priority.

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

UMshwathi Municipality engages in a variety of intergovernmental activities, both formally and informally, and has a strong presence in the district. Key members of the team are involved in professional organisations that represent the interests of their respective fields of work. Examples of this type of connection and collaboration include:

<i>Accounting Standards Board (ASB) – Public Sector Accounting Forum</i>	Municipality Distribution Regulation and Tariff Setting (NERSA);
<i>ESKOM-Main bulk supplier of electrimunicipality;</i>	Chartered Institute of Government Finance Audit and Risk Officers (CIGFARO);
<i>Institute of Environment and Recreation Management (IERM);</i>	Institute of Internal Auditors;
<i>Institute of Municipal and Licensing Officers of South Africa;</i>	Institute of Waste Management of South Africa;
<i>Institute of Municipal Public Safety of SA Institute of South African Municipal Accounting Officers (ISAMAO);</i>	Premier’s Coordinating Forum
<i>Provincial Treasury Risk Management and Internal Audit Forum</i>	National Government SETA Skills Development Forum;
<i>National Municipal Managers Forum;</i>	South African Local Government Association (SALGA); and

T 2.3.1

INTER-GOVERNMENTAL STRUCTURES IN THE PROVINCIAL LEVEL

The Municipality maintains a continual dialogue with the majority of provincial government departments on a need-to-know basis. Collaboration with the Department of Human Settlements on housing delivery and with the Provincial Treasury on financial and procurement-related issues are examples of this. With the COGTA, there is a

continual flow of information, an interchange of ideas, and collaboration on problems such as funding, statutory reporting, and so forth. As a rural-based municipality that is heavily reliant on agriculture, we are in constant communication with the Department of Agriculture to ensure that our community makes the most of the land that is available to them.

T 2.3.2

DISTRICT INTERGOVERNMENTAL STRUCTURES

The public involvement events for the budget, IDP, and PMS are when possible organised in collaboration with the District Municipality in order to address the community's water services delivery and general infrastructure development issues.

<i>Human Settlements Regional Forum;</i>	Regional Local Economic Development Forum (LEDf);
<i>Regional Forum (Human Settlements);</i>	Skills Development Facilitators' Forum;
<i>Waste Managers' Forum;</i>	Disaster Management Institute of SA;
<i>District Co-ordinating Forum;</i>	District Command Council
<i>District Environmental and Waste</i>	District IDP Managers' Forum;
<i>District SCM Forum;</i>	District Public Participation and Communications Forum;
<i>EPWP District Forum;</i>	IDP Consultative Forum
<i>Local Tourism Association;</i>	Municipality's Local Labour Forum;
<i>Rural Development District Joint Operational Committee;</i>	Joint District Approach (JDA);
<i>District TASK Evaluation Committee;</i>	

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Participation in these forums helps foster intergovernmental relations through coordination planning, consultation, and information exchange among the three government domains. Amongst the most important structure that forms a line of

interaction is Operation Sukuma Sakhe (OSS), overseen and directed by the Office of the Premier. OSS component deals with community problems from the ground up and strives to bring together all departments to resolve pressing matters.

The campaign's goal is to promote human values while also combating crime, illnesses, and social evils to ensure that moral regeneration occurs.

A key component of this programme is the collaboration of the Municipality and other government departments to visit the poorest homes in our province to provide health, welfare, and other services.

There are several community health and development initiatives under the umbrella of the Office of Social Services, including the "One Home, One Garden" programme and the Department of Health's "Khula Mntwana Program."

Families are supported in registering for birth certificates and identification documents, and education, skills development, and youth development are promoted, with an emphasis on the delivery of services and the construction of infrastructure as a result of OSS operations.

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The UMshwathi Municipality actively seeks meaningful public involvement and has structured its operations around IDP, Budget, and Ward concerns accordingly. It also conducts feedback sessions in addition to data collection. This increases accountability and openness.

In summary, uMshwathi invests heavily in public accountability and involvement through ward committee meetings, IDP and Budget public ward meetings, the IDP Representative Forum, and other stakeholder interactions. Additionally, the oversight

report is extensively publicised. The Municipal Public Accounts Committee (MPAC) is functioning, and safeguards to protect personal information have been implemented.

2.3 PUBLIC MEETINGS

In accordance with Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), municipalities must develop suitable structures, processes, and procedures to allow the local community to have an active role in the operations of their municipalities. When it came to complying with this legal obligation during the fiscal year under consideration, the Municipality employed the following mechanisms:

Public announcements in local and regional publications; o Ward committee meetings (described in further detail below); o Ward committee meetings

- Public newsletters that are issued to all account users on a monthly basis;
- Publications in the press as and when needed
- Receiving and considering petitions and oppositions;
- IDP and consultation sessions open to the public; and
- The proper operation of a municipal website that is frequently updated with the most recent news.

All papers that are required to be made public are posted on the municipal website. On the website, there is also information on public meetings. In addition to Council meetings and Ward Committee meetings, budget and IDP meetings, as well as bidding committee meetings, are all held during this time period. The sessions of the Bid Adjudication Committee (in relation to tenders) are accessible to the general public.

The Council interacts with its stakeholders in a variety of meetings and events, including Ward Committee, Budget, and IDP sessions, among others. Throughout the

year, these engagements continue to take place. The majority of meetings draw a large number of people, resulting in a significant interaction.

COMMUNICATION, PARTICIPATION AND FORUMS

The municipalities have developed suitable structures, processes, and procedures to allow the local community to have an active role in the operations of their municipalities. When it came to complying with this legal obligation during the fiscal year under consideration, the Municipality employed the following mechanisms:

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- Public newsletters that are issued to all account users on a monthly basis;
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T 2.4.1

THE PARTICIPATION OF THE COMMUNITY IN IDP/BUDGET ROADSHOW

Stakeholder and community requirements and priorities that must be addressed in order to contribute to the development of the quality of life of inhabitants living within the Municipal Area are identified and documented in the Integrated Development Plan (IDP). Several parties and sectors were involved in the formulation of the draught IDP during the process.

A total of three IDP ward izimbizo with public involvement were held during the financial year, integrating all wards (wards were separated into three clusters) in order to construct the current year's strategic approach and supporting documentation. We designed our Integrated Development Plan in cooperation with the communities, taking into account current issues and the available funds.

To comply with the National COVID-19 Lockdown, Izimbizo start from May 18-20, 2020. These sessions offered a forum for the Municipality to update the public on the status of different municipal initiatives and an opportunity to evaluate the Integrated Development Plan. The closest wards were grouped into three clusters, and stringent lockdown protocols were adhered to.

WARD COMMITTEES

4THGENERATION IDP 2020/21 WARD IZIMBIZO HELD.

DATES	WARD NAME	TIME	VENUE
18 May 2021	Ward 1,2,7,9,10	10:00 am	New Hanover Hall
19 May 2021	Ward 6,8,11,12,13	10:00 am	Swayimane Hall
20 May 2021	Ward 3,4,5,14	10:00 am	Mtulwa Hall

PARTICIPATION OF THE IDP SECTOR

For social, economic, and ecological sustainability, the UMshwathi Municipality must guarantee integration and coordination between the various sectors and cross-sectoral development elements to achieve social, economic, and environmental sustainability.

The municipal planning procedures consider legal, policy, and strategic approaches adopted by the departments of the national and provincial governments. Every level of government needs to collaborate and share information to guarantee that local priorities are met. This is done in the spirit of cooperative governance in line with municipal planning procedures.

A municipality's integrated development plan (IDP), prepared in accordance with the Municipal System Act (Act 32 of 2000), serves as a guide for decision-making and development in the municipality. The Spatial Development Framework (SDF) is a long-term vision of the desired spatial form for a municipality, and it is prepared in accordance with the Municipal System Act (Act 32 of 2000).

FORUMS OF REPRESENTATIVES

Section 15 of the Local Government: Municipal Planning and Performance Regulations (No. 796, 24 August 2001) mandated the establishment of an IDP Forum to increase community engagement in the following areas:

- The development and execution of the Municipality's Integrated Development Plan; and
- Performance of the Municipality is monitored, measured, and reviewed in reference to the key performance indicators and performance objectives established by the Municipality.

INTERNATIONAL DEVELOPMENT PROJECT FORUM

A significant contribution to further improving sectoral integration of operational and strategic planning with civil society and other governmental domains has come through the engagement of stakeholders in the development of Integrated Development.

COMMITTEES FOR AWARDS

Section 73 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), which deals with creating ward committees, states that they must consist of at least three members.

In the uMshwathi Municipality, ward committees were charged with dealing with the following key issues:

- Providing advice to the Ward Councillor and the Council on ward concerns that are dealt with by the Council
- Ward-specific needs are identified and forwarded to the administration and Council for consideration.
- Annual IDP ward-based public meetings are held in which participants are encouraged to participate.
- Projects for operational and capital wards are identified and prioritised.
- the identification of stakeholders in the wards and communication with them on issues that require attention; and
- Discussions on ward-related topics on the Council's agenda, as well as the opportunity to provide feedback if necessary

The Council considers that the efficient functioning of Ward Committees is critical to the development of a meaningful public participatory government process. Ward Committees should be sufficiently resourced. Its operation should be appropriately

monitored to ensure that the system is completely effective. Ward committees have received advanced training to ensure that they understand their obligations and are able to carry them out effectively.

A dedicated team of full-time staff members has been formed to consistently provide the required administrative support to these committees. In recent years, there has been an increase in functionality reports regarding their performance. Moreover, following COGTA standards, the costs associated with the Ward Committees' activities are included in the Municipality's Annual Budget.

SUKUMA SAKHE OPERATING SUKUMA SAKHE

The Municipality is a full participant in the Operation Sukuma Sakhe (OSS) programme, which is located in the province. The program's overall goal is to bring the government closer to the people in a coordinated manner, as described above. Stand up and construct, like the Zulu word "Sukuma Sakhe" instructs you to do.

The Municipality has assigned a manager to each ward in order to ensure that the program's operation is successful. Meetings of the Sukuma Sakhe are presently conducted at least twice a month. They are held at the ward level in a forum known as a "war room," which coordinates the planning and sharing of information between various stakeholders, including representatives from provincial government departments, local school representatives, non-governmental organisations, youth groups, representatives from the municipality's planning department, and representatives from community development organisations.

During this discussion, participants will address current topics such as health, employment, child support grants, poverty, and other pressing concerns. The activities and conversations are guided by a profiling procedure that is carried out in the ward's households to gather information. The identified requirements for interventions are

subsequently reported to the appropriate government departments and non-governmental organisations (NGOs).

The uMshwathi Municipality OSS structure achieved the following results during the current fiscal year:

- In July 2020, a calendar of war room meetings will be established and distributed.
- War room sessions are held once a month in each ward. For further analysis and intervention, all reports are forwarded to the Chairperson of the Local Task Team (LTT).
- This municipality has created its own profile questionnaires in order to identify community issues and opportunities.
- Households with specific profiles were referred to the appropriate Department for assistance. Statistics on all community members who have received assistance from SASSA and Home Affairs in Thusong Centre are submitted to Council for their knowledge and consideration.
- Meetings of the local task force were convened to discuss issues that were impacting the community.

There were no problems with the following OSS local structures: the mayor, the municipal executive committee, the Local task team (LTT), the local aids council (LAC), the ward councillors, the ward committees, the ward task team, and the ward aids committee

EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

A total of fourteen (14) public meetings are held each year in each of the municipal jurisdiction's fourteen (14) wards to involve members of the general public in the integrated planning process. Ineffective meetings are ineffective because the needs that are identified and compiled from those meetings are used to guide the project part of the IDP and aid in the prioritisation, planning, and integration with the municipal budgeting process.

Members of the Executive Committee and Councillors were urged to undertake area-specific public engagements across uMshwathi in the preceding year in order to enhance community engagements. This was done in order to strengthen community interactions.

During public participation sessions, individuals of the community consistently express their admiration and support. Because of the degree of passion among attendees to interact with the Municipality in a positive manner, general observation suggests that, on average, all meetings lasted for more than three hours on average. Everything we did was done in a peaceful manner, with no untoward incidents occurring during any of our activities.

2.5 IDP PARTICIPATION AND ALIGNMENT

Does the municipality have impact, outcome, input, output indicators?	✓
Does the IDP have priorities, objectives, KPIs, development strategies?	✓
Does the IDP have multi-year targets?	✓
Are the above aligned and can they calculate into a score?	✓
Does the budget align directly to the KPIs in the strategic plan?	✓
Do the IDP KPIs align to the Section 56/57 Managers	✓
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	✓
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	✓
Were the indicators communicated to the public?	✓
Were the four quarter aligned reports submitted within stipulated time frames?	✓
* <i>Section 26 Municipal Systems Act 2000</i>	<i>T 2.5.1</i>

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Internal audit, risk management, organisational and individual performance management, public participation and inclusion in development projects, inter-governmental relations and public communication, human resource development and legal services are all part of the governance framework in the uMshwathi Municipality.

Internal control, risk management, and governance processes are all overseen by an independent Audit Committee, which is made up of external specialists who have the necessary skills to provide effective oversight of the Municipality's systems of internal control, risk management, and governance processes. When performing audits in accordance with an authorised audit plan, the Internal Audit function provides reports to the Audit Committee on a quarterly basis. The Internal Audit function also assists the Audit Committee in its duty.

It is made up of independent councillors who serve on the Municipal Public Accounts Committee (MPAC), which is in charge of political supervision. A member of the MPAC from a political party other than the dominant party in Council serves as its chair, in order to encourage independence and impartiality on matters before it.

T 2.6.0

2.6 RISK MANAGEMENT

Good corporate governance requires an organisation to have and maintain an effective, efficient, and transparent risk management system. Enterprise-wide risk management is a priority of the municipality and as such it is a fundamental part of strategic Management. This creates the opportunity for the early identification and mitigation of risks.

- The Risk Policy and Strategy is reviewed on an annual basis and was approved on 29 October 2020.
- The Risk Register is aligned to the objectives of the Integrated Development Plan (IDP) and the Service Delivery & Budget Implementation Plan (SDBIP) of the municipality.
- The Chairperson submits progress reports to the Risk and Fraud Management Committee (oversight) on a quarterly

- basis, indicating progress made to mitigate the identified risks. A member of the Performance and Audit Committee is
- appointed as the Chairperson of the Risk and Fraud Management Committee and reports back to the Performance & Audit
- Committee on Risk Management. Quarterly progress reports are submitted to Council on the mitigation of Strategic and

Operational Risks. Risk Management is audited by the internal auditors for completeness and effectiveness on a quarterly basis. The ten (10) top strategic risks identified after the completion of the IDP were:

- a) Ballooning municipal debt
- b) Re-occurrence of irregular and fruitless expenditure
- c) Asset Management
- d) Inadequate ICT planning, infrastructure and systems / SCM compliance and political interferences
- e) Delay in implementation of electricity municipality projects
- f) Inadequate infrastructure, investments and maintenance
- g) Inadequate by-laws to ensure compliance with trade and building regulations
- h) Procurement Plan not fully utilized
- i) Covid 19 – Failure to address the consequences of notifiable diseases
- j) Increasing unemployment and poverty

The Municipality has adopted the following strategy as part of its risk mitigation strategy:

- An influential Audit Committee exists to advise the Council on risk management and monitor internal auditors' effectiveness. Their duties include the approval of the risk-based audit plan developed annually by internal auditors.
- The Audit Committee's work is coordinated with that of other committees, specifically the Municipal Public Accounts Committee.

-
- Policies to guide decision-making are in place and are reviewed periodically.
 - Recommendations of both Internal Auditors and Auditors General are attended to promptly. The Municipality has seen a significant reduction in the number of risk management issues raised by its auditors over the years.

Annually, the Municipality trains staff on job-related matters and general management issues. This is done to increase their awareness of risk management issues.

T 2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The Constitution sets out the fundamental values and principles that govern public administration. In chapter 10, section 195, these values are mentioned to be the following:

- o A high standard of professional ethics;
- o Efficient and economical use of resources;
- o Services provided impartially, fairly, equitably, and without bias;
- o Public administration must be accountable; and
- o Transparency must be fostered.

UMshwathi Municipality subscribes to the principles of good corporate governance, which requires conducting business in an honest and transparent fashion. Consequently, uMshwathi is committed to fighting fraudulent behaviour at all levels within the organisation.

The Risk and Fraud Management Committee (RAFMCO) meets on a quarterly basis and assists with the development and revision of all policies, strategies, plans and processes relating to fraud risk management. The Anti-Corruption Policy and Fraud

Prevention Strategy was approved 08 December 2020, with the next review due in the 2021/22 financial year.

T 2.7.1

BLOWING THE WHISTLE

The Whistleblowing Policy of the Municipality serves as the first line of defence in the preservation of the public's best interests. By encouraging the public to report misconduct, bribery, and other kinds of corruption, this strategy hopes to create a culture of openness and honesty in the public sector.

The Municipality recognises that protecting whistleblowers fosters an environment in which people are more eager to disclose information, which aids in the detection and response to corruption that might otherwise go unnoticed. Nonetheless, much more work must be completed to create an atmosphere of openness and integrity that offers real protection to whistleblowers.

Workers and other stakeholders may be aware of the wrongdoing despite the absence of the policy's author, but they may be hesitant to speak up for fear of retaliation. Consequently, both the Municipality and the wider community will suffer long-term consequences from this decision. The Whistle Blowing Policy was adopted on August 27, 2020, with the next review scheduled for the fiscal year 2021/22.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

MFMA Circulars 110 – 119 and Sections 110 – 119 of the Municipal Finance Management Act (Act 56 of 2003), as well as the Supply Chain Management (SCM)

Regulations 2005 and relevant MFMA Circulars, outline the processes and guidance manuals that must be followed to ensure that SCM arrangements provide appropriate goods and services, provide the best value for money, and reduce the likelihood of fraud and corruption.

Supply Chain Management is governed by application rules, which are in turn governed by corporate policy. As a result, an effective demand management system is in place to ensure that the resources required to support the Municipality's strategic and operational commitments are delivered at the appropriate time, at the appropriate price, at the appropriate location, and that the quantity and quality meet the requirements of the Municipality. The functioning of SCM takes into account the presence of the Municipality's performance management system as well as the availability of a risk management system. The policy was adopted on xx, and the next review is scheduled for the fiscal year 2021/22 of the following year.

Supply Chain Management is a role that spans all departments and functions. Despite the fact that governance is at its heart, Supply Chain Management plays a critical role in contributing to service delivery in a fair, equitable, transparent, competitive, and cost-effective way, among other things.

BID COMMITTEES

In order to ensure that the tender process complies with rules, all three bidding committees, namely: The bidding specification committee, the bidding evaluation committee, and the bidding adjudication committee, are fully operational. Periodic training is conducted to support compliance with rules and regulation related to procurement. Officials engaged in Supply Chain Management (SCM) are held

accountable by the municipality when they report, explain, and defend their actions and accept the municipality's financial spending outcomes..

STRUCTURE OF THE BID COMMITTEE

The Municipal Manager nominates members of the Bid Committee in accordance with applicable law, and their terms are reviewed on an annual basis. The Bid Adjudication Committee makes its decisions on which bids will be accepted. Accordingly, the Bid Adjudication Committee made 12 awards for the 2020/21 fiscal year and recommended awards to the Accounting Officer. Those who have been recognised by the Accounting Officer

For the fiscal year 2020/21, the Accounting Officer accepted xx awards that were recommended by the Bid Adjudication Committee, as reported by the Accounting Officer.

Dissatisfied bidders filed a total of xx objections during the fiscal year under review. All of these concerns were brought to the attention of the Accounting Officer, who worked quickly to address them before the conclusion of the fiscal year 2020/21.

Formal Quotations (for purchases more than R30,000 but less than R200,000) Procurement Processes. An aggregate of xx formal written price quotes were advertised during the fiscal year under review, of which xx were granted and xx were rejected (see Table 1).

2.9 BY-LAWS

A complete list of promulgated municipality by-laws are available on the municipal website or request.

The following is a list of the municipal by-laws that have been promulgated:

List of existing By-laws
Standing rules and orders for Council and its committees
Keeping of dogs
Public libraries
Waste management
Childcare services
Public amenities
Advertising signs
Nuisance
Refuse removal
Street trading
Funeral undertakers
Cemetery

The municipal council is in charge of the administration of the local area of government. Thus, the authority of local councils to enact legislation is safeguarded by the Constitution. It cannot be repealed without changing the Constitution. This is a significant departure from the past. Prior to the first democratic elections, local administrations were under the authority of the central or provincial governments. Their

powers were granted or assigned to them by the national or provincial governments, and as a result, they may be revoked at any time by the appropriate authority.

Furthermore, a court of law has the authority to examine any by-law enacted by a municipality on the same grounds as it has the authority to review an executive act enacted by that municipality. This has changed as a result of the new Constitution.

The fact that by-laws are legitimate legislative actions and, as a result, are not subject to administrative scrutiny does not preclude them from being subjected to judicial review. As a result, the Constitutional Court determined that the concept of legality – which states that all legislation must be enacted in accordance with the provisions of the law, including the Constitution – is essential to the new constitutional regime. Therefore, local governments are prohibited from exercising authority or performing duties that are not specifically delegated to them by law.

T.2.9.1.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

2.10 WEBSITES

The goal of this website is to inform the citizens and other stakeholders of UMshwathi about the projects, accomplishments, and initiatives of the Municipality.

Municipal Website Content and Currency of Material	
Documents published on the Municipality's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (Year 1)	Yes
The annual report (Year 2020) published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2019/2020) and resulting scorecards	Yes
All service delivery agreements	Yes
All long-term borrowing contracts (Year 2019/2020)	Yes
All supply chain management contracts above a prescribed value (give value) for Year 2019/2020	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes
Contracts agreed in Year 2014 to which subsection (1) of section 33 apply, subject to subsection (3) of that section.	Yes
Public-private partnership agreements referred to in section 120 made in Year 2019/2020	Yes
All quarterly reports tabled in the Council in terms of section 52 (d) during Year 2019/2020	Yes

In addition to computers with free internet access in all of the Council's libraries, the public can access the Council's website and information at the following libraries: New Hanover Library, Dalton Library, and Wartburg Library, among others. The Municipality strives to make its website as user-friendly as possible while also improving the overall quality of its information. It is encouraged for members of the public to visit the website and to provide feedback on their experience while using the website.

The UMshwathi Municipality complies with all of the criteria of Section 75 of the Municipal Framework Management Act. The website of the Municipality is located at: www.uMshwathi.gov.za.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

SATISFACTION WITH MUNICIPAL SERVICES AMONG THE GENERAL PUBLIC LEVELS OF SATISFACTION AMONG THE PUBLIC

It is the policy of UMshwathi Municipality to treat all complaints in a fair and consistent manner and to resolve them as quickly as possible to the satisfaction of the complainant and others. The Communications Unit is in charge of overseeing this procedure. The following are the figures for the fiscal year under consideration.

All complaints received are investigated and resolved. It should be noted that the poll received a restricted amount of replies as a result of the COVID-19 epidemic, which prompted the country to fall into lockdown during the early phases of the survey's administration.

T 2.11.2

Chapter 3

INTRODUCTION

The municipality service delivery plan is linked to the provincial vision 2030 and uses the IDP as the primary planning tool that directs and informs the municipal budget and service delivery implementation plan. Every municipality in South Africa is required to develop an Integrated Development Plan (IDP). The municipality is in charge of coordinating the IDP and must enlist the cooperation of other municipal stakeholders who may affect and/or profit from the area's development.

Integrated development planning is a method for forecasting future growth in the area, and it must be developmental in nature in order to overcome the limitations of past planning. It is a planning method that involves the entire municipality and its inhabitants in order to find the best solutions for long-term development that is both efficient and effective.

An Integrated Growth Plan is a master plan for a municipality that serves as the foundation for development in a specific area, according to one description. It should take into account the current position and difficulties, as well as the available development resources. Its purpose is to coordinate the activities of local and other levels of government in order to improve the quality of life for everyone who lives in a specific region.

Our service delivery strategy takes into account the province's economic and social development. A framework has also been built to determine how land should be used, what infrastructure and services are required, and how to conserve the environment.

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Following the development of the IDP, all of our plans and initiatives are carried out in compliance with the IDP. The IDP also acts as the basis for the annual council budget. Other government departments and stakeholders are expected to take the IDP into account as they plan for service delivery and future plans for the area.

Every year, the IDP is reviewed to see whether any changes are needed. Furthermore, the IDP has a 5-year lifespan, which is closely linked to the term of office for local councillors. When a new council is elected in a local government, the council is responsible for choosing the IDP's destiny. The council can either adopt the present IDP or create a new IDP that incorporates existing plans.

Our IDP is coordinated by the municipal manager's office, and it is created in collaboration with the community and other stakeholders. Before implementation, the council approves the final IDP documents.

COMPONENT A: BASIC SERVICES

uMshwathi citizens require a variety of basic services in order to live in a healthy and safe environment. These goods and services include water, wastewater (sanitation), power, waste management and collection, housing, and free basic services. The municipality planning gives support to the delivery of these goods and services to all its residents, including the farm dwellers.

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3.1. WATER PROVISION

HIGHLIGHTS

Drinking water storage capacity municipality

The construction of uMshwathi Bulk Water Scheme is complete.

Water Projects

Thokozani reticulation update project and Mbava upgrade project is complete.

Challenges	Progress made in 2020/2021 to address challenges
Ageing infrastructure	The Municipality has set up an operations maintenance unit to deal with this issue.
Water boards facing massive water debt	To save the situation all families who are not indigent must pay for services.

T 3.1.1

The uMgungundlovu District Municipality (UMDM) is one of the eleven district municipalities in the province of KwaZulu-Natal, and it is located in the northern part of the province. It serves as the water service authority (WSA) and water service provider (WSP) for six of the municipality's seven local municipalities, namely Richmond, Impendle, Umngeni, Mkhambathini, Mpofana, and Umshwathi. In addition to uMngeni Water, uMsunduzi Local Municipality receives water from other sources.

Provision of sanitation services, including their operation and maintenance. UMgungundlovu District Municipality's defined operating area are responsible for supplying potable water to the municipality. The potable water supplied to these LMs

Chapter 3

is monitored in accordance with a monitoring programme that is evaluated on an annual basis and in accordance with a water safety plan.

Umgeni Water, on behalf of the District Municipality, is responsible for the maintenance of six wastewater treatment plants located within the municipality. These wastewater treatment plants' final effluent is likewise monitored in accordance with the monitoring protocol in place. Both water and wastewater quality data are posted on a monthly basis to the Department of Water and Sanitation's website.

Other objectives by UMDM are to upgrade existing water mains to new and higher standards and extend the service life of existing bulk water infrastructure according to the Water Master Plan.

The rapid rate of urbanisation is resulting in many cities and towns in South Africa facing major challenges of providing their increasing population with adequate and sustainable water services. On top of this, extensive parts of the continent are currently water-stressed, and these areas struggle to reconcile the water requirements and the water resources.

A total of 6 344 households have access to water inside their dwellings, and a further 11 453 have access to water inside their yards. The census information also indicates the existence of 4 759 standpipes that provide communities with access to water. However, the concern for the Municipality is the 5 568 household which has no access to piped water.

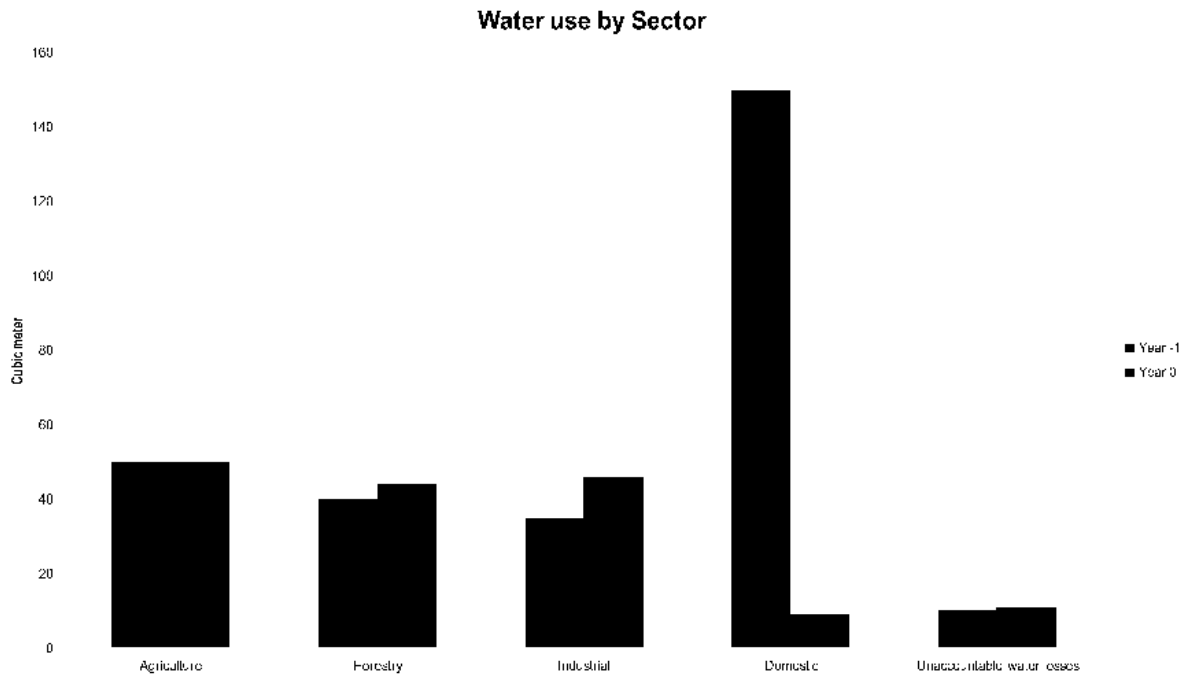
WATER BACKLOGS

To address water service challenges, the Local Government uses Waster Service Delivery Plan (WSDP). In our case, this is done by uMgungundlovu District Municipality.

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The district WSDP has been reviewed and adopted by Council on 31 May 2019. Water backlog, as reported in the 2011 census, appears on the table below:

Access to Water Status	Backlog/ No of Households
Piped (tap) water inside dwelling/institution	6344
Piped (tap)water inside the yard	11453
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	3499
Piped (tap) water on community stand: the distance between 200m and 500m from dwelling/institution	763
Piped (tap) water on community stand: the distance between 500m and 1000m (1km) from dwelling /institution	405
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	92
No access to piped (tap) water	5568
Total	28124



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Project name	Funding Source	2019/2020	2020/2021 MTREF				
		MTREF	Budget	Budget	Budget	Budget	Budget
		<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>	
		<u>R'000</u>	<u>R'000</u>	<u>R'000</u>	<u>R'000</u>	<u>R'000</u>	
Water Provision							
Mpolweni, Thokozani, Claridge	MIG	10 317	20 000	40 000	40 000	100 000	
Trust Feeds Phase 1	MIG	3 400	12 000	7 000	-	19 000	
Mbhava & Mpeihu Swayimane Water Supply Phase 2	MIG	500	20 000	4 169		24 169	
		18 717	52 000	51 169	40 000	53 169	
Water Provision							
Nadi - Efaye Phase 2(uMshwathi Regional Bulk)	WSIG	49 000	28 800	-	-	28 800	
Mtulwa & Mt. Alias Phase 3A (uMshwathi Regional Bulk)	WSIG	1 200	300	-	-	300	
Nadi to Ekhamanzi Phase 3B	WSIG	27 000	30 000	-	-	30 000	
Greater Efaye	WSIG	2 800	20 900	85 000	70 560	176 460	
Ozwathini	WSIG				10 000	10 000	
		80 000	80 000	85 000	80 560	245 560	

Source: uMgungundlovu IDP 2020/21

WATER NEEDS AND PRIORITIZATIONS

There has been a determined effort to ensure that there is enough water available across the province of KwaZulu-Natal. Because of this, the Cabinet of this province requested that COGTA develop a plan for universal connectivity throughout the whole province. In order to make this expansion in water delivery feasible, Umgeni Water received funding from the government.

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Other regional bulk water supply schemes in KwaZulu-Natal are being funded by the Department of Water and Sanitation, which is expected to be unveiled before December 2020. This is in addition to the KwaZulu-Natal Regional, Bulk Water Supply Scheme, which is expected to be unveiled before December 2020. These endeavours are made possible by a funding from the community bulk infrastructure programme.

The Albertfalls, Mpolweni, Nadi, Coolair, Efaye, and Kwazibusele Ntanzu, Mtulwa, and Mt Elias areas are covered by the UMshwathi bulk water delivery Phases 1, 2, and 3A. This pipeline network consisted of 27 kilometres of bulk pipe and was designed to serve a population of about 25,000 people.

Construction on Phase 1 of the project started in March 2016 and was completed by December 2018. Phase 3B will include the villages of Ekamanazi and Nadi, which have a combined population of 7732 people. This phase has not yet started, although construction is expected to begin in 2021.

"The good news is that the water supply upgrades for Greater Efaye and Mpolweni will be included in the overall project." Both the Thokozani reticulation update project and the Swayimane Mbhava improvement project will be completed in the near future. In order to do this, R400 million in funds from the Water Resources System Grant (WSIG) and the Urban Infrastructure Grant (MIG) would be merged and allocated over a three-year period. Once the project is completed, all homes will receive metered connections within a fair amount of time after it is completed.

The government intends to assist new contractors, women entrepreneurs, and youth-led businesses in their efforts to participate in the project's execution. If the water sector's problems are not resolved despite the execution of these key initiatives, the government's efforts would be rendered ineffective. Among the responsibilities are the protection of water infrastructure against vandalism and the protection of water

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sources. If we want to solve these issues, we must educate our people on the importance of valuing their own assets.

As a result of our economic situation and the Covid-19 disaster, the limited resources of South Africa have been put under enormous strain. This necessitates the use of our limited water resources in a prudent manner. As a result of the Corona Virus epidemic, the water and sanitation sector is under significant budgetary limitations when it comes to implementing water projects.

Water boards are also experiencing significant financial difficulties as a result of the huge amount of water debt that has accumulated from the Municipalities, which is anticipated to result in financial losses. The implementation of new water projects, as well as the extension of current water projects, would be hampered as a consequence of this. It is possible that plans will not be realised unless consumers pay for services be brought to fruition. It is necessary to salvage the situation by requiring all families that are not in need to pay for the services that have been given.

WATER TANKERS

In order to provide water to those who were previously without access, the District Municipality has relied on mobile water tanks. This service is provided by authorised service providers; nevertheless, it is anticipated that the scope of mobile water delivery will decrease over the course of the next few decades. This service is presently available in the following locations:

- Mpolweni
- Efaye
- Applesbosch
- Trustfeed
- Inadi
- Swayimane

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Trustfeed and Cool Air are the only two extraction sites that provide service for this service. Consequently, water must be transported through the neighbourhood by road, a journey that may take up to 80 kilometres. The district is putting out significant effort to solve the following four highlighted issues in order to enhance service:

WATER INFRASTRUCTURE OPERATIONS AND MAINTENANCE

Certain sections of the Municipality's water infrastructure have been in place for more than 30 years and are prone to leaks. As a consequence, there have been many pipe leaks, resulting in water interruptions while the pipes are being fixed. With the help of the Municipality, an operations and maintenance unit for the region has been established, which is headed by an operations and maintenance manager and is well-equipped with the required personnel and equipment.

Wartburg, for example, is one of the communities dealing with the issue of ageing infrastructure, with asbestos water pipes being rebuilt to address water leaks. Some water infrastructure damage is caused by negligent contractors who break pipes during construction, which results in a lengthy repair process that may take months or years.

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As previously stated, the uMgungundlovu District Municipality is mandated with the responsibility of providing sanitation.

WASTE WATER (SANITATION) PROVISION

Highlights	Description
Cool Air Waste Water Treatment	The plant is performing well and has complied with all categories for excellent final effluent. 88% Microbiological, 100% Physical & Chemical.

Challenges	Progress made in 2020/2021 to address challenges
Extension of basic services	Improvement of ratio of sanitation facilities to households in informal settlements and provision of basic services at new informal settlements.
Sewer blockages	Repair/replace sections of pipelines and increase public awareness/education on sewerage systems

SANITATION BACKLOG

The Sanitary backlog as reported in the 2011 census is presented in the table below.

Table 1: Sanitation Backlog

TYPE OF TOILET	Number of Households
None	1783
Flush toilet (connected to sewerage system)	3797
Flush toilet (with septic tank)	2159
Chemical toilet	3540
Pit toilet with ventilation (VIP)	10849
Pit toilet without ventilation	4862
Bucket toilet	169
Other	965
Total	28124

COORDINATION OF WATER AND SANITATION BETWEEN LM AND DISTRICT

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UMshwathi participates in the district-wide Clusters that each is chaired by Municipal managers of all family of Municipalities. All Issues relating to national KPAs are discussed and amongst them all, Water and Sanitation are standing items on the Agenda as issues of Basic Service Delivery and Infrastructure.

3.3 ELECTRIFICATION

Eskom Infrastructure	Upgraded	Bulk	550 Households in the Efaye Area (Ward 3) were electrified over the past three years 249 connections in Mhlangandlovu are underway
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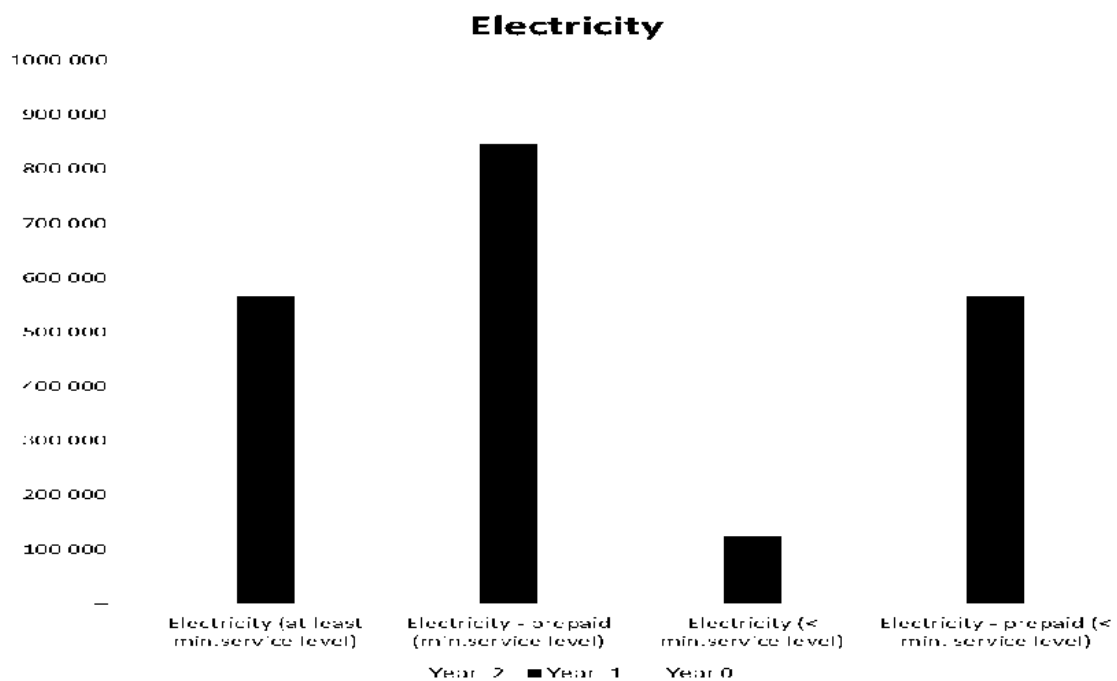
Electrification of more than 500 houses over the past three years			Building of overhead network to supply low-cost housing
--	--	--	---

Electrification of Informal Settlements			Funds are being sought to electrify
--	--	--	-------------------------------------

Theft of electricity (tampering), cables and vandalism	electrimunicipality	and	Theft and vandalism is a growing concern that amounts to great unforeseen expenses. It amounts to power outages and loss of income. UMshwathi Municipality works with SAPS and local law enforcement agencies to address this problem.
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Description	2018/19 R	2019/2020 R
Approved budget amount	10 000 000	5 000 000
Spent budget amount	10 000 000	5 000 000
Difference	Nil	Nil



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

SOLID WASTE MANAGEMENT

The Municipality does not have a waste disposal site; all trash is presently transferred to a recognised landfill facility in Pietermaritzburg under the uMsunduzi Municipality. This present configuration is too expensive and time-consuming.

Waste minimization is encouraged via experimental kerbside collection programmes that encourage recycling in certain of the municipality's denser neighbourhoods, including New Hanover and Wartburg. Weekly collections of recyclable waste items are made in these towns. This idea seeks to promote a culture of good environmental management by repurposing our trash and cleaning our living space. To support this effort, incentives and procedures for trash separation on a property-by-property basis are required.

Disposal of Garden Waste The Municipality does not have a facility for disposing of or storing green waste on-site. This has led in the establishment of numerous illegal disposal sites across the Municipality. Finding a solution to this problem is a high priority for the Municipality. The plans identify a suitable location for the construction of adequate garden waste facilities in each of the main towns.

Controlling street trash continues to be a continuous source of contention for the Municipality. Businesses who do not keep their trash for weekly collection contribute to this issue by dumping it on sidewalks and verges, which makes the area unattractive and poses a health danger. This issue also worsens on busy pension pay-out days and during school sports events in the neighbourhood.

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Improved enforcement of municipal by-laws against unlawful trash and rubbish dumping is a partial answer to this issue, although enforcement personnel are few. Additionally to these solution measurers, 15 EPWP-employed staff members have been assigned to enhance our litter collection services.

Employees: Solid Waste Magement Services					
Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	8	21	8		62%
4 - 6	0	2	0		100%
7 - 9	1	2	1		50%
10 - 12	0		0		
13 - 15	1		1		
16 - 18	0		0		
19 - 20	0		0		
Total	10	25	10	0	0%

Refuse Removal: (Minimum level)

Total number of households*	Year -3	Year -2	Year -1
6-Oct-44			
6-Oct-44			
6-Oct-44			Minimum Service Level and Above sub-total
23-Oct-75			
9-Nov-06			Below Minimum Service Level sub-total
26-Nov-37			
12-Dec-68			
0-Jan-00			

SOLID WASTE BACKLOG

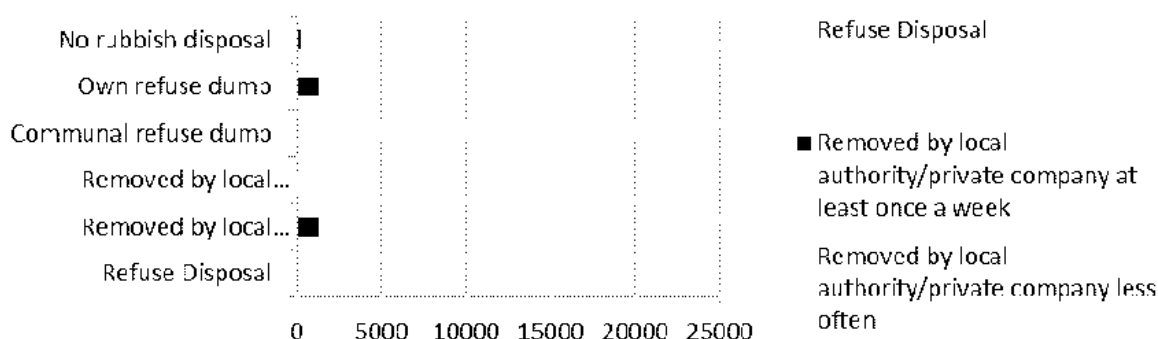
The Municipality solid waste collection status as reported in the 2011 census is detailed below.

Refuse disposal

Municipality	No of Households
Removed by the local authority/private company at least once a week	4247
Removed by the local authority/private company less often	1294
Communal refuse dump	647
Own refuse dump	20390
No rubbish disposal	1266
Other	281
Total	28 124

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STATUS OF SOLID WASTE IN uMSHWATHI MUNICIPALITY



During the financial year covered by this report, trash collection services were given to 3918 homes, an increase of 230 households over the previous fiscal year. The Municipality's total number of homes still in need of garbage collection service is 22 583. The Municipality has one of the greatest rural populations in the District, with rural homes accounting for about 81% of all households in uMshwathi.

The garbage collection service has been expanded to other locations to a limited extent by the use of waste collecting skips.

WASTE COLLECTION AND TRANSPORT

A crew of eight staff members collects garbage using a specially constructed refuse compactor vehicle. The truck is almost eight years old and is notorious for regularly breaking down. Plans have been made to purchase a new truck, and an application has been submitted to the Provincial Government for assistance in acquiring the truck.

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PLAN FOR INTEGRATED WASTE MANAGEMENT (IWMP)

In collaboration with the uMgungundlovu District Municipality, the Municipality created an Integrated Waste Management Plan. This Integrated Waste Management Plan for uMshwathi Local Municipality is currently doing a review of the area's condition and includes a gap and requirements assessment that guides the evaluation of possible future waste management systems options. The goal is to develop solutions that are based on best waste management practises while also placing a strong emphasis on trash reduction, recycling, and reuse programmes that are consistent with current legislative changes at both the national and provincial levels.

The present Integrated Waste Management Plan's suggestions are being executed within the Municipality's restricted financial resources. The waste is collected in urban areas, and there are plans to expand collection to rural areas with the assistance of the District Municipality, the German Bank, and available grant funds.

FACILITY FOR SORTING AND BALANCE

The District Municipality is participating in a German-funded initiative coordinated by the National Department of Environmental Affairs to establish a local sorting and bailing facility as part of its multipronged approach to trash management.

FACILITY FOR WASTE RECYCLING

The Municipality Buyback Centre is a key component of the Municipality's long-term Waste and Resource Recycling Plan, which is centred on a circular economy. A circular economy is a scientific term that refers to a growth strategy that benefits industry, society, and the environment. This means that resources are utilised efficiently and

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abandoned only when no alternative exists. The centre's mission is to increase home and commercial trash recycling.

3.5 HOUSING

According to the 2016 community survey, the municipality has an estimated 29 238 households, with around 3.5 per cent being residences (shacks). The municipality now delivers between 1,000 and 1,600 housing units every year. The municipality has created a Housing Sector Plan throughout the years to help guide and shape its human settlement decisions.

The National Housing Needs Register is a municipality-managed initiative that provides information on housing backlogs in all wards. It requires all inhabitants with a housing need to register; the system presently has 10 1250 responses. Residents of uMshwathi are urged to make use of this platform to register with the Department of Technical Services.

uMshwathi Municipality, in collaboration with the Department of Human Settlements, has launched a Rectification Project to bring all substandard dwellings built prior to 1994 up to code. The Thokozani Rectification Project is underway as a result of the community's reluctance to accept the substandard condition of the completed structures.

The Department of Human Settlements offers the Rental Tribunal programme, whose purpose is to promote stability in the rental housing sector by resolving disputes between tenants and landlords in residential dwellings (flats, houses, shacks, backrooms/outbuildings, apartments, and hostel rooms, among others). The Department of Technical Services has established this office and welcomes the public to utilise it. This service is provided at no expense to the disputing parties and does not

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need the involvement of attorneys. The tribunal is entrusted with the responsibility of educating, informing, and advising tenants and property owners on their rights and duties.

Municipality	No of Households
Removed by the local authority/private company at least once a week	4247
Removed by the local authority/private company less often	1294
Communal refuse dump	647
Own refuse dump	20390
No rubbish disposal	1266
Other	281
Total	28 124

COMPLIANCE

Compliance is the duty of the Building Inspector, in collaboration with the Human Settlements and Compliance Manager, under the Department of Technical Services. Their major responsibility is to guarantee compliance with and enforcement of the National Building Regulations and Standards Act No.103 of 1977 as modified, as well as the uMshwathi Municipality's bylaws and standing regulations. The unit is responsible for inspecting and approving building plans, ensuring structures comply with Rates Clearance requirements, ensuring that signage erected complies with bylaws, putting an end to unauthorised building activities, and approving structures for Business Licenses, among other responsibilities.

The Building Inspectorate, in collaboration with uMshwathi Municipality, which is the custodian of the National Building Regulations, is responsible for enforcing these Regulations and Legislation to the benefit of the respective communities, ensuring that building standards are maintained and construction is carried out in an orderly fashion.

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The municipality services four urban districts in accordance with authorised Town Planning Schemes, extensive tribal land owned by the respective Amakhosi, and various rural and agricultural regions, all of which are evaluated in accordance with the Spatial Planning & Land Use Management Act.

The municipality intends to expand the Construction Inspector's services to rural regions in the near future; he will be able to give useful advise on building methods and technology to remote residents.

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CURRENT HOUSING PROJECTS

WA RD NO.	PROJECT TYPE	IMPLEMENTING AGENT	BUDGET	No. OF UNITS	STAGE	LATEST DEVELOPMENTS
1	Thokozane Rehabilitation Project	CSM Consulting (Andre Marais), Social facilitator Delta Building Environment Consultants, Engineers	2020/2021 R 4 million 2021/2022 R4.3 million	789	Construct- ion	<ul style="list-style-type: none"> ▪ Community informed at meeting on 25/10/2020 that a Transit site will be established and the dumpsite has been identified and confirmed for use. ▪ At PSC meeting scheduled on 22/10/2020, the IA confirmed that site establishment will commence on the week of 02/11/2020 and project construction will commence in the New Year.
3	Masihambisane RHP	Umpheme Developments Pty Ltd	2020/2021 R19,6 million 2021/2022 R11 million	241	Constructi on	<ul style="list-style-type: none"> ▪ Rural Land Reform informed the Municipality that they are willing to enter into a DRA with the Municipality for Phase 2. ▪ Awaiting confirmation of land portions from DoHS before application for the appointment of a service provider to package Phase 2 of the project is submitted. ▪ Response received from DRDLR, requesting settlement plan, Council resolution & Community resolution. This will allow for the signing of a DRA with them. ▪ Development processes underway, further inspections took place on 21 October 2020 for slabs and further wall plates, this is included in the compliance report.
	Efaye RHP	Projecon	2021/2022 R 1 million	500	Pre- Planning	<ul style="list-style-type: none"> ▪ DoHS advised that a report has been prepared for presentation to the Technical Evaluation Committee (TEC) and will be presided over by the Committee on 03 November 2020.

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WA RD NO.	PROJECT TYPE	IMPLEMENTING AGENT	BUDGET	No. OF UNITS	STAGE	LATEST DEVELOPMENTS
3	Inadi	No IA appointed	2020/2021 nil	500	Implement Pre-Planning	<ul style="list-style-type: none"> Awaiting confirmation of land portions by DoHS before application for the appointment of a service provider for the packaging of the project can be concluded, this is a new project.
5 & 14	Mathulini	Masithu Consulting and Project Management (MCPM)	2020/2021 R3 million 2021/2022 nil	971	Planning	<ul style="list-style-type: none"> Performance is of an acceptable standard IA busy with EIA, awaiting confirmation of ROD. Town Planner appointed and SPLUMA application activities underway. Phase 1 planning activities underway.
6	Swayimana	Allenby Housing cc	2020/2021 nil	831	Pre-Planning	<ul style="list-style-type: none"> Phase 1 planning activities have not commenced. IA undertook to submit Tranche 1 pre-planning package to DoHS by end of August, at last, Think Tank meeting on 06 October 2020, IA reported that Pre-planning application submitted to the DoHS for consideration. DoHS advised that a report has been prepared for presentation to the Technical Evaluation Committee (TEC) and will be presided over by the Committee on 03 November 2020.
7	Cool Air/Dalton Housing Project	Projecon	2020/2021 R26.5 million 2021/2022 R26.9 million	449	Construction	<ul style="list-style-type: none"> Access roads completed, further development of "Phase 2" will progress once minor shortcomings identified by the DOT are rectified, DOT will need to re-inspect and approve. Stowell & Company advised that the Title Deed lodged with Deeds office on 28/09/2020 has been registered on 14/10/2020, this is no longer an obstacle.

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WARD NO.	PROJECT TYPE	IMPLEMENTING AGENT	BUDGET	No. OF UNITS	STAGE	LATEST DEVELOPMENTS
1 & 2 9 & 10	uMshwathi Ridge Housing Project	Dezzo Development Holding	2020/2021 R29.1 million 2021/2022 R17 million	2922	Construction	<ul style="list-style-type: none"> Construction process underway, 75 slabs have been constructed, no wall plates due to possibility of vandalism during the builders holidays which commence 11/12/2020. DoHS expressed concern about the spending on the project and that the IA is behind on the construction program. At a meeting on 09/11/2020, concluded that IA will provide written explanation to the Municipality to redress development programme. DoHS will be informed accordingly.
9	Trust Feed Housing Project	CHS Developments	2020/2021 nil	1000	Implement Pre-Planning	<ul style="list-style-type: none"> Private land, the community is willing to transfer their property to the Municipality. Engagement with the landowners will take place soon, progress on this matter will be reported at the next portfolio committee meeting.
10	Mpolweni Housing Project	No IA appointed	2020/2021 nil	1081	Implement Pre-Planning	<ul style="list-style-type: none"> Private land, community not willing to transfer to the Municipality.
12	Swayimana	Makhosi Nyoka and Associates cc	2020/2021 R2.7 million	864	Planning	<ul style="list-style-type: none"> All on track and Phase 1 Planning activities well underway. Bi-lateral agreement between Municipality and the DoHS signed on 20/10/2020. The MOA between Municipality and IA will be concluded once the VAT directive from SARS is obtained by CFO.
13	Swayimana	ZML Africa Projects cc	2020/2021 R2.7 million	868	Planning	<ul style="list-style-type: none"> Pre-planning activities approved on 09/09/2020 Back to Back Bi-lateral agreement signed between Municipality/DoHS 05/10/2020 and Municipality/IA on 12/10/2020. Phase 1 planning activities have not commenced, some concerns about the demarcation of boundaries need to be confirmed on the ground, this might affect work opportunities.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Poverty is more than an inability to pay one's bills. Poverty arises when an individual's or household's access to income, employment, infrastructure, or services is insufficient to ensure full participation in society's possibilities.

Poverty is the result of a complex interaction of social, economic, geographical, environmental, and political variables. The poverty profiles demonstrate that not only is poverty a pervasive problem in uMshwathi, but that a large proportion of individuals live in extreme poverty and would be unable to pay for even the most basic of services without Council assistance. UMshwathi's approach to indigent support is that a comprehensive set of actions must be done to guarantee that the poor's fundamental needs are satisfied and their rights are protected while also safeguarding resources for future generations.

Indigents are described as individuals who, for a variety of reasons, are unable to make monetary contributions toward essential services, regardless of their size. Any household earning less than R5 380.00 per month is considered poor. This includes retirees, the jobless, families with children, and students.

The policy on destitute assistance encompasses a broad variety of indigent benefits, including but not limited to:

- Reasonable tax rates and refunds
- Imprudent burials
- Expansion of the Social Package (indigent exit programmes, life skills programmes, Unemployed database, Counselling by Social Workers)

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As of the end of the fiscal year, uMshwathi's database included xxx registered indigents. These indigents profited from the cancellation of their municipal debt, receiving free basic water in the amount of 6 kL, free basic sanitation, free waste collection, 50 kWh of free basic electrification, and no assessment rates on the first R500 000.00 of their property values.

Throughout the year, several indigents were also placed in temporary jobs. Additionally, registered indigents who use Eskom energy receive free basic electrification. uMshwathi pays Eskom yearly for providing our citizens with free basic power. Additionally, impoverished individuals who do not live in official families and are thus not considered indigent benefit from free water tankers, portable toilets, and trash collection in informal settlements.

All property owners with a property worth of xxx or less are immediately classified as considered indigents and qualify for the aforementioned benefits.

Include a table identifying families that receive free basic services.

THE AVAILABILITY OF FREE ESSENTIAL SERVICES AND INDEPENDENT SUPPORT

The Equitable Share Grant is used to provide the free basic services and needy assistance. Once the Trustfeed development is complete, it is projected that the number of impoverished households would more than double. National Treasury must be consulted, since providing free basic services to uMshwathi will be impossible without adjusting the equitable share allocation. It will be impossible to wait for the next census to determine the equitable share award, and so a particular adjustment to the grant will be necessary.

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COMPONENT B: ROAD TRANSPORT

Our IDP states that uMshwathi Municipality is in the KwaZulu-Natal province and is a local municipality of uMgungundlovu District Municipality. The R33 (Old Greytown Road) and the R614 (Wartburg Road) are two transportation routes in the municipality. They connect major cities like Durban and Pietermaritzburg to smaller cities in the province like Greytown and Dundee.

When it comes to development in your area, both the R33 and the R614 have been identified as major corridors that could connect places and people in your community and the rest of the province. It is the municipal view that Investing in public transportation will make it easier for those with low incomes to travel.

3.7 ROADS

Highlights	Description
Upgrade of Thokozani Road	Completed
Construction of Ndlavelini Road	Completed
Upgrading of D1013 Road Ward 12	Completed
Construction of Access Roads in Ward 1,3,4,5,10 & 12 in Umshwathi Municipality	Completed

Challenges

Description	Progress made in 2020/2021 to address challenges
Delay in implementation of projects has the greatest impact on service delivery	The contractor sometimes fails to perform within the specified timeframes resulting in delays in the projects.

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INTRODUCTION TO ROADS

INTRODUCTION

The municipal road network consists of 632.4 kilometres of paved highways and 561.8 kilometres of gravel roads. In sparsely inhabited rural regions, there are a significant number of gravel roads. As a result, covering roads is not a financially viable option. Roads are maintained to a very high quality in terms of meeting safety standards and making travel for road users as convenient as possible. Asphalt roads receive priority maintenance, with potholes and edge breaks being repaired as they arise. Gravel roads are graded once a year, depending on the state of the road and rainfall patterns for the season in which they are located.

Defects or failures on the roads

Potholes are checked on a regular basis utilising spot checks, and the general public's concerns are also taken into consideration. Teams of specialised road repair workers are employed to do the job on time and efficiently.

Gravel Roads

Gravel Road Infrastructure				
				Kilometres
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2018/2019	12.8 km	The information is available from PMU	PMU	12,80
2019/2020	18.4 km	The information is available from PMU	PMU	18,40
2020/2021	6.7 km	The information is available from PMU	PMU	6,70

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Cost of Construction/Maintenance New

2018/2019	4 842 935
2019/2020	5 661 714
2020/2021	2 876 610

A weed killer/vegetation control chemical is sprayed to a tarred road after it has been cleansed of loose sand, stones, and vegetation. In order to keep roads as clean as possible, a road cleaning firm is hired. Roads are cleaned on both sides, as well as at junctions, in order to prevent foreign items from being loaded to the surface in a single location. The section highlights roads that need care and depends on public complaints to ensure that these roads are properly maintained.

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

The development of an Integrated Transportation Plan is a statutory obligation. This demonstrates the need to develop the ITP according to the planning authority's stated vision, policy, and goals. This must be compatible with national and provincial regulations while also taking into account any applicable integrated development planning or land development goals.

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3.9 WASTE WATER (STORMWATER DRAINAGE)

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes planning; and local economic development.

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

The local economic development strategy's primary objective is to assist SMMEs, cooperatives, and informal merchants. The recommendations include feedback from the MEC and other stakeholders about the previous plan. Additionally, it places a greater focus on employment creation via the use of ICT and the fourth Industrial Revolution. The majority of employment possibilities in uMshwathi will come from the expansion of the agriculture, tourism, and textile industries.

Throughout the early phases of 2020/21, a forum for stakeholders to debate the revised plan was held. The webinar's majority of participants were among those consulted in completing the document prior to its adoption by the Council. The Municipality released the LED Strategy on its website to provide residents enough opportunity to peruse it at their leisure and offer comments to the Municipality. Several of them did provide input to the municipality during the fiscal year 2020/21.

Promotion of indigenous tourism

The Municipality donated R25 000.00 to The Amble magazine's production. The originator of the adventure tourism project in the Appelsbosch region is presently

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seeking investors to fund the project's implementation. The municipality continues to assist the project's originator with technical assistance.

Agrarian Reform initiatives

The Municipality implemented the RASET programme in collaboration with the District Economic Development Agency (UMEDA). Numerous new farmers got seeds and fertiliser and basic business management training. UMEDA. The town provided a chicken egg incubator to a beginning farmer. This farmer has established a farm for indigenous chickens. The incubator will assist her in expanding her company.

The municipality installed a water pump for an emerging farmer and supplied over 50 emerging farmers with seedlings and seeds. Two farms received water tanks. Additionally, the town supplied a developing farmer with a chicken egg incubator.

Capacity-building initiatives

The municipality sponsored six capacity-building programmes. These include a 20-person NQF 2 furniture learnership, a 15-person NQF 3 furniture learnership, a 14-person ICT skills programme, a 30-person NVC learnership, a 10-person block building skills programme, and a 30-person upholstery skills programme.

The majority of these programmes were developed in collaboration with private education providers. The Fiber Processing & Manufacturing (FP&M) SETA funded the furniture and upholstery projects, while the Department of Labour funded the NVC programme. The municipality sponsored just the block making and ICT initiatives.

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The baking programme, which started in the previous fiscal year, has stopped due to the lack of 3-phase power at the factory situated at the New Hanover Taxi Rank. The software will be updated after the power supply problem is addressed.

Anti-poverty support programmes

The Municipality assisted in supplying garlic seeds to 13 families. This is one of the initiatives aimed at promoting food production and helping families in growing and using herbs for health and wellness. Other municipal initiatives that contribute to poverty reduction include skills development and business assistance, as described in other parts of the study.

Market Day Events

The difficulties posed by Covid -19 have continued to thwart the municipal intention to hold two market days. The municipality, on the other hand, piggybacked on an event held by a non-governmental group.

SMMEs/Cooperatives support

Due to Covid -19 Lockdown rules, the municipality was unable to support the participation of local craftsmen at exhibits. This will have a detrimental effect on the livelihoods of local artisans. The town will need to devise novel methods to assist the artisans.

Input and equipment assistance to businesses

The municipality provided inputs and equipment to around twenty-three local businesses. The municipality gave a group with a gas stove and pots, fifteen farmers with spinach and cabbage seedlings, three farmers with seed potatoes, foodstuffs to

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one SMME, a farmer with a chicken egg incubator, two cameras to an SMME, and one local SMME with a chain saw. A further 23 businesses were also provide other business operating equipment or inputs.,

Navigating COVID 19 environment

Covid-19 Lockdown makes achieving this objective more challenging. Municipal authorities from the Planning & Development Unit and the LED Unit, on the other hand, met with prospective investors to discuss various development proposals.

Due to the Covid-19 Lockdown, the municipality was unable to convene a business conference with the different players in local economic development. EDTEA and KZN COGTA, on the other hand, urged municipalities to meet with small groups of business owners to provide information on Covid-29 relief financing possibilities, as well as to issue trade licences and register with CIPC. As a consequence, the Municipality organised numerous meetings for this aim. At least one meeting with local investors was conducted.

Partnerships

The municipality and CASPECO, a local brick-making business, have maintained their relationship, with the latter providing funding for the renovation of the Municipal building at the New Hanover Taxi Rank. The Municipality's relationship with Interamasiko Training CC strengthened this year, resulting in increased capamunicipality-building possibilities for local communities and access to international markets for local craftspeople.

Additionally, the town has begun discussions with Illovo Sugar about a potential partnership. This proposed partnership's main objective is for the two groups to cooperate on initiatives that empower local communities and businesses.

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Four reports on the functionality of industrial sewing hubs are required.

Only two studies on the functional efficiency of industrial hubs have been presented to Council structures. This was because there was insufficient information on the facilities to justify four reports in a single year.

Other achievements

- One business meeting hosted in December 2020.
- Adoption of reviewed LED.
- Spent 80% of the social empowerment project's budget.

EPWP JOB OPPORTUNITIES

The Technical Services Department is in charge of managing the EPWP. During the course of the financial year, the municipality received a grant in the amount of R1 192 000. A goal of 87 Full-Time Equivalent (FTE) jobs was hoped to be reached via this award, however only 85 FTEs were generated, narrowly missing the mark. In addition to personnel costs, a total of R911 000 was spent on the purchase of associated products and services, for a total of R282 000.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.12 LIBRARIES;

LIBRARIES

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Library Services is responsible for expanding public library access to all communities, as mandated by Section 32 of the Bill of Rights (1). The Department of Arts and Culture is mandated and financed to provide financial resources to assist communities in gaining access to knowledge via library services.

uMshwathi municipality currently has three major libraries and is currently building a fourth. Since 2020, the library has been initiated in Cool Air Township. The completion of the building's renovation in Cool Air resulted in the purchase of furniture that is currently loaded in accordance with the specification given by the custodial department (Arts and Culture).

The order for the urgent necessities necessary for the library's order is almost complete. Computers, air conditioners, and lighting will be available shortly. This library will thereafter be turned over in the years 2021–2022. Library services have the chance to recruit cyber cadets to help shape ICT activities in our libraries. This was a success since we were able to recruit two of the most qualified cyber cadets, who began duty in April 2021.

Even though this recruiting was effective, it is worth emphasising that the coverage of all libraries remains a problem. The idea was presented to the Department of Arts and Culture, which asked that this kind of service be expanded to additional libraries. We anticipate that the appointment will kick-start the process as we await a favorable answer from Arts and Culture.

This fiscal year has been especially difficult. We've got to cope with being put under lockdown. When we return to work, we must ensure that all employees and members of the public are safe and that Covid procedures are followed. Access to Library Resources. We have embraced technology and encourage our members to do so as well.

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The librarians have been promoting Libby to all of the Wartburg Public Library's members. This is an application (app) that the Department of Arts and Culture acquired to provide members with reading material when on lockdown or when the library is inaccessible.

One of my notices in front of the Wartburg Public Library. "Members of the library may get the app through the Google Play store on their smartphones. When prompted, users must indicate which library they belong to and then provide their library card number. This is becoming more popular".

Outreach through the Internet

On March 2, 2021, I arranged a virtual presentation for Wartburg Kirchorff School by the University of Pretoria. This virtual presentation was designed for Grade 12 students to provide them with all of the necessary information from UP.

Capacity building

Librarian attended a SLIMS user group workshop on March 19, 2021. The goal of this session was to help library personnel with any problems they may face while utilising the SLIMS library system, and it was quite an informative workshop to attend. In May 2021, we attend a virtual assessment session hosted by the National Department of Arts and Culture.

In June 2021 librarian also attended a LIASA Virtual Workshop on two separate occasions. The first workshop's subject was "The Role of Libraries as Development Supporters." How can libraries contribute to the UN 2030 Agenda for Access and Opportunity for All"? Mrs Folasade Adepoju from the National Library of Nigeria Headquarters in Abuja, Nigeria, was the primary speaker. This session was very educational, and we were provided with an audio presentation.

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The subject of the second LIASA workshop was on Early Childhood Development, with a focus on storytelling. This was very helpful in learning more about narrative.

The librarian was asked to participate in a virtual conference with the National Department of Arts and Culture, the KZN Department of Arts and Culture, and other stakeholders. This took place on May 25, 2021. It was a really fruitful and well-attended meeting.

Presentations were given by Mr Puleng Kenana of the National DAC. Following that, KZN DAC presented their previous financials and then their infrastructure plans for the current fiscal year.

Some of the information shared during the presentation includes our municipality's details. Our presentation stated that uMshwathi Municipality is a large municipality with 14 wards. There are villages located distant from the three towns of Wartburg, New Hanover, and Dalton. The municipality mooted to the department plans about the potential of uMshwathi establishing modular libraries in regions distant from the three towns, such as Swayimane. The challenge of shortage of furniture in Wartburg library was also raised.

In response, the Department promised to investigate delay in the delivery of furnisher that was promised Wartburg Library and come back to me. It was beneficial to attend the meetings with the National Department as it gives us a chance to express our concerns.

The Effects of Covid-19 on Library Services in 2020-2021

Library services have been significantly impacted by Covid 19, with libraries closing in July 2020 and reopening in September 2020. As activities restarted, the sluggish

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patterns began to emerge. The stringent Covid-19 Regulations imposed a new method of providing services, impeding the normal flow. There was an introduction of a list of prohibited services.

The library activities for youngsters have ceased. The operating hours were drastically decreased, with a significant drop from 9 a.m. to 15 a.m., and Saturdays services were discontinued. The second wave in January brought a different set of challenges since the hours of operation had to be shortened from 9h00 to 13h30. The impact of fewer outreach services has been seen mainly through communities since they are also categorised as prohibited services.

The following activities are recommended:

- A digital library would be ideal.
- Communities are generally supported in their efforts to maintain uninterrupted access to WIFI.
- Growing the number of cyber cadets is a commendable objective in today's information-technology-driven society.
- During the second quarter, virtual outreach services were explored and will be further explored during the fiscal year 2021-2022.

3.13 CEMETERIES

Employees: Cemeteries and Crematoriums					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	13	8		38%
4 - 6	0	1	0		100%
7 - 9	1	2	1		50%
10 - 12	-	1	0		100%
13 - 15	-				

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16 - 18					
19 - 20					
Total					

Our IDP states the following regarding cemeteries; The municipality is in the process of developing a cemetery master. There are three currently used cemetery sites: Trustfeed cemetery, New Hanover Cemetery, and Cool Air. However, the majority of the population within uMshwathi uses home burial as the area is mostly rural, and customarily, the communities prefer to bury in the yards.

The municipal cemetery land constitutes about 70% rural areas: about 30% urban areas and about 10% farm areas. There are four types of cemeteries used mainly through the municipality community: private cemeteries, family cemeteries, church cemeteries, and public cemeteries. In rural areas, people use home and family cemeteries. In some rural wards, there are few community cemeteries. In urban areas, they use their own cemeteries, but in instances where cemeteries are full, people are requested to use the nearby municipal cemeteries located in a plus or minus 4km radius.

Farmers and different church denominations own private cemeteries. Because people living in rural areas are not paying municipal rates, the graves are charged different prices depending on where the graveyard is located. The municipality cannot service all types of cemeteries within its area of jurisdiction because the cemetery personnel are not enough compared to the number of cemeteries. However, the municipality maintains the following cemeteries: Thokozani; Trustfeed; Cool Air; New Hanover and Mpolweni cemeteries. Although these cemeteries are operational, the environmental impact assessment had never been conducted; as a result, Cool Air cemetery is waterlogged.

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The council has developed and adopted phase one of the cemetery plan. Although these cemeteries are operating well at present, however, in the near future, the municipality will be experiencing challenges due to the high rate of death and shortage of cemetery land to establish new cemeteries. The municipality developed phase two of the cemetery plan, which involved community participation in all wards for site identification. The outcomes of phase 2 through consultation reached the following findings on prioritization of cemetery site development within UMshwathi Municipality:

- Priority 1 – New Hanover/ Dalton Cemetery Site Investigation.
- Priority 2 – EFAYE Cemetery Site Upgrade; and
- Priority 3 – Trustfeed New Cemetery Establishment Investigation.

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

Air pollution is the consequence of chemical compounds being released into the atmosphere as a result of human and natural activity. These emissions have the potential to have a detrimental effect on air quality and the environment. Air quality is inversely proportional to air pollution. Industrial production and transportation, agricultural burning, automobile carbon emissions, and household trash burning are all causes of air pollution in the UMDM.

According to the uMDM Air Quality Management Plan (AQMP) (2016), the district's current ambient air quality status is unknown owing to a lack of representative ambient air quality monitoring data and quantified emissions in the form of a complete emissions inventory. Where feasible, emission concentrations for pollutants of concern have been measured for emission sources recognised as important in the area, including industrial

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activities, household fuel combustion, vehicle tailpipe and entrainment, and biomass burning.

When it comes to pollution control, It is only those industrial activities that have an Atmospheric Emissions Licence (AEL) that can have their emissions measured, and as a result, the true contribution of this sector to the air quality condition of the UMDM is not completely appreciated. With UMDM the vast majority of permitted listed activities are situated inside the Msunduzi LM, Researchers found that individuals who operated inside the uMshwathi had the greatest impact on the emissions profile of the industrial sector, according to their results.

Researchers want to identify variables that are affected by climate change as part of their research project. uMgungundlovu District Municipality set out to develop a Climate Change Response Strategy and Plan throughout the course of the previous financial year, as well as the locations where the project would be executed. Three locations of our municipality's ward 8 were chosen to be included in the research, and they are as follows: Located in Ward 8, these properties were chosen after a collaborative approach.

The Swayimane region and Ward 5 of Richmond Municipality (Nhlazuka area) and portions of Wards 8, 7, and 39 of Msunduzi Municipality were also included in the selection (Vulindlela area, previously only ward 8 under the pre-2016 demarcation). Through this initiative, it is hoped the effect of climate will be minimised. More investment can go towards climate-resilient agricultural practises and physical infrastructure at the farm level to encourage and benefit small-scale farmers.

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3.17 UNIT FOR HIV/AIDS

This division collaborates with various departments within uMshwathi Municipality to mainstream the health trends and problems affecting the uMshwathi community. The health department, social development, and various non-governmental organisations are critical players.

The previous fiscal year was unique in that we observed a significant reduction in HIV cases due to our collaborations with NGOs. Cases of Covid -19 have risen dramatically. Covid 19 screening and testing continued to increase, while the mortality rate increased significantly between November and February. Covid 19 registration for over 60's has been ongoing, followed by Covid 19 vaccination. Through its thought leadership and cooperation with sector departments, the municipality has been at the forefront of mobilisation.

Social mobilisation continues to be a focal point for the HIV - UNIT; it has catalyzed behaviour change, resulting in increased uptake of HIV Testing and Counseling. It is combining the LAC and LTT proven to be the most successful approach for changing the social structural dynamics that create obstacles to health care access in the local municipality. According to caesarean data, the incidence of adolescent pregnancy has decreased by 2%. That was due as a result of the municipality's pioneering collaborative efforts. The strategic emphasis areas were established in response to the high incidence of adolescent pregnancy.

The escalation of the CCMDD continues to be a collaborative effort with the department for medication escalation to community points. This will facilitate patients' access to medicines without having to attend the clinic.

COVID 19 and Innovations

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Ongoing Vaccination for Covid 19 should result in an increase in the number of individuals enrolled in the programme. A concise programme of activities and deadlines must be defined and submitted in a timely manner. The UNJANI clinic has been a game-changer in terms of innovation, and it continues to provide private clinic services. The clinic is open from 8:00 a.m. to 17:00 a.m. Monday through Friday from 8:00 a.m. to 12:00 a.m., and Saturdays from 8:00 a.m. to 12:00 a.m.

Challenges

Even with the Covid 19 posing challenges, the unit maintained a 100% LTT / LAC compliance rate. Due to the prohibition of social gatherings, it was difficult to organise meetings with ward representatives.

Future Project Recommendations

Individuals who are HIV positive need assistance in obtaining meals. Since the Covid 19, poverty alleviation initiatives have been desired due to the increasing rate of unemployment due to retrenchment. Food security projects were developed between 2021 and 2021 to alleviate hunger in the community.

VULNERABLE GROUPS' SUPPORT

The unit is responsible for supervising the execution of empowerment programmes for persons with disabilities, women, men, the elderly, and children. The primary objective is to advocate for and enforce social justice for disadvantaged populations. The unit is led by a coordinator who is responsible for the execution of programmes and initiatives benefiting disadvantaged groups in uMshwathi.

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The Covid 19 halted the senior citizen initiatives. Since social gatherings were discontinued, the golden games were cancelled. This was a significant setback in the unit's efforts to create an enabling climate for the industry.

The unit completed all programmes that were scheduled to be completed within the budgeted period for service delivery. All segments of the public were engaged in accordance with the unit's goals.

The challenges that disadvantaged populations confront UMshwathi Municipality's unit: is the rising rate of social offences such as rape. The Program of Action to Combat Gender-Based Violence was started with the following activities. Following the President's request to consider GBV as a national priority, the exercises listed below were conducted. In November 2020, all sectors were invited to participate, including government departments, non-governmental organisations, agencies, and community leaders.

This was followed by a launch on World Aids Day at uMshwathi.

- A GBV LSP was created and submitted to all partners.
- The NGO (Vula Tech) enrolled ward pioneers as members of the GBV COMMITTEE in order to get the by Inn from political leaders.
- On TH E26 May, the Vula-Tech provided instruction on how to report GBV.
- The activity / operational plan is almost complete and will be implemented throughout the fiscal year 2021-2022.

Due to the cancellation of the Commemoration Reed Dance due to Covid 19, less efforts for Maidens are undertaken to maintain momentum and impose moral

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regeneration. The children's sector initiated the interactions that have resulted in the formalisation of the children's sector. Within the years 2021-2022, a comprehensive action plan will be provided. The disability sector is increasing its engagement and participation in socio-economic activities. The Program will be implemented between 2021 and 2022.

3.23 SPORT AND RECREATION

DEVELOPMENT AND PROMOTION OF SPORTS

The district selection of the indigenous games was held at Trustfeed Sports Fields in uMshwathi municipality. The event was successfully coordinated with the District DSR. The SALGA games were cancelled, and the unit took use of the opportunity to examine internal sports growth and marketing. The aerobic establishment occurred within a few wards and will continue to grow throughout the years 2021-2022.

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INTRODUCTION

Annually to improve the overall performance of the municipality, an intervention plan is prepared to ensure the identification and allocation of resources in a manner conducive to the attainment of the organization's long-term goals and objectives.

Recent years have highlighted the challenges and opportunities inherent in planning and providing public services that meet rising public expectations while making the best use of limited public finances. Our organisational development plan comes through the administrative wide collective and collaborative effort. We develop realistic solutions and share information about what has worked in the past and what is likely to work in a given current or future circumstances, thus allowing us to make the most beneficial adjustments to our plan. We recognise the uniqueness of each individual's problem, and we leverage that understanding in formulating a response.

uMshwathi organizational development has various benefits, including improving productivity and efficiency. Some of the benefits are listed below.

Continued development. Organizational development is a continuous strategy development cycle, evaluation, implementation, and quality assessment. The process creates a conducive climate for a company to embrace internal and external change. Periodic renewal is encouraged as a result of the shift.

Enhanced horizontal and vertical communications. We believe that employees who are well-informed about the organisation's mission, vision, and goals have a better

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grasp of the significance of the change, which is made possible by an effective communication system.

Workforce development. The municipality's release on workforce development to deliver goods and service efficiently. This goal is pursued through staff training, workshops, and bursaries to ensure that our staff have market-relevant skills that the municipality desperately needs.

PERFORMANCE MANAGEMENT

Performance management is defined as "a strategic approach to management that provides leaders, managers, employees, and stakeholders at all levels with a set of tools and techniques for planning, continuously monitoring, periodically measuring, and reviewing the organization's performance.

It is the essential management tool that enables the Council to improve service delivery by directing the efforts of its departments and workers toward meeting performance targets, therefore accomplishing the Council's strategic objectives. To ensure the effectiveness of performance management, it is critical that Top management and the Council drive the system that:

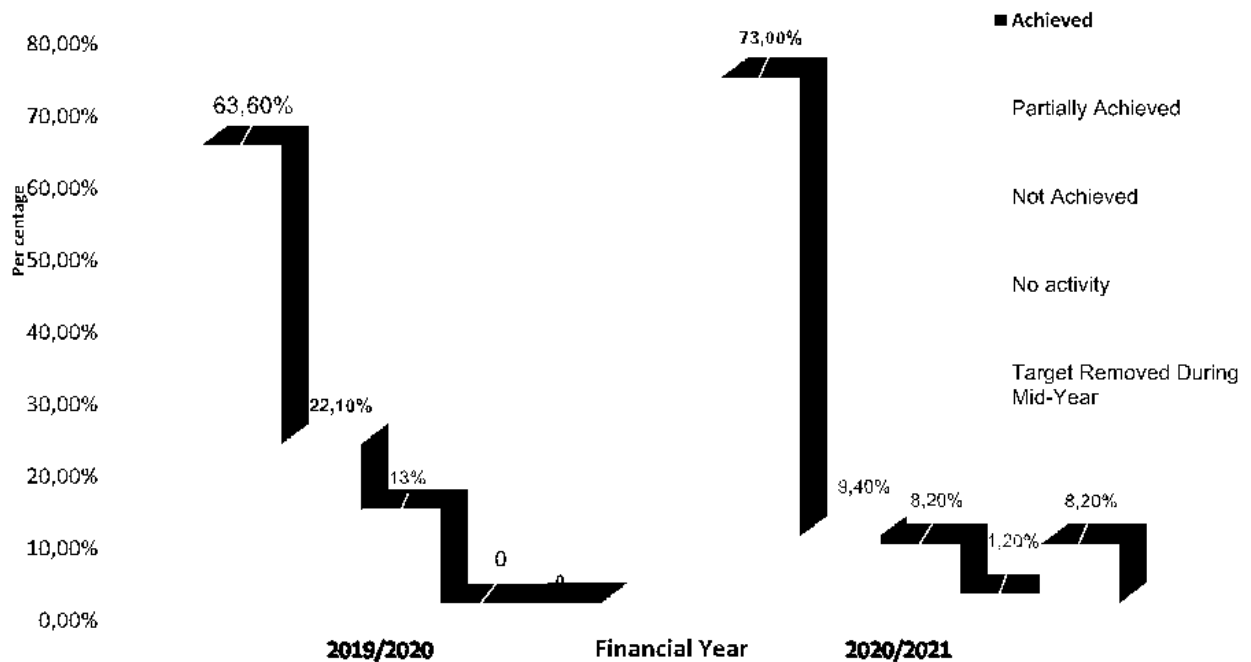
- All stakeholders have explicit knowledge and appreciation of its worth;
- Line managers receive training and are held accountable for performance management.

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Overall Performance Graphs and Dashboard Information

Our performance for the year is summary in the graph below. We had 30 strategies, 6 National KPAs and 85 performance indicators in the Organisational Scorecard/ SDBIP.

COMPARATIVE TARGET ACHIEVEMENT INFORMATION



Graph 1: Comparative Target Achievement Information

2020/2021 Financial Year: Achieved + Partial = 83.6%.

uMshwathi Municipality Performance Measurement System (PMS) is an essential instrument in helping the Management deal with today's organisation operating environment that is dynamic, complex and challenging. The Municipality uses this system through its Strategy Development, Implementation Monitoring and Evaluation phases.

Over the years, the PMS has helped the Municipality deliver superior results through the following:

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- **Monitor activities against plans:** Deviations from planned activities are easily spotted, and corrective action can be taken on time.
- **Communicate Strategy:** During a given financial year, it acts as a hive of Municipal adopted strategies, and it ensures alignment of activities with the Municipality Integrated Development Plan.
- **Reduce Costs:** This is done through a range of activities, which includes avoiding duplication of activities and supporting the consolidation of plans.
- **Review Business Strategy:** Partly support the decision on the Senior Management Compensation Systems.
- **Control Operations:** Clear lines for the start and end of activities and plan measurable output are well defined in the PMS system.
- **Positive Audit Outcomes:** Progressively, the Municipal PMS system has managed to contribute towards the Municipal quest for unqualified audit outcomes without any findings.

PMS system has made it possible to measure performance. Over the past five years, the Municipality is impressed with the trend that shows improvement in its service delivery activities. Cascading of the PMS system to every Municipal employee through the Individual Performance Management System (IPMS) is expected to have a further positive input to the Municipality service delivery and the general Municipality level of performance.

Summary

- This report includes highlights from the Key Performance Measures included in the IDP 2020/2021. These priority measures constitute the Organisational Scorecard/ SDBIP for 2020/2021.
- This report presents the year-end performance results for 2020/2021. The results are assessed using light traffic criteria, according to their performance against improvement targets. A dashboard that summaries performance for the Municipality's scorecard is illustrated in Graphs.

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- The Accounting Officer has provided comments on how to improve performance. At the end of quarter 4 (April to June 2020), the municipality achieved 87% of priority performance measures which is 3.1% less than the previous financial year. Areas for improvement are shown in Graphs.
- Ultimately, uMshwathi Municipality has achieved R 22.5 million savings for the financial year, maintained good levels of service delivery (as demonstrated through comparative information), and seen increased levels of satisfaction across several services. In 2020/2021, performance has less than 3.4% when compared with 2019/2020. It is worth noting the impact of factors such as budget and staff reductions has led to increased demand for services, putting pressure on the achievement of challenging targets. Benefits from transformational challenges taking place are starting to have an impact but have not yet been fully realised.
- Performance Monitoring underpins the Municipality's IDP in reviewing progress regularly to achieve our priorities and deliver value for money. Early investigation of variances enables remedial action to be taken where appropriate.

INTRODUCTION TO HUMAN RESOURCES

Human resources are regarded as the municipality's backbone, and they include all operations and choices related to human capital management. Employer-employee interactions are critical to the long-term viability of the municipality.

Human resources support enables the Municipality to realise organizational goals defined in the Municipality's strategic plan, the Integrated Development Plan, abbreviated as the IDP. Human resources acts as a business partner, advising the management team on managing people and business resources strategically. HRM also includes the administration of employee pay and benefits.

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The following graphs show the vacancy rate at the present personnel establishment.

Total Number of Filled Posts	222
Total Number of Vacant Posts	44%

The Minister of Cooperative Government and Traditional Affairs expressed worry over the vacancy rate in uMshwathi Municipality. The municipality had a vacancy rate of between 42% and 46% in previous years. The Municipality, in collaboration with Corporate Services, conducted an organisational structure study to resolve the following concerns:

- The high rate of vacancy
- High staff costs to operating cost ratio
- Employee job descriptions

The majority of positions have been consolidated, and some vacant positions have been removed in order to deal with the difficulties outlined above. The organisational was approved in October 2020 and has not yet been implemented. The structure is based on a five-year plan and is reviewed periodically. The recent review led to a decline in the vacancy rate from 46% to 25%. The majority of empty positions are for low-skilled workers.

The Municipality received job evaluation results from the South African Local Government Association (SALGA) in September 2020 and are now being implemented.

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PROFILE OF THE ORGANIZATION

Occupational level	MALE				FEMALE				FOREIGN NATIONALS		
	A	C	I	W	A	C	I	W	MALE	FEMALE	TOTAL
Top MANAGEMENT	1	-	-	-	-	-	-	-	-	-	1
Senior Management	1	-	1	-	2	-	-	-	-	-	4
Mid Management	6	2	-	-	5	-	2	-	-	-	15
STAQW*	18	-	2	-	21	1	2	2	-	-	46
Semi-skilled workers	30	-	1	-	28	-	2	-	-	-	61
Unskilled workers	58	-	-	-	43	1	2	-	-	-	104
TOTAL PERMANENT	107	2	4	-	84	2	8	2	-	-	210
None permanent	7	0	0	0	5	0	0	0	0	0	20

* Skilled Technical and Academically Qualified Workers

EMPLOYEE RECRUITMENT AND SELECTION

The Human Resources Section of the uMshwathi Municipality is committed to appointing qualified individuals who will contribute to achieving the Municipality's IDP objectives. The Human Resources Section recognises the critical role of skilled staff in attaining the Municipality's goals.

The Municipality has established and executed an effective recruiting and induction policy that complies with all applicable laws governing the recruitment and selection of human resources. The policy's goal is to guarantee that the company has appropriately qualified workers and promote justice and openness.

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All senior management positions, i.e. Section 54A/56 managers, have been filled, as has been the case since the 2018/2019 fiscal year began. The procedure for filling these posts was as specified in Sections 54A, 56, 57, and 67 of the Municipal Systems Act 32 of 2000. The positions are advertised in accordance with the Act and suitable candidates are interviewed following the shortlisting. Within fourteen (14) days of the interview proceedings, the Municipality notified the MEC for Corporative Governance and Traditional Affairs of the outcome of the interviews, along with the process used to arrive at the results, as required by Section 56 of the Local Government Municipal Systems Act 32 of 2000. We then obtained MEC clearance for the various appointments concurrently.

The roles filled in line with the Municipal Systems Act, No 32 of 2000, and the uMshwathi Municipality's Recruitment and Induction Policy for the 2020/21 financial year are detailed in the table below:

No	Job Title	Occupational Category	Number of Employees employed in each Occupational category
1	Building Inspector	Skilled Technical &	3
2	ICT Support Officer Libraries	Academically Qualified	

EMPLOYMENT EQUITY

The municipality is expected to comply with the Employment Equity Act No. 55 of 1998 (as amended) by promoting equal opportunity and fair treatment in employment by eliminating unfair discrimination and implementing affirmative action measures to redress historical imbalances experienced by designated groups. This is part of the vision of the Republic of South Africa, which is founded on democratic principles and human rights, and seeks to rectify past discriminatory practices.

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PERFORMANCE MANAGEMENT SYSTEM (PMS)

The municipality has a legislative responsibility in terms of the Municipal System Act to adopt a Performance Management System (PMS) that is consistent with the municipality's IDP's priorities, objectives, indicators, and targets. The legislation further requires the Municipal Manager and Managers immediately accountable to him to enter into a separate performance agreement each financial year prior to the end of July.

The Local Government: Municipal Planning and Performance Regulations No. R. 796, 2001 specify in greater detail what the municipality is expected to do when implementing a PMS, including the requirement for a framework that clarifies the roles and responsibilities of each role player, including the community, in the system's operation. Additionally, it controls the formation, composition, and operation of a Performance Audit Committee (PAC).

Local Government: Municipal Finance Management Act, Act No. 56 of 2003, mandates the development of a Service Delivery Budget and Implementation Plan (SDBIP) based on specified objectives and performance indicators generated from the IDP, thereby connecting the PMS and the Budget. A municipality is obligated to submit a mid-year budget and performance evaluation prior to the 25th of January each year under Section 72 thereof.

ANNUAL PERFORMANCE REPORT (APR)

A municipality is required to submit an Annual Performance Report (APR) for each fiscal year under section 46(1)(a) of the Local Government: Municipal Systems Act. The APR must represent the municipality's and any service provider's performance during the fiscal year. Additionally, the APR must state the municipality's development and service delivery goals and the performance targets set for the fiscal year and

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explain, based on the results, what corrective actions were taken or would be implemented to enhance performance. The APR for 2020/21 is included in chapter 4 to this Annual Report, and the full report is also annexure.

ORGANIZATIONAL EFFECTIVENESS

The strategic performance evaluation demonstrates how well the Municipality accomplishes its goals and which policies and processes are effective.

All government entities must report on their strategic performance to assure effective, efficient, and affordable service delivery. Municipalities must create strategic strategies and budgets for their implementation. The implementation process must be monitored on an ongoing basis, and the results must be communicated to various stakeholders throughout the fiscal year in order for them to take corrective action as needed.

The Annual Performance Report (APR) highlights the Municipality's strategic performance in terms of the Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the Municipality's strategic objectives, and performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act of 2000.

EMPLOYEE WELLNESS

Interventions	Desired outcomes
Covid-19 Training	Increase awareness
Provision of Protective Equipment	Reduce the risk of injuries
Meeting to discuss COVID 19 work plan	Increase awareness

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FRAMEWORK FOR PERFORMANCE MANAGEMENT

The Municipality has the Performance Management (PM) Framework, which is evaluated annually. The Municipality evaluated the framework for the fiscal year 2020/2021. The PM Policy establishes the Municipality's objectives to foster responsibility and guide the Municipality's overall strategy. Thus, the PM Framework's primary principles are that it must be viable in terms of the Municipality's available resources and act as an enabling tool for workers to accomplish their performance objectives and targets.

Every year, the Municipal IDP must be evaluated to verify that:

- Municipalities and communities maintain track of progress on development initiatives and municipal budget expenditures; and
- Communities are given a chance to assess their needs and suggest modifications to the municipal IDP's priorities.

The IDP serves as the primary planning tool that directs and informs the municipal budget. The UMshwathi Municipality's PMS is the principal method for monitoring, reviewing, and improving the execution of its IDP, as well as for tracking progress toward attaining the IDP's objectives.

The Five-Year Success Framework shows the link between the Municipality's strategy framework and IDP implementation, as outlined in the preceding chapter, using Key Performance Indicators and Targets to track the IDP's performance over the next five years.

These are revised annually in accordance with Section 34 of the Local Government: Municipal Systems Act, No. 32 of 2000, which requires municipal councils to review their integrated development plans annually in accordance with an assessment of their

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performance metrics in accordance with Section 41, to the extent that changing circumstances necessitate.

A supportive performance management culture will guarantee that the developmental objectives outlined in the IDP are reflected in senior managers' performance agreements and subsequent execution.

REMUNERATION FRAMEWORK

The municipality remuneration is guided by job evaluation policy and placement policy. The municipality embarked on the implementation of Job Evaluation Results in September 2020. The process is expected to be finalised in the following financial year.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employment equity profile											
Occupational level	MALE				FEMALE				FOREIGN NATIONALS		
	A	C	I	W	A	C	I	W	MALE	FEMALE	TOTAL
Top MANAGEMENT	1	0	0	0	0	0	0	0	0	0	1
Senior Management	1	0	1	0	2	0	0	0	0	0	4
Mid Management	6	2	0	0	5	0	2	0	0	0	15
STAQW ^a	18	0	2	0	21	1	2	2	0	0	46
Semi-skilled workers	30	0	1	0	28	0	2	0	0	0	61
Unskilled workers	58	0	0	0	43	1	2	0	0	0	104
TOTAL PERMANENT	107	2	4	0	84	2	8	2	0	0	210
None permanent	7	0	0	0	5	0	0	0	0	0	20

Chapter 4

Terminations

No	Position	Type of Exit
1	Supervisor Environmental Management	End of Contract
2	Cashier	Death
3	General Assistant	Death
4	Office Attendant	Death

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

No	Name of Union	Number of members	Per centage
1	SAMWU	196	82%
2	IMATU	9	4%
3	Non-union employees	33	14%
Totals		238	100%

Chapter 4

4.2 POLICIES

No	Adopted Policy	Adoption Date
STRATEGIC POLICIES		
1	Human Resources Strategy	27 February 2019
2	Employment Equity Policy	30 May 2019
ON BOARDING POLICIES		
3	Recruitment and Induction Policy	29 June 2016
4	Probationary Period Policy	7 December 2016
DEVELOPMENT POLICIES		
4	Skills Development Policy	27 February 2019
5	Internal Bursary Policy	27 February 2019
6	External Bursary Policy	27 February 2019
7	Learnership Policy	29 June 2016
8	Experiential Learning Policy	29 June 2016
9	Acting in a higher / same level position Policy	27 February 2019
10	Secondment Policy	7 December 2016
11	Individual Performance Management System (IPMS)	7 December 2016
RETENTION POLICIES		
12	Scarce and Critical Skills Policy	27 February 2019
MAINTENANCE POLICIES		
13	Employee Wellness Policy	29 June 2016
14	Occupational Health and Safety Policy	29 June 2016
15	Occupational Health and Safety Practices and Procedures	29 June 2016
16	Occupational Health and Safety Plan	8 December 2020
17	Labour Relations Policy	7 December 2015
18	Leave Policy	27 February 2019
19	Job Evaluation Policy	27 February 2019
20	HIV / AIDS Policy	29 June 2016
21	Sexual Harassment Policy	29 June 2016
22	Travel and Subsistence Policy	29 June 2016
23	Subsidised Motor Vehicle Policy	29 June 2016
24	Substance Abuse Policy	29 June 2016
EXIT POLICIES		
26	Termination of Service Policy	29 June 2016

Chapter 4

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

DEPARTMENT	Qualification	No of Employees	Institution
Office of the Municipal Manager	ND Public Management	1	FET
Corporate Services	ND in Public Management	1	DUT
Finance Services	Advanced Diploma in Public Administration	1	DUT
Community Services	Bachelor of Commerce in HR	1	MANCOSA
Technical Services	N/A	N/A	N/A

T 4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty during the 2020/21 Financial Year				
Type of injury	Injury leave taken	Employees using injuries on duty/ Medical Treatment		Total cost
		IOD	Medical Treatment	
Required basic medical attention only	7	0	3	3 563
Temporary total disablement	0	0	0	0
Permanent disablement	0	0	0	0
Fatal	0	0	0	0
TOTAL	7	0	3	3 562

The year 2020 will be remembered for significant changes that affected all workplaces as a result of the COVID-19 epidemic. Workplaces across the country were transformed in an almost immediate manner. Employers, employees, and self-employed individuals all had to deal with new rules, new working techniques, new protocols, and new expectations, while many others were compelled to close their doors and store their equipment. Work related injurious occurred during the year and we are working hard to reduce the figures reported above to zero. The municipality support all laws and regulation that seek to eliminate work related injuries.

Chapter 4

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPAMUNICIPALITY DEVELOPMENT

WARD	QUALIFICATION	NUMBER OF BURSARS	INSTITUTION
1	ND Civil Engineering	1	DUT
3	ND Accounting	1	DUT
5	ND Public Management	1	DUT
7	BSc Engineering Science	1	DUT
7	B Tech: Civil Engineering	1 1	UKZN DUT
7	BSc Civil Engineering	1	UKZN
9	ND Civil Engineering	1	DUT
8	ND Computer Science	1	Rosebank College
10	B Com	1	UJ

The municipality Bursary Programme was established to support deserving learners who aspire to study at a tertiary institution in South Africa. The Bursary Program is dedicated educating and development our community with a special focus to youth. Our opinion is that education is a critical essential in the fight against poverty, unemployment, inequality and injustice.

Appropriately trained and competent people are vital to meeting the present and future demands of the South Africa in which we want to live. An educated country grows an economy exponentially and meets the essential levels of economic growth for present and future development demands.

Chapter 4

Internship programme

NO	INTERNSHIP	TOTAL NUMBER OF GRADUATES
1	Human Resources Management	2
2	Information and Communication Technology	2
3	Administration and Sound Governance	1
4	Supply Chain Management	1
5	Local Government and Administration	1
6	Communications	1
7	IDP and Town Planning	1
8	Civil Engineering	2

On-the-job training helps employees to obtain experience working in situations quite similar to those they will face on a regular basis. Interns are provided with the same tools and equipment they require for their profession while being led by an expert trainer. This permits individuals to learn and perform their profession while still in training. The total number of interns during the year was eleven.

Chapter 6

4.5 SKILLS DEVELOPMENT AND TRAINING

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The Human Resources Section provides professional support services that are closely linked with the Municipality's integrated development plan. By doing so, the Human Resources Section assists the Municipality's five (5) departments in meeting their strategic objectives and also assists all departments in making a meaningful contribution to the fulfilment of the following constitutional mandate as set out in Chapter 7 of the Constitution of the Republic of South Africa, 1996, by providing assistance to accomplish the following:-

- Local communities should have a democratic and responsible government.
- Provide sustainable services to communities
- Contribute to the social and economic development of the community
- Encourage the development of a safe and healthy environment

Human Resources' function is to organise people so that they may do their jobs successfully. This demands a company to see people as human assets, not as expenses or liabilities.

The Human Resources Section develops policies and standard operating procedures that are consistent with the IDP and comply with applicable law and the South African Local Government Bargaining Council's collective bargaining agreements, hereafter referred to as the SALGBC. The Human Resources Section is responsible for enforcing applicable human resource laws, rules, and regulations. As a member of the South African Local Government Association, we oversee the implementation of the SALGA

Chapter 6

Human Resources Strategy and other policies aimed at empowering local governments.

The Human Resources Section's primary goals include the following:

- Recruitment of the Appropriate Personnel for the Appropriate Job.
- Keeping the Environment Safe.
- Relations Employer-Employee.
- Salary and Benefits.
- Compliance with Labor Laws.
- Training and Development

According to Section 66 of the Municipal Systems Act No. 32 of 2000, "a municipal manager, within the policy framework established by the municipal council and subject to any applicable legislation, must develop and submit to the municipal council for approval a staff establishment for the Municipality."

In accordance with the above, the Municipality began a process of organisational structure review during the 2018/19 fiscal year. This procedure included all essential and important parties. The engagements' aim was to evaluate the structure and verify that it was consistent with the Municipality's strategic objectives as outlined in the IDP. We consulted with the following key stakeholders:

- Department Heads
- Corporate Services Committee
- Organizing Labor
- Portfolio Committee on Corporate Services
- Executive Committee of Council
- The Municipal Council

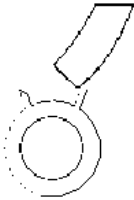
Chapter 6

The latest organisational structure was reviewed on 29 October 2020 after thorough consultation with the aforementioned parties.

It should be noted that, despite the fact that the organisational structure was approved on 29 October 2020, the municipality continues to operate on the September 2016 organisational structure. The Corporate Services Portfolio Committee, Executive Committee, and Full Council all have significant oversight responsibilities in this issue.

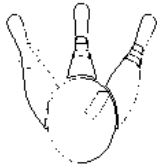
Chapter 6

Key achievements



- 100% of MIG allocation spent
- Compliant with mSCOA budgeting and reporting requirements
- Reduced auditing findings
- Reduce unauthorised, irregular, fruitless and wasteful expenditure
- Reduce vacant to in SCM unit
- Maintained positive cash flow throughout the year

Challenges



- Increase in level of debts
- Incomplete infrastructure register
- Insufficient funding for capital projects
- Lack of projected infrastructure maintenance costs
- Lack of Service Level Agreements (SLA) with the service providers
- Unfilled SCM position
- Update of indigent register
- Qualified audit opinion

Focus areas for IDP

2022

- Improve level of debt collection
- Fully implement the audit action plan
- Introduced better system to project infrastructure maintenance costs
- Develop generic SLA to be used in municipal contracts as may be applicable
- Implement electronic financial statements compilation software
- Progress to filling of the vacant position within SCM

Chapter 6

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

OVERVIEW OF FINANCE DEPARTMENT

The Finance Department is responsible for administering the municipality's financial issues. The purpose is to ensure the efficient and effective management of financial resources to ensure the financial viability of the municipality's financial operations and operations.

It is the custodian of all municipal assets and is responsible for ensuring the careful financial management of all public finances in the municipality. Assessment rates, service fees, other charges, and other sources of revenue are managed by the department, which is also responsible for managing all other revenue.

Department responsibilities include supply chain management, budgeting and spending oversight, and oversight and oversight of the municipal investment and insurance portfolio.

The finance department is also in charge of the preparation of the yearly budget, the preparation of financial statements, the performance of all accounting functions, and the preparation of all legislatively mandated reporting.

The municipality employs a comprehensive and long-term financial management strategy. This method integrates seamlessly with the municipality integrated development plan, service delivery and budget implementation plan and is supported by the municipal performance management system.

Chapter 6

CORE MANDATE

The Finance Department is divided into the following sections, each with its own set of responsibilities:

- Strategic Budgeting
- Cashflow Management
- Revenue Management
- Expenditure Management
- Sustainable procurement of goods and services.
- Management of all Assets

INTRODUCTION TO FINANCIAL STATEMENTS

Financial statements are a critical tool for a local council and administration to employ when reporting to citizens on the municipal services provided with the available resources. Municipal financial statements help municipalities maintain accountability and transparency and aid in long-term and strategic planning. The complete municipality set of the 2020/2021 financial statement appears as volume two of this report.

FINANCIAL PERFORMANCE

	2021 R'000	2020 R'000	2019 R'000	2021 % change	2020 % change
Revenue	224 511	197 183	189 398	13.9%	4.1%
Operating expenditure	248 617	158 170	145 370	57.2%	8.8%
Net (deficit) / surplus for the year	(24 106)	39 013	44 028	-38.2%	-11.4%

The revenue increased by 13.9% during the 2021 financial year (2020: 4.1% increase). The increase was offset by a corresponding increase of 57.2% in operating expenditure. The changes resulted in a reported net deficit of R24.1 million in operating results for the 2021 financial year.

Chapter 6

FINANCIAL POSITION

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

ELEMENTS	2021 R'000	2020 R'000	2019 R'000	2021 % change	2020 % change
Non-current assets	257 723	242 380	229 032		
Current assets	110 458	142 162	124 078		
Total assets	368 181	384 542	353 110	-4.3%	8.9%
Non-current liabilities	2 851	2 875	2 925		
Current liabilities	16 988	9 217	18 224		
Total Liabilities	19 839	12 092	21 049	64.1%	-42.6%
Accumulated surplus	348 342	372 450	332 061	6.5%	12.2%

The current assets far outstrip the current liabilities by more than six times, and this picture remained the same over the past three years.

T5.1.3

5.2 GRANTS

COMMENT ON OPERATING TRANSFERS AND GRANTS:

A grant is defined as a transfer made by the national government or other spheres of government to a recipient organisation. Grants are used for a variety of purposes, including the financing and subsidisation of services, as well as the equalisation of service delivery capacity across municipalities. Grants are also used to pay municipal-specific expenditures and to put national plans into action, among other things. The municipality received a total of R135 million grants during the financial year, and the money was spent in line with the grant conditions. More information on grants is contained in volume two of this report which contains the audited financial statements.

T 5.2.2

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

All 14 wards share the money for repairs and maintenance, which is carried out following the maintenance master plan. Repairs and maintenance expenditures now account for 7.6% (2020: 7.7%). The per centage is within the acceptable norm of 7%. The figures reported below includes both preventative and corrective maintenance.

Repairs and Maintenance: Year 2020/2021					
Description	2021 R'000	2020 R'000	2019 R'000	2021 % of Total Expenditure	2020 % of Total Expenditure
Accumulated surplus	18 810	11 580	12 120	7.6%	7.7%

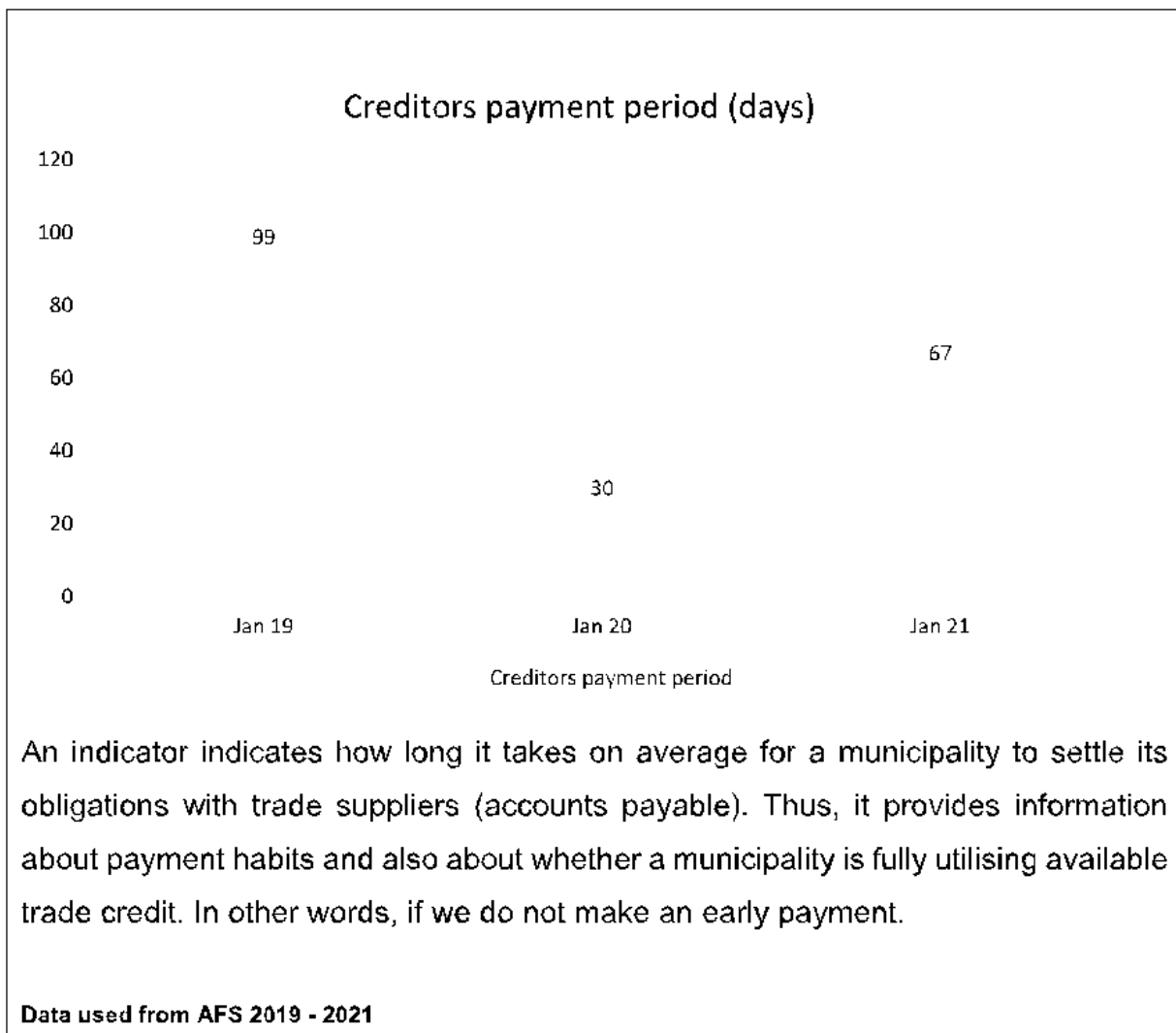
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Chapter 6

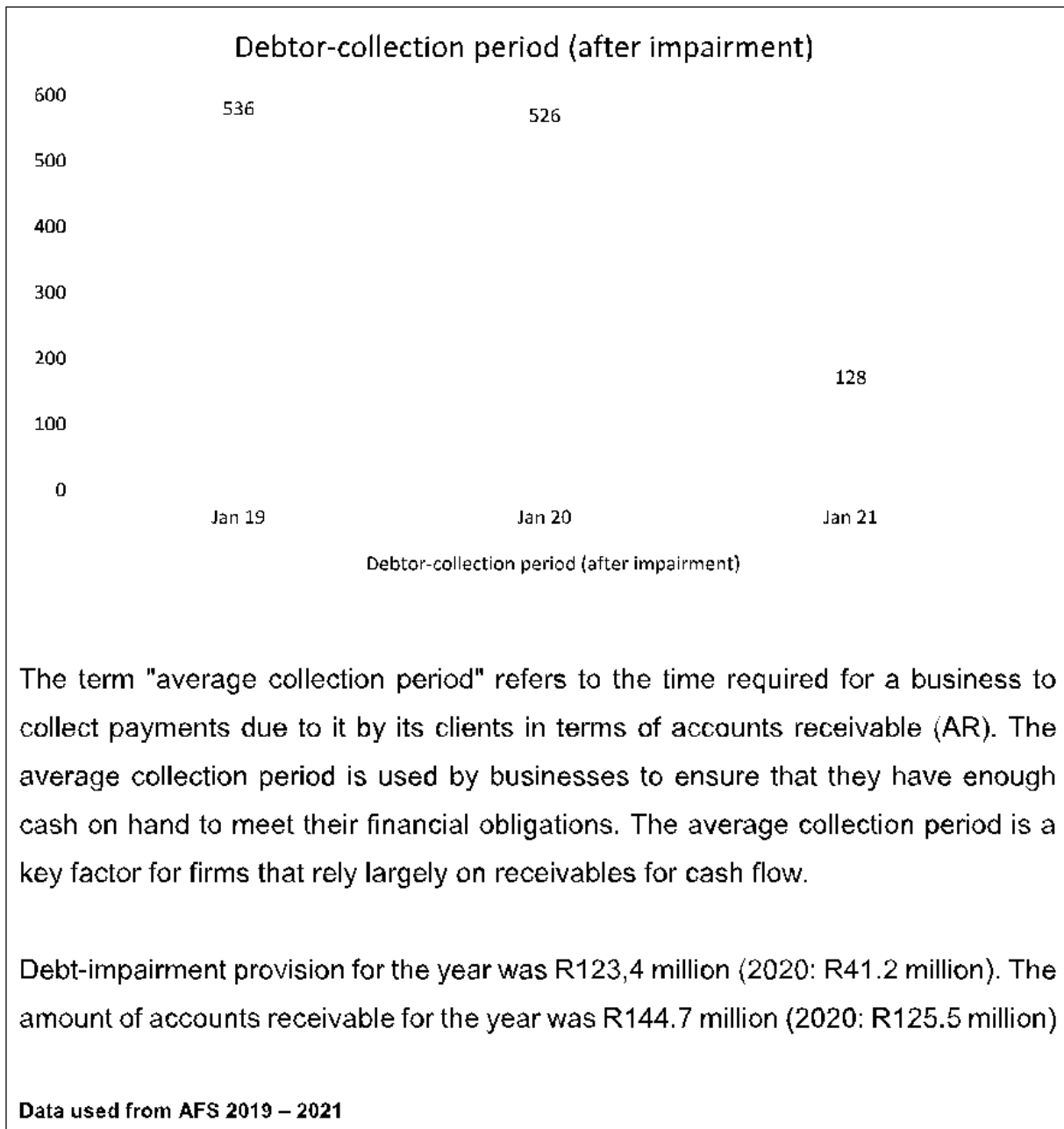
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Expenditure management ratio

Expenditure management encompasses all of the procedures that must be followed in order to guarantee that the municipality's debts are paid in an efficient, effective, and timely way.

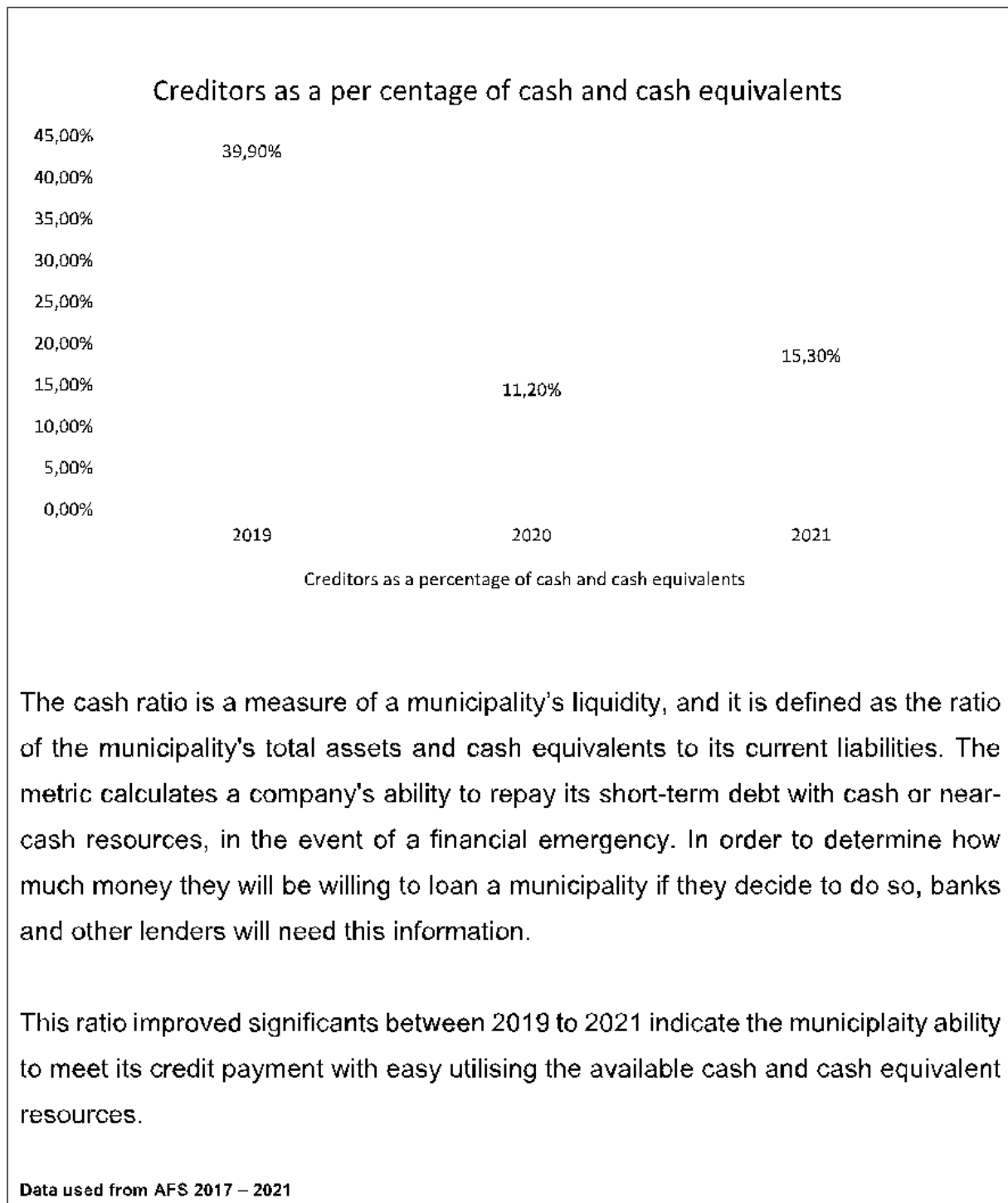


Chapter 6



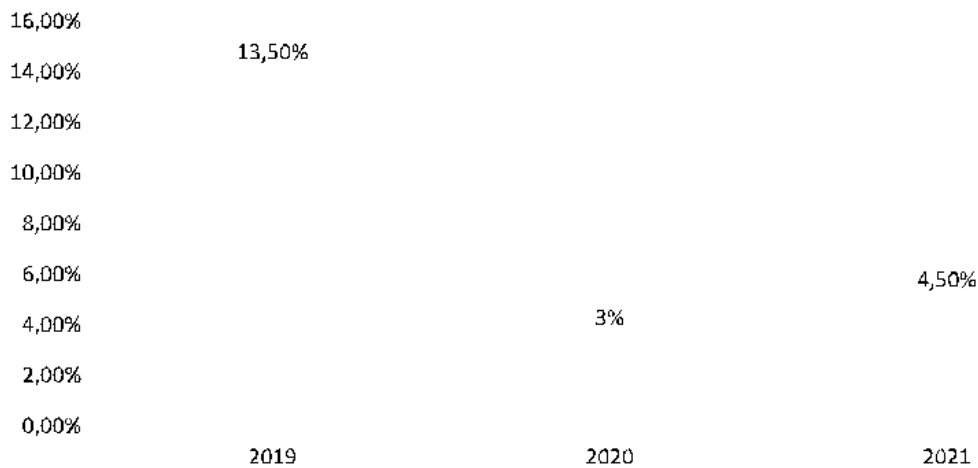
Chapter 6

Cash management ratios



Chapter 6

Current liabilities as a per centage of next year;s budgeted resources

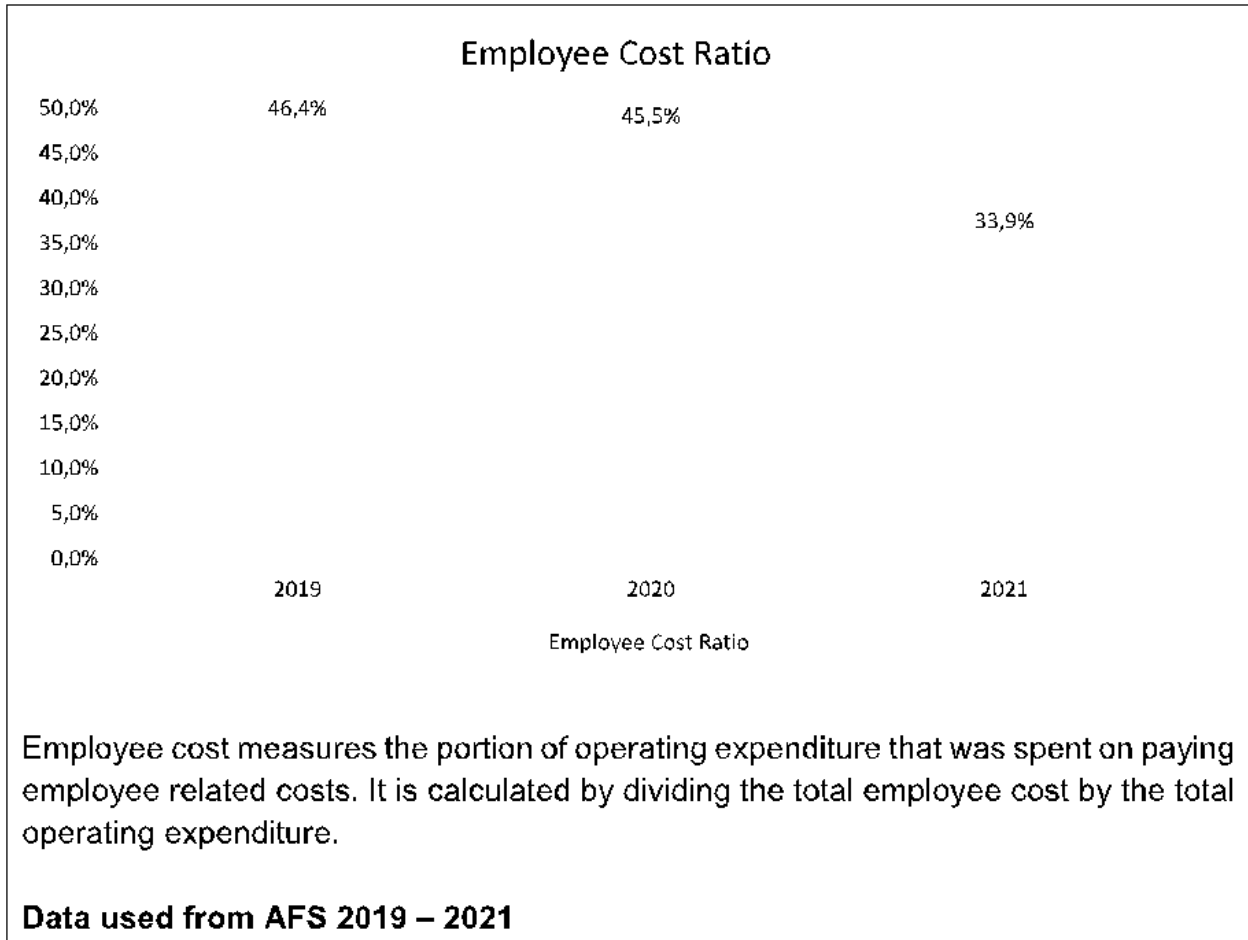


Current liabilities as a percentage of next year;s budgeted resources

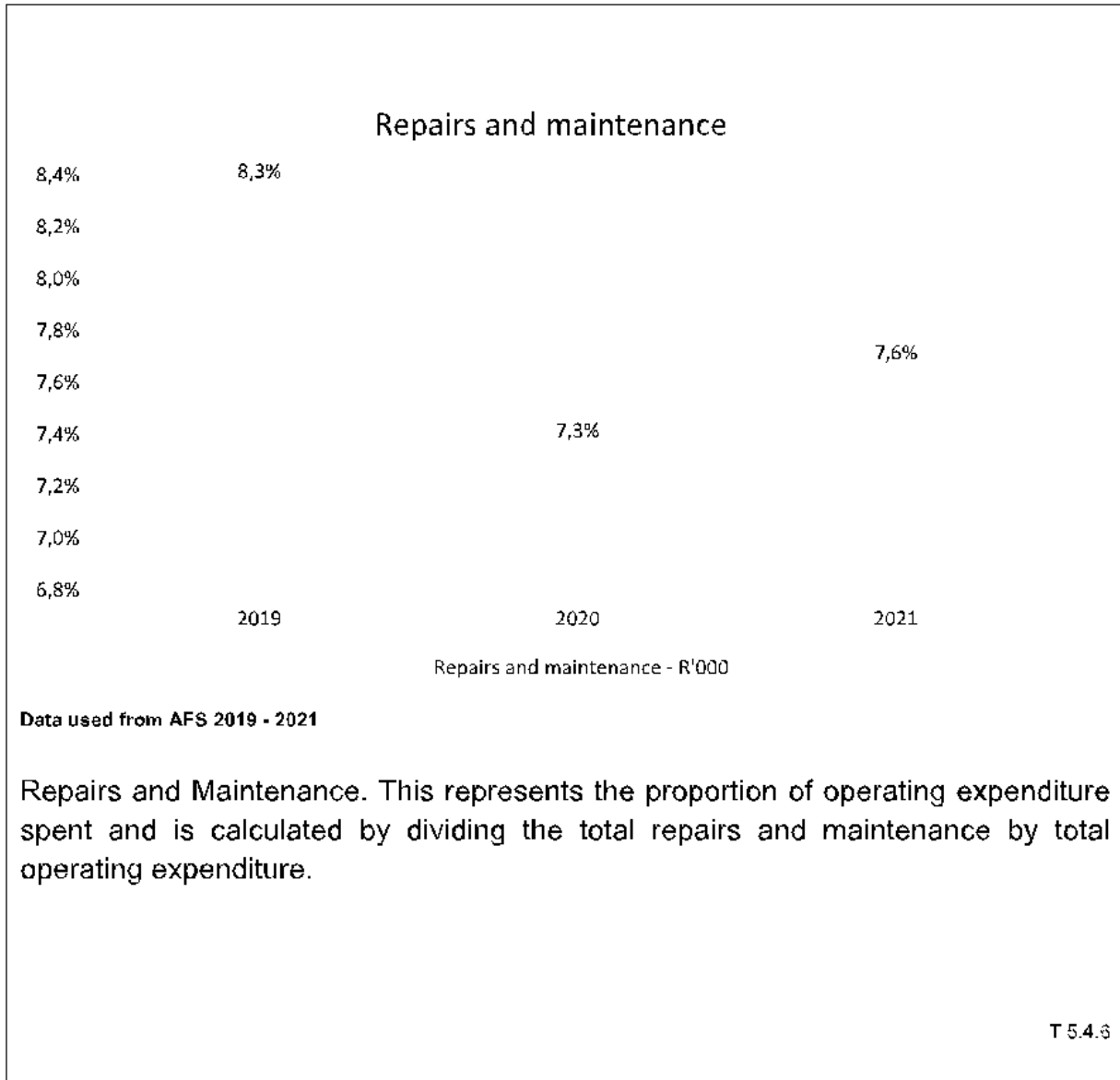
Data used from AFS 2017 – 2021

The ratio, also known as the working capital ratio, is a financial estimator that assesses a municipality's capacity to satisfy short-term obligations that are due within a year of its inception. In this instance weighted average of total current assets versus total budgeted resources for the following financial year is taken into account while calculating the ratio. It provides information on a municipality's financial health and how it may maximise the liquidity of its existing assets in order to settle debt and payables.

Chapter 6



Chapter 6



Chapter 6

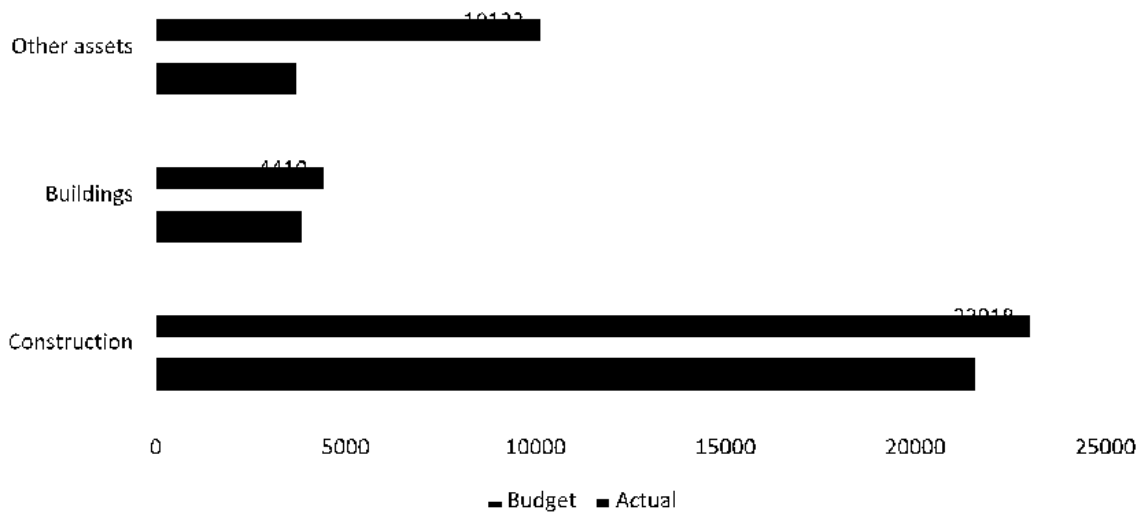
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Refer to page 54 of the attached audited financial financial statements for the year ended 30 June 2021

5.5 CAPITAL EXPENDITURE

Capital Expenditure Actual Vs Budget



5.5.1

Chapter 6

5.6 SOURCES OF FINANCE

REVENUE FROM NON-EXCHANGE TRANSACTIONS

Details	Original Budget	Adjustments (\$ 28)	Final Budget	Actual	Variance	Comments
Property Rates	35 000 000	10 000 000	45 000 000	45 648 893	648 893	The increase in net rates is due to budget rebates not being claimed
Traffic Fines	30 000	-25 000	5 000	3 835	-1 165	
Income for agency services	2 420 000	-120 000	2 300 000	2 631 077	331 077	After the relaxation of the lockdown regulations there was an increase in renewal of vehicle and drivers licences
Grants: Operational	131 970 000	2 997 000	134 967 000	134 967 218	218	
TOTAL	169 420 000	12 852 000	182 272 000	183 251 023	979 023	

REVENUE FROM EXCHANGE TRANSACTIONS

Details	Original Budget	Adjustments (\$ 28)	Final Budget	Actual	Variance	Comments
Service Charges	2 750 000	-	2 750 000	2 838 784	88 784	
Rental of facilities and equipment	640 000	(40 000)	600 000	589 856	-10 144	
Interest earned - external investments	2 500 000	(500 000)	2 000 000	1 883 418	-116 582	Due to decrease in interest rates
Interest earned - outstanding debtors	4 500 000		4 500 000	1 051 519	-3 448 481	There was an increase in arrear debt due to impact of the Covid pandemic
Other income	314 000	(95 000)	219 000	252 550	33 550	There was a slight increase in revenue raised from sale of tender documents
TOTAL	10 704 000	-635 000	10 069 000	6 616 127	-3 452 873	

Chapter 6

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURAL BACKLOGS

Municipalities in South Africa rely on infrastructure asset management and repair to provide basic services to their citizens. While water, roads, and rail are critical components of infrastructure, they are not the only aspects that must be addressed in order to prepare for the future. Rapid and consistent internet access is critical in this area. Access to energy and environmentally development practice must make the area more livable.

Good environment management and defences that are adaptable are required to deal with the possibility of significant disasters that frequently occurs in the area. All of this must be financed and managed by from the limited municipality resources with competing needs.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Throughout the year, the municipality maintained a positive cash flow. Periodical, the cash flow is carefully checked. As shown in the figure below, the municipality substantially decrease from to R22.4 million (2020: R90.2 million). This is mainly to to increase in provision for doubtful to R85.1 million (2020: R5.2 million).

Also noteworthy is the fact that there were no additional borrowings throughout the reporting financial year, which testament to the cautious financial practices followed by the municipality. All financial resources that are not immediately needed to pay expenses are invested at a competitive interest rates with only approved banks.

Chapter 6

INTRODUCTION

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer).....

Dated

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED OPINION

- I have audited the financial statements of the uMshwathi Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
- In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the uMshwathi Local Municipality as at 30 June 2021, 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 Standard of GRAP), 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, 2020 (Act No. 4 of 2020) (Dora).

BASIS FOR QUALIFIED OPINION

PROPERTY, PLANT AND EQUIPMENT - ROADS INFRASTRUCTURE

3. The municipality did not review the residual values and useful lives of property plant and equipment at each reporting date and did not also componentise their road infrastructure in accordance with GRAP 17, *Property, plant and equipment*. As a result, roads infrastructure with a cost value amounting to R31,67 million had a zero net carrying amount while still being in use. I was unable to determine the impact on the net carrying amount of property plant and equipment – road infrastructure disclosed in note 7 to the annual financial statements, as it was impracticable to do so.

Chapter 6

PROPERTY, PLANT AND EQUIPMENT - FURNITURE AND EQUIPMENT

4. The municipality did not review the residual values and useful lives of property plant and equipment at each reporting date in accordance with GRAP 17, *Property, plant and equipment*. As a result, furniture and equipment with a cost value amounting to R6,02 million had a zero net carrying amount while still being in use. I was unable to determine the impact on the net carrying amount of property plant and equipment – furniture and equipment disclosed in note 7 to the annual financial statements, as it was impracticable to do so.

PROPERTY, PLANT AND EQUIPMENT - VEHICLES

5. The municipality did not review the residual values and useful lives of property plant and equipment at each reporting date in accordance with GRAP 17, *Property, plant and equipment*. As a result, vehicles with a cost value amounting to R4,55 million had a zero net carrying amount while still being in use. I was unable to determine the impact on the net carrying amount of property plant and equipment – vehicles disclosed in note 7 to the annual financial statements, as it was impracticable to do so.

CONTEXT FOR THE OPINION

- I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
- I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other 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.
- I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Chapter 6

EMPHASIS OF MATTERS

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

MATERIAL IMPAIRMENTS – RECEIVABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

- As disclosed in note 10 to the financial statements, receivables from exchange and non- exchange transactions were impaired by a total of R123,37 million (2019-20: R60,74 million) as a result of the annual review of the recoverability of the debt.

RESTATEMENT OF CORRESPONDING FIGURES

11. As disclosed in note 29 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of an error in the financial statements of the municipality at, and for the year ended 30 June 2021.

OTHER MATTERS

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

UNAUDITED DISCLOSURE NOTE

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

UNAUDITED SUPPLEMENTARY SCHEDULES

- The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion on them.

Chapter 6

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

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

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

17. 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.
18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Chapter 6

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

19. In accordance with the Public Audit Act, 2004 (Act No. 25 of 2004)(PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected key performance area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
20. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.
21. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the *basic service delivery* key performance area presented on pages xx - xx of the municipality's annual performance report for the year ended 30 June 2021.
22. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
23. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected key performance area.

Chapter 6

OTHER MATTERS

24. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

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

ADJUSTMENT OF MATERIAL MISSTATEMENTS

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of the *basic service delivery* key performance area. As management subsequently corrected the misstatements, I did not raise material findings on the usefulness and reliability of the reported performance information.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

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

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

ANNUAL FINANCIAL STATEMENTS

29. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of revenue, expenditure, current assets, current liabilities and disclosures identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements on property, plant and equipment resulted in the financial statements receiving a qualified audit opinion.

Chapter 6

Revenue management

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

Asset management

31. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

Procurement and contract management

32. Persons in the service of the municipality who had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of Municipal Supply Chain Management Regulation 46(2)(e) and the code of conduct for staff members issued in terms of the Municipal Systems Act, 2000 (Act No. 32 of 2000).

OTHER INFORMATION

33. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected key performance area presented in the annual performance report that have been specifically reported in the auditor's report.
34. 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 on it.
35. 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 key performance area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
36. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue

Chapter 6

an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

37. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the findings on compliance with legislation included in this report.
38. Senior management did not respond in a timely manner to address the risk of credible and reliable financial reporting and compliance with key legislation relating to revenue, asset management and procurement and contract management.

Pietermaritzburg

31 January 2022



AUDITOR-GENERAL
SOUTH AFRICA

10001 Market Street, Sandton, Johannesburg
1999

Chapter 6

Annexure – Auditor-general’s responsibility for the audit

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

FINANCIAL STATEMENTS

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

Chapter 6

events or conditions may cause a municipality to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, the actions taken to eliminate threats or the safeguards applied.

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.

GLOSSARY

Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capamunicipality to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National performance areas	<p>Key</p> <ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".

GLOSSARY

Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.

GLOSSARY

Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <ul style="list-style-type: none"><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality;</i><i>and</i><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

GLOSSARY

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors; Committees Allocated and Council Attendance						
	Council Members	Full Time/Part Time FT/PT	Committees Allocated	Ward and/or Party Represented (PR)	Per centage Council Meetings Attendance %	Per centage Apologies for non-attendance %
1	Cllr M.P. Dlamini	FT	Deputy Mayor EXCO Chairperson - Corporate Services Portfolio Committee	Ward 1	100%	----
2	Cllr P.M. Dladla	PT	MPAC	Ward 2	77%	23%
3	Cllr B.E. Nzama	PT	MPAC	Ward 3	84.6%	15.4%
4	Cllr N.E. Cebekhulu	PT	EXCO Chairperson - Infrastructure & Planning Services Portfolio Committee	Ward 4	77%	23%
5	Cllr G.H. Ngcobo	PT	Corporate Services Portfolio Committee	Ward 5	46.1%	7.7%
6	Cllr W.M. Mngadi	PT	Infrastructure & Planning Services Portfolio Committee	Ward 6	85%	----
7	Cllr S.M. Mbatha - Ntuli	PT	EXCO Chairperson - Community Services Portfolio Committee	Ward 7	84.6%	7.6%
8	Cllr N.W. Gasa	PT	Financial Services Portfolio Committee	Ward 8	69.2%	23%

GLOSSARY

	Councillors; Committees Allocated and Council Attendance		Councillors; Committees Allocated and Council Attendance		Councillors; Committees Allocated and Council Attendance	
9	Cllr E.B. Mbongwe	PT	Chairperson - MPAC	Ward 9	77%	15.3%
10	Cllr C.S. Dube	PT	Community Services Portfolio Committee	Ward 10	38.4%	15.3%
11	Cllr L.P. Zondi	PT	Community Services Portfolio Committee	Ward 11	46.1%	30.7%
12	Cllr S.J. Luthuli	PT	Corporate Services Portfolio Committee	Ward 12	100%	----
13	Cllr N.R. Khanyile	PT	Infrastructure & Planning Services Portfolio Committee	Ward 13	77%	23%
14	Cllr M.Z. Mbewana	PT	Financial Services Portfolio Committee	Ward 14	69.2%	15.4%
15	Cllr N.P. Mdunge	FT	Speaker	PR	92.3%	7.7%
16	Cllr N.A. Thusi	PT	Financial Services Portfolio Committee	PR	46.1%	23%
17	Cllr GM Zondi	FT	Mayor EXCO Chairperson – Financial Services Portfolio Committee	PR	92.3%	7.7%
18	Cllr S.G. Jila	PT	Infrastructure & Planning Services Portfolio Committee	PR	46.1%	23%
19	Cllr T.C. Dlame	PT	MPAC	PR	69.2%	15.4%
20	Cllr N.T. Ngubane	PT	Corporate Services Portfolio Committee	PR	92.3%	7.7%
21	Cllr M.P. Majozi	PT	EXCO Community Services Portfolio Committee	PR	92.3%	----

GLOSSARY

	Councillors; Committees Allocated and Council Attendance		Councillors; Committees Allocated and Council Attendance		Councillors; Committees Allocated and Council Attendance	
22	Cllr B.K. Mkhize	PT	Corporate Services Portfolio Committee	PR	54%	----
23	Cllr M.P. Dumakude	PT	Infrastructure & Planning Services Portfolio Committee	PR	69.2%	15.3%
24	Cllr A.T. Ndlovu	PT	Financial Services Portfolio Committee	PR	46.1%	7.7%
25	Cllr R. Govender	PT	MPAC	PR	69.2%	23%
26	Cllr V.M. Mncwabe	PT	Financial Services Portfolio Committee	PR	61.5%	15.3%
27	Cllr BE Mncube	PT	Community Services Portfolio Committee	PR	23%	7.7%

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GLOSSARY

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral/Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committees
Financial Services Portfolio Committee	To develop and recommend strategy; to develop and recommend by-laws; to consider and make recommendations in respect of the draft budget and IDP; to ensure the public participation in the development of policy, legislation, IDP and budget; to monitor the implementation of Council policies; and to exercise oversight on all functional areas.
Corporate Services Portfolio Committee	
Community Services Portfolio Committee	
Infrastructure & Planning Services Portfolio Committee	

GLOSSARY

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE AND (MANCO)

DEPARTMENT / UNITS	MANAGER / ASSISTANT MANAGER
Mayor Administration	N. Masango
Deputy Mayor Administration	N. Masango
Speakers Administration	N. Zondi
Municipal Managers Office N.M Mabaso	S. Lunga M.Mkhize S.Mkhithi M. Zondi Z. Shandu
Financial Management R. Mani	B. Ntinga T.Mkhulisi V. Grounder A. Vilakazi
Community Services B.T Zondi	M.Mkhize M.Mlobeli T. Luthuli B. Zondi
Corporate Services Mrs T. Mathenjwa	A.N Mkhize A. Naguran V. Mdunge
Technical Services Mrs N Mncube	P. Gwala W. Robson S.Ndlovu

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GLOSSARY

APPENDIX D – MUNICIPAL POWERS AND FUNCTIONS POWERS AND FUNCTIONS

The powers and functions of uMshwathi Municipality as assigned by the MEC for COGTA are set out below:

- Air Pollution
- Amusement Facilities
- Billboards and Display of Advertising in Public Places
- Building Regulations
- Cemeteries, Crematoria and Funeral Parlors
- Child Care Facilities
- Cleansing
- Control of Nuisances
- Control of Undertakings that Sell Liquor to the Public
- Facilities for Accommodation and Care and Burial of Animals
- Fencing and Fences
- Fire Fighting
- Licensing and Control of Undertakings that Sell Food to the Public
- Licensing of Dogs
- Local Amenities
- Local Markets
- Local Sport Facilities
- Local Tourism
- Municipal abattoirs
- Municipal Parks and Recreation
- Municipal Planning
- Municipal Roads
- Noise Pollution
- Pounds
- Public Places
- Public Transport
- Refuse Removal, Refuse Dumps and Solid Waste Disposal
- Storm Water
- Street Lighting
- Street Trading
- Trading regulations
- Traffic and Parking Strategic Goals and Directions

T D.1

GLOSSARY

APPENDIX F – WARD INFORMATION

Sources: IDP 2020/2021

GLOSSARY

APPENDIX I – SERVICE PROVIDER PERFORMANCE SCHEDULE

No.	Description of goods / services / Infrastructure project	Budget allocation/ source	Estimated contract duration	Envisaged date of award
1	Thokozane Community Hall	R1,500,000.00	6 Months	02/10/2019
2	Khamanzi Sports-field	R1,000,000.00	6 Months	02/10/2019
3	Efaye Sports-field Completion	R1,000,000.00	6 Months	02/10/2019
4	Construction of Mthizane Crèche	R3m00,000.00	6 Months	02/10/2019
5	Mbeka Access Road	R2,500,000.00	3 Months	02/10/2019
6	Disability Skills Centre	R670,000.00	6 Months	02/10/2019
7	Land audit and GIS maintenance	R2 500,000.00	3 years	14/08/2019
8	Grass cutting – Albert falls	R300,000.00	12 Months	29/11/2019
9	Grass Cutting Thokozani	R300,000.00	12 Months	29/11/2019
10	Public Internet installation (2 Wards)	R500,000.00	1 Month	01/06/2020
11	The provision of Security Services	R6 000,000.00	3 years	30/09/2019

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

GLOSSARY

DISCLOSURE OF FINANCIAL INTERESTS: PERIOD 1 JULY 2020 – JUNE 2021		
POSITION	NAME	DESCRIPTION OF FINANCIAL INTEREST (PERSON DOING BUSINESS WITH COUNCIL)
Municipal Manager	NM Mabaso	Not applicable
GM: Community	Zondi Trevor	Not applicable
Chief Financial Officer	Ramesh Mani	Not applicable
GM: Corporate Services	Mrs T, Mathenjwa	Not applicable
GM: Technical Services	Mrs N Mncube	Not applicable
		T.J

GLOSSARY

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

APPENDIX M (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME 2020/2021

Ward	Project	Budget 2020/2021	Retention	Actual Total	Category
7	Community Skills Centre	210 000,00		-	Centre
1	Disability centre	1 700 000,00		1 849 201,92	Centre
14	Phase 2 Socilie Hall	600 000,00		-	Halls
1	Thokozane Access Road			561 080,00	Roads
1	Upgrading of Construction of D239	4 000 000,00	497 895,50	7 391 910,23	Roads
2	Shiyabazali Internal Roads - New Hanover - Phase 2	3 000 000,00	240 918,52	575 608,89	Roads
4	Doboti Road	1 500 000,00		-	Roads
6	Ndlavaleni Road	6 800 000,00	498 384,80	5 573 725,58	Roads
8	Nazo Road			94 000,00	Roads
9	Tarring of L714	2 000 000,00		1 144 449,26	Roads
	Mchunu Road	150 000,00		-	Roads
	Dalton/Cool Air Road	700 000,00		470 031,50	Roads
12		4 868 000,00	233 699,70	5 489 916,53	Roads
	Gwala Road			285 535,81	Roads
3	Completion of Ekhamanzi & Efaye sportfield	1 900 000,00		1 647 006,07	Sports fields
	Completion of Efaye Sportsfield		60 000,00	347 949,51	Sports fields
MIG Allocation		27 428 000,00	1 530 898,52	25 430 415,30	

GLOSSARY

APPENDIX M (II): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

GLOSSARY

APPENDIX T – ANNUAL PERFORMANCE REPORT

Attached – Refer to Chapter Three and annexure A

GLOSSARY

APPENDIX W LEARNERSHIP AND SKILLS PROGRAM TRAINING 2016

GLOSSARY



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GLOSSARY



UMSHWATHI MUNICIPALITY
(KZN221)

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2021

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GENERAL INFORMATION

SPEAKER OF COUNCIL : Cllr. N.P. Mdunge

MEMBERS OF THE EXECUTIVE COMMITTEE

Councillor	G.M. Zondi	:	Mayor, Exco Chairperson
Councillor	M.P. Dlamini	:	Deputy Mayor
Councillor	S.M. Mbatha-Ntuli	:	Exco Member
Councillor	N.E. Cebekhulu	:	Exco Member
Councillor	M.P. Majazi	:	Exco Member

CATEGORY OF LOCAL AUTHORITY

CATEGORY TWO (2)

AUDITORS

AUDITOR-GENERAL SOUTH AFRICA

BANKERS

FIRST NATIONAL BANK

REGISTERED OFFICE

Main Road
New Hanover
3230

TELEPHONE

033 - 8166800

MUNICIPAL MANAGER

Mr. N.M. Mabaso

CHIEF FINANCIAL OFFICER

Mr. R.M. Mani

MEMBERS OF THE UMSHWATHI MUNICIPAL COUNCIL

PR	:	Cllr. N.P. Mdunge
PR	:	Cllr. G.M. Zondi
PR	:	Cllr. N.T. Ngubane
PR	:	Cllr. T.C. Dlame
PR	:	Cllr. S.G. Jila
PR	:	Cllr. N.A. Thusi
PR	:	Cllr. B.K. Mkhize
PR	:	Cllr. A.T. Ndlovu
PR	:	Cllr. M.P. Dumakude
PR	:	Cllr. M.P. Majozi
PR	:	Cllr. V.M. Mncwabe
PR	:	Cllr. R. Thomas-Govender
PR	:	Cllr. B.E. Mncube
W1	:	Cllr. M.P. Dlamini
W2	:	Cllr. P.M. Dladla
W3	:	Cllr. B.E. Nzama
W4	:	Cllr. N.E. Cebekhulu
W5	:	Cllr. G.H. Ngcobo
W6	:	Cllr. M.W. Mngadi
W7	:	Cllr. S.M. Mbatha-Ntuli
W8	:	Cllr. N.W. Gasa
W9	:	Cllr. E.B. Mbongwe
W10	:	Cllr. C.SS. Zuma-Dube
W11	:	Cllr. L.P. Zondi
W12	:	Cllr. S.J. Luthuli
W13	:	Cllr. N.R. Khanyile
W14	:	Cllr. M.Z. Mbewana

MAYOR : **Councillor G.M. Zondi**

DEPUTY MAYOR : **Councillor M.P. Dlamini**

APPROVAL OF FINANCIAL STATEMENTS

The Annual Financial Statements set out on pages 21 to 59 were approved by the Municipal Manager on 29 October 2020 and presented to and noted by Council on 31 August 2021.

MUNICIPAL MANAGER

(Accounting Officer)

31 August 2021

CHIEF FINANCIAL OFFICER

31 August 2021

Accounting Officer's Report

As the accounting officer of uMshwathi Local Municipality, I am proud to present herewith the annual financial statement for the period ending 30 June 2021.

The annual financial statements are prepared as required in term of section 122 of the Municipal Finance Management Act and submitted to the Auditor General in terms of section 126 (1) (a) of the Municipal Finance Management Act. It is my view that the Annual financial statements fairly present the true financial position of the municipality and all the records to support the same are available for inspection.

I am of the opinion that based on the information provided to me by management and internal audit the systems of internal control provides reasonable assurance that the financial records may be relied upon for the preparation and submission of these annual financial statements. It must be noted that employee salaries are based on the collective agreement signed by labour and the South African Local Government Association. Councillor allowances are within the upper limits as set out in Government Notice 475 dated 24 April 2020.

I have reviewed the Municipality's cash forecast for the year ending 30 June 2021 and in light of this review and the current financial position I am satisfied that the Municipality has access to adequate resources to fulfil all its obligations as required by various provisions of legislations.

Mr. N.M. Mabaso
Municipal Manager

Date: 31 August 2021

UMSHWATHI LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

	Note	2021 R	2020 Restated R	
ASSETS				
Non - current assets				
Property, plant and equipment	7	245 257 230	230 973 812	
Investment Property	8	10 199 148	10 669 726	
Intangible Assets	9	240 947	736 476	
Non-current Current Assets				
Non-current portion of Acknowledgement of Debt Debtors	12	2 028 501	0	
		<u>2 028 501</u>	<u>0</u>	MR 18
Current assets				
Receivables: Non-Exchange Transactions	10	10 797 699	97 713 802	
Receivables: Exchange Transactions	10	7 424 097	13 523 904	
Other debtors: Exchange	11	3 061 082	3 019 090	
Other debtors: Non-Exchange	11	1 201 408	5 981 530	
Value Added Tax Receivable	9	14 539 349	10 578 459	
Call investment deposits	13	67 095 562	39 878 136	MR 33
Bank balances and cash	14	8 429 034	1 467 154	
Total Assets		<u>368 182 287</u>	<u>384 541 669</u>	
Non - current liabilities				
Non-current portion of Long Service Award Liability	3	2 850 628	2 874 806	
		<u>2 850 628</u>	<u>2 874 806</u>	
Current liabilities				
Creditors	2	16 987 917	9 216 926	
Leave Payable	4	11 245 938	4 343 807	MR 24 & MR 25
Unspent conditional grants and receipts	5	5 165 580	3 827 815	
Current portion of Long Service Award Liability	3	-	419 218	
		<u>573 401</u>	<u>328 088</u>	
Total Liabilities		<u>19 838 543</u>	<u>12 091 732</u>	
Net Assets		<u>348 343 745</u>	<u>372 450 157</u>	
NET ASSETS				
Net assets		<u>348 343 744</u>	<u>372 450 157</u>	
Accumulated surplus		<u>348 343 744</u>	<u>372 450 157</u>	
		<u>348 343 744</u>	<u>372 450 157</u>	
		-1	-0,22	

**UMSHWATHI LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2021**

BUDGET			ACTUAL		
2020	2021	REVENUE	Note	2021	2020 Restated
R	R			R	R
		Revenue from Non-Exchange Transactions			
44 012 000	45 000 000	Property rates	15	45 648 893	44 187 273
30 000	5 000	Traffic Fines		3 835	12 500
2 225 000	2 300 000	Income for agency services	16	2 631 077	1 706 232
		Interest earned - outstanding debtors	17,0	7 553 306	8 166 691
108 997 000	142 964 000	Government grants and subsidies	18	134 967 218	108 577 782
27 591 000	27 091 000	Capital Funding	18	27 091 000	27 591 000
182 855 000	217 360 000			217 895 329	190 241 478
		Revenue from Exchange Transactions			
2 500 000	2 750 000	Service charges	17	2 838 784	2 712 801
700 000	600 000	Rental of facilities and equipment		589 856	595 055
2 000 000	2 000 000	Interest earned - external investments	17	1 883 418	2 485 784
8 000 000	4 500 000	Interest earned - outstanding debtors	17	1 051 519	926 929
322 000	219 000	Other income	19	252 550	221 224
13 522 000	10 069 000			6 616 127	6 941 793
196 377 000	227 429 000	Total Revenue		224 511 455	197 183 272
		EXPENDITURE			
71 195 000	73 939 500	Employee related costs	20	73 933 202	70 007 356
10 155 000	10 365 000	Remuneration of Councillors	21	10 230 888	9 997 368
150 000	200 000	Collection costs		84 539	55 162
15 000 000	15 855 000	Depreciation	7/8/9	15 802 591	14 245 959
200 000	0	Interest paid	22	0	66 302
		Interest Written off		2 047 527	2 218 446
30 770 000	49 747 000	Contracted services	26	36 224 304	27 599 754
33 013 000	31 808 000	General expenses	27	25 204 018	28 810 681
5 000 000	8 000 000	Contribution to Provisions	28	85 090 800	5 168 866
165 483 000	189 914 500	Total Expenditure		248 617 870	158 169 893
30 894 000	37 514 500	Surplus for the year		(24 106 415)	39 013 378

uMSHWATHI LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

	Note	Accumulated Surplus	
		R	
Balance as per 30 June 2019		331 962 053	373 243 876,18
Surplus - (deficit) for the year		41 281 823	
Original Balance as at 30 June 2020		373 243 876	0,00
Prior Year Adjustments	29	-793 710	
Restated balance as at 30 June 2020		372 450 166	41 281 823,4
Surplus for the year		-24 106 415	
Balance as at 30 June 2021		<u>348 343 751</u>	

uMSHWATHI LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 R	2020 Restated R	
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Sales of Goods and Services		122 177 163	44 980 168	
Grants		134 967 218	108 577 782	
Interest Received		1 883 418	2 485 784	
Other Receipts		27 091 000	27 591 000	
		<u>286 118 799</u>	<u>183 634 734</u>	
Payments				
Employee Costs	15/16	-82 600 190	-79 164 509	
Suppliers		-142 219 170	-70 573 799	
Interest Paid	17	0	-66 302	
		<u>-224 819 360</u>	<u>-149 804 610</u>	
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	<u>61 299 439</u>	<u>33 830 125</u>	
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	5	(29 120 101)	(26 857 139)	
Proceeds from disposal of Assets			(6 357 238)	MR 30
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(29 120 101)</u>	<u>(33 214 377)</u>	
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of external loans		-	(892 483)	
Increase in Investments		(27 217 426)		MR 30
NET CASH FROM FINANCING ACTIVITIES		<u>(27 217 426)</u>	<u>(892 483)</u>	
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		<u>4 961 910</u>	<u>(276 735)</u>	
Cash and cash equivalents at the beginning of the year		1 467 154	1 743 890	
Cash and cash equivalents at the end of the year	14	6 429 064	1 467 154	
		<u>4 961 910</u>	<u>(276 736)</u>	
		0,96	0,73	

uMshwathi Local Municipality
Statement of Comparison of Budget and Actual Amounts
For the Year Ended 30 June 2021

Operational Budget for the period 01 July 2020 to 30 June 2021

The Budget is a zero based budget and is prepared on the accrual basis

Details	Original Budget	Adjustments (\$'28)	Final Budget	Actual	Variance	Comments	
Revenue from Non-Exchange Transactions							
Property Rates	35 000 000	10 000 000	45 000 000	45 648 893	648 893	The increase in net rates is due to budget rebates not being claimed	
Traffic Fines	30 000	-25 000	5 000	3 835	-1 165		
Income for agency services	2 420 000	-120 000	2 300 000	2 631 077	331 077	After the relaxation of the lockdown regulations there was an increase in renewal of vehicle and drivers licences	
Grants: Operational	131 970 000	2 997 000	134 967 000	134 967 218	218		
	169 420 000	12 852 000	182 272 000	183 251 023	979 023		
Revenue from Exchange Transactions							
Service Charges	2 750 000	-	2 750 000	2 838 784	88 784		
Rental of facilities and equipment	640 000	(40 000)	600 000	589 856	-10 144		
Interest earned - external investments	2 500 000	(500 000)	2 000 000	1 883 418	-116 582	Due to decrease in interest rates	
Interest earned - outstanding debtors	4 500 000		4 500 000	1 051 519	-3 448 481	There was an increase in arrear debt due to impact of the Covid pandemic	
Other income	314 000	(95 000)	219 000	252 550	33 550	There was a slight increase in revenue raised from sale of tender documents	
	10 704 000	-635 000	10 069 000	6 616 127	-3 452 873		
Total Operating Revenue	180 124 000	12 217 000	192 341 000	189 867 149	-2 473 851		207 552 000,00
Operating Expenditure							219 432 000,00
Employee Costs	72 143 000	1 796 500	73 939 500	73 933 202	-6 298	Certain budgeted posts were not filled in an attempt to reduce the salary to total cost ratio	
Councillor Allowances	10 765 000	(400 000)	10 365 000	10 230 888	-134 112		
Depreciation	6 655 000	9 200 000	15 855 000	15 802 591	-52 409		216 958 149,14
Interest Paid	300 000	(300 000)	0	0	0	The budget for finance charges was over budgeted	
Other Expenditure	88 958 000	-7 203 000	81 755 000	61 512 862	-20 242 138	Certain expenditure that was budgeted for were not incurred due to the Covid Lockdown	
Contribution to Reserves	1 500 000	6 500 000	8 000 000	85 090 800	77 090 800	Debtors were reassessed in terms of GRAP 104 requirements and the impairment provision needed to be increased.	
Contribution to Capital	-	-	-	-	-		
Operational Expenditure	180 321 000	9 593 500	189 914 500	246 570 343	56 655 843		217 005 500,00
Operating Surplus before Capital Expenditure	-197 000	2 623 500	2 426 500	-56 703 194	-59 129 694		
Capital Transfer Recognised	27 428 000	-337 000	27 091 000	27 091 000	2 029 101		30 178 000,00
Surplus for the year before Capital Expenditure	27 231 000	2 286 500	29 517 500	-29 612 194	-61 158 795		

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	R	Restated R

1 SEGMENT REPORTING

For management purposes, the municipality is organised and operates in four functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions and resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level. Costs relating to the governance and administration of the municipality are not allocated to these business units.

The four functional segments comprise of:

Governance and administration

Community and public safety which includes community and social services, sport and recreation, public safety, economic and services

Environmental services which includes planning and development, road transport and environmental protection services;

Trading services which includes waste management services;

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does monitor the performance of each segment but does not at present have reliable separate financial information for decision making purposes. Processes have been put in place to generate this information at a transaction level and in the most cost effective manner.

Financial report per Segment

Governance and Administration

Revenue	192 872 717,17	165 031 505,12
Expenditure	-132 903 076,00	-136 857 718,54
Surplus	<u>59 969 641,17</u>	<u>28 173 786,58</u>

Community and Public Safety

Revenue	1 545 898,74	1 755 723,82
Expenditure	-5 182 555,14	-6 681 423,54
Surplus	<u>-3 636 656,40</u>	<u>-4 925 699,72</u>

Environmental/Road Transport

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	R	Restated R
Revenue	27 254 055,67	27 683 240,47
Expenditure	-30 253 411,80	-13 245 713,52
Surplus	-2 999 356,13	14 437 526,95

Waste Management Service

Revenue from Exchange Transactions	2 838 783,68	2 712 801,28
Segment Expenditure	-2 243 848,14	-1 385 037,44
Surplus	594 935,54	1 327 763,84

Total

	53 928 564	39 013 378
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2 CREDITORS

Trade creditors	2 438 991	3 114 189
Retentions Held	1 530 899	1 493 140
Housing	5 223 821	0
Unallocated Receipts	743 459	36 478
Debtors with Credit Balances	1 308 966	
	11 245 936	4 643 807

3 Provision for Long Service Award

Non Current Liability for Long Service Award	2 850 626	2 874 806
Current Liability for Long Service Award	576 401	326 086
	3 427 027	3 200 892

An actuarial valuation was done for the provision for Long Service Awards to Current employees as at 30 June 2021 in terms of GRAP 25 and a liability raised accordingly. Due to the uncertainty of who will be entitled to the award an actuarial valuation was done on all employees based on their date of appointment together with the policy on the qualifying of the Long Service Award.

The approach taken in this valuation has been made with reference to the guidelines issued by the Actuarial Society of South Africa (ASSA), in particular the Advisory Practice Note 207 as issued by ASSA.

Changes in the Present Value of the defined benefit obligation is as follows:

Opening Balance	3 200 892	2 924 646
Expense recognised in Statement of Financial Performance	226 135	276 246
Closing Balance	3 427 027	3 200 892

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	R	Restated R
Expense recognised in Statement of Financial Performance		
Current Service Cost	316 318	319 048
Interest Cost	-357 269	280 733
Actuarial Loss	267 086	-323 535
	226 135	276 246
Key Assumptions Used		
Discount Rate	8,00%	8,00%
Inflation Rate	3,00%	3,00%
Salary Increase Rate	4,00%	4,00%
Mortality Rate		
Average Retirement Age	63 years	
Pre-retirement Mortality	SA 85/90 with 1 year downward age rating for females	
4 Leave Payable		
Opening Balance	3 827 815	3 263 846
Leave Paid	-1 231 912	-1 140 502
Unutilised Leave	2 595 903	2 123 344
Current Contribution	2 589 577	1 704 471
Closing Balance	5 165 580	3 827 815
<p>Provision for leave relates the number of days accumulated by employees during the reporting period. The provision is calculated on the leave balance due on 30 June 2021. This is the amount the employee will be entitled to should the employee cease employment on 30 June 2021. The municipality is not aware of the time when the leave will be paid out since this is dependent on the time when the employee ceases to be an employee</p>		
5 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
5.1 Conditional grants from other spheres of government	0	419 218
Total conditional grants and receipts	<u>0</u>	<u>419 218</u>
MIG		
Opening Balance	-	-
Received During the year	27 091 000	27 591 000
Expended During the year	-27 091 000	-27 591 000
Closing Balance	<u>0</u>	<u>0</u>

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated R
FMG		
Opening Balance	-	-
Received During the year	1 900 000	1 970 000
Expended During the year	-1 900 000	-1 970 000
Closing Balance	0	0
Public Works: EPWP		
Opening Balance	-	-
Received During the year	1 192 999	1 322 000
Expended During the year	-1 192 999	-1 322 000
Closing Balance	0	0
DoE Funding: INEP Grant		
Opening Balance	-	-
Received During the year	7 997 000	5 000 000
Expended During the year	-7 997 000	-5 000 000
Closing Balance	0	0
<p>The INEP grant received is for projects carried out on behalf of the Department of Energy. The municipality does not have a license for distribution of electricity thus the projects are carried out on an agency basis. The grant received is not recognised as income and the expenditure incurred is set off against the grant received.</p>		
Provincial Grant: Department of Arts and Culture		
Opening Balance	-	-
Received During the year	2 940 000	2 851 000
Expended During the year	-2 940 000	-2 851 000
Closing Balance	0	0
Disaster Relief Grant		
Opening Balance	419 218	-
Received During the year	0	953 000
Expended During the year	-419 218	-533 782
Closing Balance	0	419 218
6 VAT Receivable	14 539 549	10 578 459
VAT refundable	14 539 549	10 578 459

VAT is payable on the receipts/payment basis. Refer to Note 28.2 for breakdown of VAT receivable

7 PROPERTY, PLANT AND EQUIPMENT

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

						2021 R	2020 Restated R
Reconciliation of carrying value	Buildings	Land	Roads Infrastructure	Furniture & Equipment	Vehicles	Machinery & Tools	Total
Carrying value at 1 July 2020							
Cost	116 302 647	11 657 995	184 506 417	11 798 151	10 044 379	1 764 913	336 074 501
Accumulated depreciation							
- Cost	(23 559 632)	(425 953)	(67 046 214)	(8 807 221)	(6 741 232)	(1 033 601)	-107 613 854
	92 743 015	11 232 041	117 460 202	2 990 931	3 303 146	731 311	228 460 647
WIP	897 336		1 028 429				1 925 764
	93 640 351	11 232 041	118 488 631	2 990 931	3 303 146	731 311	230 386 411
Acquisitions	2 574 780		12 201 331	459 828	2 924 886	311 350	18 472 175
Capital under construction	1 849 202		9 385 927				11 235 129
Depreciation							
- based on cost	(3 851 448)	-	(8 827 070)	(952 919)	(1 018 748)	-186 298	-14 836 485
Carrying value at 30 June 2021							
Cost	118 877 427	11 657 995	196 707 748	12 257 979	12 969 265	2 076 263	354 546 676
Accumulated depreciation							
- Cost	(27 411 080)	(425 953)	(75 873 285)	(9 760 140)	(7 759 981)	(1 219 899)	(122 450 339)
	91 466 347	11 232 041	120 834 463	2 497 839	5 209 284	856 363	232 096 337
WIP	2 746 537		10 414 356	-	-	-	13 160 893
	94 212 885	11 232 041	131 248 819	2 497 839	5 209 284	856 363	245 257 230
Reconciliation of carrying value	Buildings	Land	Infra- structure	Furniture & Equipment	Vehicles	Machinery & Tools	Total
Carrying value at 1 July 2019							
Cost	112 086 466	11 657 995	166 436 584	11 639 618	8 095 574	1 635 413	311 551 649
WIP	243 946						243 946
	112 330 412	11 657 995	166 436 584	11 639 618	8 095 574	1 635 413	311 795 595
Accumulated depreciation							
- Cost	(20 622 803)	(425 953)	(59 567 942)	(7 817 886)	(6 017 633)	-855 309	-95 307 526

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

						2021	2020
						R	Restated R
Acquisitions	91 707 609	11 232 041	106 868 642	3 821 732	2 077 941	780 103	216 488 069
Capital under construction	5 526 624		16 759 390	158 533	1 948 805	129 500	24 522 853
Depreciation	1 240 592		1 028 429				2 269 021
- based on cost	(3 439 448)		(7 799 441)	(993 282)	(723 599)	-152 296	-13 108 066
Depreciation Adjustment	(1 310 442)		1 310 442				-
	502 619		321 169	3 947		-25 996	801 738
Carrying value at 30 JUNE 2020							
Cost	116 302 647	11 657 995	184 506 417	11 798 151	10 044 379	1 764 913	336 074 501,26
WIP	1 484 538	-	1 028 429	-	-	-	2 512 966,71
Accumulated depreciation							
- Cost	(23 559 632)	(425 953)	(57 046 214)	(8 807 221)	(6 741 232)	(1 033 601)	(107 613 854)
	94 227 553	11 232 041	118 488 631	2 990 931	3 303 146	731 311	230 973 614

The following Repair and Maintenance Costs were incurred during the year in maintaining the municipality's Property, Plant and Equipment:

Roads	11 086 103
Buildings	6 873 175

Note: A report has been submitted to Council recommending that fully depreciated assets be written off from the Fixed Assets Register. In the meantime it was decided not to reassess the useful lives of these assets.

Refer to Appendix B for more detail on property, plant and equipment

Assets Under Construction:

Disability Skills Centre	Work in Progress	1 853 335	113 075
Construction of Mthizane Creche	Work in Progress	110 880	110 880
High Mast Lighting	Work in Progress	353 325	353 325
Road L714	Work in Progress	1 144 449	0
Construction of Nazo Road	Work in Progress	94 000	0
Cool Air/Dalton Intersection	Work in Progress	470 032	0
Construction of Gwala Road	Work in Progress	285 536	0
Thokozane Community Centre	Work in Progress	428 997	320 056
Completion of Efaye Sportsfield	Work in Progress	0	587 202
Construction of D239 - Design Cost	Work in Progress	8 420 339	1 028 429
		13 160 893	2 512 967

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 Restated
	R	R
WIP Opening Balance: 01 July 2020	2 512 967	12 744 516
Transferred 2020/2021	587 202	12 500 570
	1 925 764	243 946
Current Year's WIP	11 235 129	2 269 021
WIP as at 30 June 2021	13 160 893	2 512 967

8 INVESTMENT PROPERTY

Cost	14 117 347	14 117 347
Accumulated Depreciation	-3 447 621	-2 977 042
Carrying Value: 01 July 2020	<u>10 669 726</u>	<u>11 140 304</u>
Additions: Current Year	0	0
Cost as at 30 June 2019	<u>14 117 347</u>	<u>14 117 347</u>
Depreciation: Current Year	-470 578	-470 578
Depreciation as at 30 June 2021	<u>-3 918 199</u>	<u>-3 447 621</u>
Carrying Value at end of the year	<u>10 199 148</u>	<u>10 669 726</u>

The Thusong Centre is classified as Investment Property due to the nature of rentals collected from the Government Departments. Investment Property is depreciated on a straight line basis over 30 years

9 INTANGIBLE ASSETS

Software Licences and LAN Network		
Cost: 30 June 2020	3 658 417	3 658 417
Accumulated Amortisation	-2 921 941	-2 254 626
Carrying Value 01 July 2020	<u>736 476</u>	<u>1 403 791</u>
Additions - 2020/21	0	0
Amortisation for the year	-495 529	-667 315
	<u>-495 529</u>	<u>-667 315</u>
Cost: 30 June 2020	3 658 417	3 658 417
Accumulated Amortisation	-3 417 470	-2 921 941
Carrying Amount 30 June 2021	<u>240 947</u>	<u>736 476</u>

The software and network is being amortised over 5 years being its useful life.

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 Restated R
10 RECEIVABLES		
Balances at 30 June 2021	Gross balance	Provision for doubtful debts
		Net balance
Receivables from Exchange Transactions		
Service debtors	6 231 532	-5 170 465
Rental	1 179 347	-1 083 085
Sundry Other: Interest	58 355 547	-52 088 779
	65 766 426	-58 342 328
Receivables from Non-Exchange Transactions		
Rates	50 614 342	-42 604 585
Collection Fees	11 974 586	-10 588 642
Other	13 148 388	-11 736 390
	75 737 316	(65 029 617)
Total	141 503 741	(123 371 945)

Ageing

	Current	30 Days	60 Days	90 Days	120 days	+ 150 Days	Total
	4 466 470	2 579 190	2 531 260	2 249 699	2 273 912	127 403 211	141 503 741
Agriculture/Commercial	2 174 751	903 867	1 002 005	877 890	875 724	31 575 507	37 409 743
Government	922 660	783 931	734 795	660 221	759 196	47 018 022	50 878 826
Residential	1 369 059	891 393	794 460	711 588	638 992	48 809 682	53 215 173

	Gross balance	Provision for doubtful debts	Net balance
Balances at 30 June 2020			
Receivables from Exchange Transactions			
Service debtors	5 225 099	-793 014	4 432 085
Other: Interest and Rental	27 960 509	-18 868 689	9 091 820
	33 185 607	-19 661 703	13 523 904
Receivables from Non-Exchange Transactions			
Rates	89 129 056	-21 415 254	67 713 802
Total	122 314 663	-41 076 957	81 237 706
Ageing			

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021					2020
	R					Restated
	(0 - 30 days)	31 - 60 days	61 - 90 days	91 - 120 days	> 120 days	Total
	3 652 959	1 965 661	1 691 988	1 653 013	113 351 042	122 314 663
Agriculture	941 901	424 797	360 316	360 086	15 095 871	17 182 972
Commercial	687 449	363 860	295 389	291 725	9 384 787	11 023 210
Government	690 847	412 171	398 900	378 431	44 891 608	46 771 958
Residential	1 332 761	764 833	637 383	622 771	43 978 775	47 336 524

The carrying value of debtors is assumed to approximate its fair value since interest is charged on accounts once gone into arrears. An estimate is made of doubtful debts based on a review of outstanding debtors at year end. The current provision is considered reasonable since the bulk of the debtors are rates and Government Departments. The amount owing by government departments is R 46 477 407 (46 771 958- 2020), the biggest debt being that owed by the Department Water Affairs, namely, R28 260 330. Debtors have not been discounted since interest is charged on arrear balance on a monthly basis.

STATUTORY RECEIVABLES

GRAP 108 requires receivable to be split between Statutory and Contractual receivables. In the case of uMshwathi Municipality receivables arising from levying rates on properties and issuing of traffic fines will result in Statutory Receivables. Currently these receivables are included in Consumer debtors and other debtors respectively.

The transitional relief of implementation of GRAP 108 within 3 years has been voluntarily adopted for the current year while the municipality is splitting its receivables. The municipality plans to be GRAP 108 compliant in the 2021/22 financial year.

11 OTHER DEBTORS

District Municipality	Exchange	404 245	404 245
Thokazane housing	Exchange	1 438 745	1 438 745
Department of Housing	Exchange	165 332	165 332
Housing Debtors	Exchange	946 550	946 550
Accrued Interest	Exchange	106 211	64 219
		3 061 082	3 019 090
Debtors: Traffic Fines	Non - Exchange	24 035	24 035
Balance Brought Forward		24 035	24 763
Fines Issued		62 950	125 000
Payments Received		-3 835	-13 228
Impairment based on Historical payment rate		-59 115	-112 500
Current portion of Acknowledge of Debt Debtors	Non - Exchange	523 506	5 303 630
Overpayment	Non - Exchange	163 902	163 902
Other	Non - Exchange	489 962	489 962
		1 201 406	5 981 530
Total other debtors		4 262 488	9 000 620

**UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

	2021 R	2020 Restated R
12 NON CURRENT RECEIVABLES		
Acknowledgement of Debt over 12 months	2 026 501	
13 CALL INVESTMENT DEPOSITS		
32 day/90 day deposits	67 095 562	39 878 136
	<u>67 095 562</u>	<u>39 878 136</u>
Investments are 32 day and /or 90 day money market accounts. A call account is also held in which the equitable share is transferred when received. Funds are transferred from the call account as and when required.		
Bank	Account No.	Amount
Standard: Call Investment	0536 -1443-4-14	21 949 21 092
FNB		
Investment 1	62101572081	37 559 356 10 580 017
Investment 2	62101572172	141 219 138 526
Call Account	62101571710	23 130 369 23 089 749
Call Account: Housing	62214429799	85 784 84 194
Call Account	74491854045	891 511 862 039
ABSA *		
Investment 1	20- 66260264	5 265 375 5 102 519
		<u>67 095 562</u> <u>39 878 136</u>
14 BANK BALANCES AND CASH		
The Municipality has the following bank accounts:		
FNB - Primary Bank Account: 62025459232	Chq	62025459232
		6 426 391 1 380 704
Cash and cash equivalents included in the cash flow statement comprise the following amounts:		
Cash on Hand		2 700 2 700
Bank balances and cash		6 426 364 1 464 454
		<u>6 429 064</u> <u>1 467 154</u>
15 REVENUE FROM NON EXCHANGE TRANSACTIONS		
Property Rates		

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	R	Restated R
Actual		
Agricultural	11 327 517	11 134 071
Residential	15 000 184	13 164 231
Commercial	8 829 693	8 451 936
Public service infrastructure	0	0
State	10 491 499	11 407 035
Total assessment rates	45 648 893	44 187 273
Gross Rates	75 119 455	72 291 220
Rebates	-29 470 563	-28 103 947
Net Rates	45 648 893	44 187 273

Rates is raised on on market values of properties as per the valuation roll.at a rate randage approved in the budget. The general valuation roll is updated on a cycle of 5 years. The last General Valuation Roll was last prepared in July 2017. The new roll will be prepared for implementation from 01 July 2022.

Rebates are given as approved by Council when approving the budget. The rebates approved for the 2019/20 were as follows:

Residential Properties	30%
Agricultural Properties	52%
Rural Residential	52%

Valuations as at 01 July 2017

Agricultural	4 619 555 000	4 602 939 000
Small Holding	250 743 000	250 743 000
Residential	1 300 983 000	1 278 047 000
Commercial/Industrial	446 894 000	452 182 451
Government	1 301 593 000	1 387 577 000
Public Benefit Organisations	107 528 000	105 028 000
Places of Worship	44 871 000	43 121 000
Other	239 355 000	72 923 000
Total property valuations	8 311 522 000	8 192 540 451

The valuation of Rural Residential and residential categories is disclosed as a consolidated value as Rural/Residential. The valuation of the commercial and industrial categories is consolidated and disclosed under Commercial/Industrial. Valuation of all Government categories is consolidated and disclosed under the category of Government

16 Principal-Agent Arrangement

Income from Motor Licensing

Incomes from Agency Services is made up of commission earned from administering the Motor Licensing section on behalf of Department of Transport on an agency basis. Only the commission received is recognised as income.

The main cost related to this arrangement is the employee costs for the section.

2 631 077	1 706 232
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UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2021
R

2020
Restated
R

Housing Projects

The municipality is acting as the Project Manager for housing projects being carried out by the Department of Housing in the municipal area. No income is received by the municipality in acting as the project manager.

INEP Grant received from Department of Energy

The municipality constructs electrical infrastructure with funding received from the Department of Energy. The infrastructure is built according to standards set by Eskom. Since the municipality is not an electricity licence holder the infrastructure, once complete, is handed over to Eskom. As a result the municipality is an agent in this arrangement. Expenditure incurred on the project is netted off against the grant received from the department. The allocation of R 7 997 000.00 for the current year was fully expensed.

17 REVENUE FROM EXCHANGE TRANSACTIONS

Refuse removal	2 838 784	2 712 801
Interest earned - external investments	1 883 418	2 485 488
Interest earned - outstanding debtors	1 051 519	9 093 620
	5 773 721	14 291 909

18 GOVERNMENT GRANTS AND SUBSIDIES

Equitable share	128 516 000	101 901 000
Conditional Grants: Operating	6 451 218	6 676 782
	134 967 218	108 577 782
Conditional Grants: Capital	27 091 000	27 591 000
	162 058 218	136 168 782
FMG	1 900 000	1 970 000
Department of Public Works: EPWP	1 192 000	1 322 000
Department of Arts and Culture	2 940 000	2 851 000
Disaster Relief Grant	419 218	533 782
Operational Conditional Grants	6 451 218	6 676 782
MIG	27 091 000	27 591 000
Capital Conditional Grants	27 091 000	27 591 000
Total Conditional Grants	33 542 218	34 267 782

19 OTHER INCOME

Fees: Photocopies	5 910	23 122
Fees: Rates Clearance	45 951	33 861
Interest: Current Account	6 953	35 008
Community Hall	17 541	27 561
Maintenance: Tender Fees and Building Plans	133 056	92 240
Cemetery	6 174	3 652
Library Fines	965	823

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 Restated
	R	R
Taxi Rank Permits	6 000	4 956
Gain on Disposal of Assets	0	0
	252 550	221 224

20 EMPLOYEE RELATED COSTS

Employee related costs - salaries and wages	50 388 084	47 798 635
Employee related costs - contributions to UIF, pension and medical costs	13 973 526	12 995 785
Travel, vehicle, accommodation, subsistence and other allowances	3 101 837	3 082 816
Housing benefits and allowances	614 323	608 200
Overtime payments	199 042	184 903
Standby Allowance	1 455 474	1 493 646
Bonus	3 625 459	3 248 927
Skills Levy/Bargaining Council	575 458	594 443
Total employee related costs	73 933 202	70 007 356

There were no loans to employees.

Included in Employee Related costs:
Remuneration of the Municipal Manager

Remuneration	760 239	760 239
Car allowance	506 826	506 826
	1 267 066	1 267 066

Remuneration of the Chief Financial Officer

Annual remuneration	916 967	916 967
Car allowance	123 360	123 360
	1 040 327	1 040 327

Remuneration of other managers
30-Jun-2021

	Technical Services	Corporate Services	Community Services
Annual remuneration	524 196	855 287	875 847
Car allowance	416 131	185 040	164 480
	1 040 327	1 040 327	1 040 327

30-Jun-2020

Annual remuneration	524 196	855 287	875 847
Car allowance	416 131	185 040	164 480
	1 040 327	1 040 327	1 040 327

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	R	Restated R
21 REMUNERATION OF COUNCILLORS		
Mayor	889 660	889 660
Deputy Mayor	717 489	717 489
Speaker	717 489	717 489
Executive committee members	1 166 977	1 166 977
Councillors	6 658 190	6 416 586
Skills Levy	81 083	89 167
	10 230 888	9 997 368
Being a full time councillors the Mayor and the Speaker have the use of an office and a council vehicle for official duties		
22 INTEREST PAID		
External loans	0	66 302
	0	66 302
23 OPERATING LEASES - RENTALS: COPIERS		
The municipality has recognised the lease on photocopiers as operating leases and recognised the payments of 213 637.10 The lease is effective from 01 September 2019.		
Operating Lease Commitments:		
- within 1 year	100 952	100 952
- within 2 to 5 years	33 651	134 603
	134 603	235 556
24 CASH GENERATED BY OPERATIONS		
Surplus for the year	-24 106 415	39 013 378
Depreciation	15 802 591	14 245 959
Contributions to provisions- non-current	85 090 800	5 168 866
	76 786 977	58 428 203
Operating surplus before working capital changes	76 786 977	58 428 203
Change in Working Capital	-15 481 919	-24 598 078
	61 305 058	33 830 125
25 RELATED PARTY TRANSACTIONS		
The municipality is administered by 5 senior managers namely the Municipal Manager (Accounting Officer); the Chief Financial Officer; General Manager;		

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2021
R **2020**
Restated
R

Corporate Services; General Manager: Technical Services and the General Manager: Community Services who are accountable to the Council. During the year the following remuneration was paid to the managers:

	Basic Salary	Car Allowance	Total
Municipal Manager	760 239	506 826	1 267 065
Chief Financial Officer	916 967	123 360	1 040 327
General Manager: Corporate Services	855 287	185 040	1 040 327
General Manager: Technical Services	624 196	416 131	1 040 327
General Manager: Community Services	875 847	164 480	1 040 327
	4 032 536	1 395 837	5 428 373

The Remuneration for Councillors is disclosed in Note 16

Other Related Party Transactions:

Award made to a suppliers whose owner is a spouse of an employee.

Supplier: Coco Haven

Employee: Ms. N. Sahibdeen

Value of Awards: R346 572.68

Supplier: Nzamza Protection Services

Employee: Ms. N. Zuma

Value of Awards: R30 000.00

Supplier: Yamayotha Construction

Employee: Ms. S. Dlamini

Value of Awards: R144 900.00

5 889 846

26 CONTRACTED SERVICES

Advertisements	150 092		271 341
Provision of Free Basic Electricity	1 201 218		1 249 723
Induction and Team Building			0
Information Technology	4 646 272		4 717 452
Insurance	675 576		637 576
Internal Audit	776 465		248 062
Job Evaluation	0		22 029
Landscaping and Grasscutting	128 546		
Legal Expenses	262 446		319 327
Maginery	12 863		0
Motivational Speaker			0

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	R	Restated R
Plant Hire	195 000	250 250
Postage & Stamps	320 455	170 922
Pound	110 000	143 000
Refuse Removal	1 827 057	809 478
Rental: Copiers	213 837	420 435
Repairs and Maintenance	17 858 155	11 579 666
Repairs and Maintenance: Vehicles	951 460	
Professional Fees: Development of LUMS/Review of LUMS/Land Audit	608 641	527 722
Professional Fees: Development of Review of SDF		0
Security	2 743 267	2 310 728
Small Contractor Development	704 912	970 112
Subscriptions	801 235	735 372
Support for SAGE	801 313	909 468
Tools	0	8 700
Town Planning	762 469	424 245
Training	152 592	510 100
Valuation Fees	320 634	364 047
	36 224 304	27 599 754
27 GENERAL EXPENSES		
Accommodation	0	196 982
Audit Fee: External	1 432 263	1 453 549
Awareness Campaign	0	54 730
Bank Charges	91 026	81 041
Bursaries	331 822	182 592
Catering	819 454	810 075
Chemicals and Oil Dispersants		0
Communication: Budget Process	975 434	610 073
Conferences & Seminars	41 490	36 886
Consulting Fees	321 239	282 415
Council and Management Strategic Plan	217 384	0
Crime Prevention		60 685
Disaster Management	90 782	238 944
Employee Medical Test	182 873	169 314
EPWP Stipend	3 341 997	796 600
Facilitation	1 715 232	1 144 516
Gardening and Block Making Projects in Various Wards	967 221	617 822
Hygiene Services	136 495	560 149
IDP Review	512 829	484 542
Law Enforcement	0	87 195

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	R	Restated R
Machinery	5 594	20 836
Maintenance of Fire Equipment	57 805	70 921
Mapping of Graves	109 000	0
Materials	625 816	494 847
Mayoral Support for Families of Drowning Victims	167 717	136 356
Occupational Health and Safety	823 670	0
Pauper Burials	38 480	54 126
Performance Awards	22 056	60 545
Pest Control	199 490	176 000
Plant Hire		535 061
Printing and Stationery	279 270	356 922
Protective Clothing	499 496	668 448
Purchases: Electricity	2 381 757	2 829 862
Refreshments	93 572	162 994
Road Signs	106 707	0
SMME Support	940 716	1 541 708
Sound	27 250	151 957
Subsistence and Travelling	955 893	2 704 880
Telephones	1 901 694	2 343 296
Tools	99 372	46 484
Transport	706 245	1 133 778
Transport/Vehicle Cost	2 188 723	2 851 224
Ward Committee Stipends	1 546 459	1 505 849
Water Consumption	170 468	180 967
Workmen's Compensation	79 229	2 515 870
Youth Workshops	0	399 641
World Aids Day Forum		0
	25 204 018	28 810 681

28 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

28.1 Audit fees	1 432 263	1 453 549
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28.2 VAT

Opening balance	10 578 459	2 495 543
Current year output VAT	-737 036	-792 252

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 Restated
	R	R
Current year input VAT	9 532 073	9 738 190
VAT Audit - Input VAT	0	5 769 190
Amount refunded by SARS	-4 834 714	-6 632 212
Amount due from SARS	14 538 783	10 578 459

28.3 PAYE and UIF

Current year payroll deductions and Council UIF contributions	10 507 774	10 054 803
Amount paid - current year	10 507 774	10 054 803

28.4 Pension and medical aid deductions

Current year payroll deductions and Council contributions	20 125 957	18 586 585
Amount paid - current year	20 125 957	18 586 585

28.5 Councillors arrear consumer accounts

No Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2021

28.6 Reclassifications

Fines have been reclassified as fines under other income in the statement of financial performance

Traffic Fines	4 800	12 500
Library Fines	965	823
	5 765	13 323

28.7 Contributions to Provisions

Leave Provision	2 569 677	1 704 471
Long Service Award	226 135	276 246
Bad Debts	82 294 988	3 188 149
	85 090 800	5 168 866

Substance and Travelling included in General Expenses

Accommodation	583 156	1 732 359
Car Rental	1 800	36 611

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	R	Restated R
Flights	8 200	810 604
Incidental	0	93 306
Own Transport	362 738	32 000
	955 893	2 704 880
Repairs and Maintenance has been reclassified and included in Contracted Services in the statement of Financial Performance		
Road Maintenance		
Maintenance	10 961 435	6 747 849
Environment Maintenance	124 668	522 868
Materials	0	58 900
	11 086 103	7 329 617
Building Maintenance		
Creches	1 016 670	624 205
Halls/Sportsfields	3 500 360	2 159 312
Office Buildings	2 200 200	1 236 783
Libraries	155 945	198 350
	6 873 175	4 218 651
Equipment Maintenance	0	0
Plant Maintenance	0	149 338
	0	149 338
Total Repairs and Maintenance	17 959 278	11 697 606
29 PRIOR YEAR ERROR		
Invoices for Pound Management Received in Current Year		
Contracted Services 30 June 2020	0	26 579 642
Prior Year Invoice from Cowcatchers received late in current Year	0	50 000
Closing Balance		26 629 642
Payables 30 June 2020	0	4 593 807
Prior Year Invoice from Cowcatchers received late in current Year	0	50 000
Closing Balance		4 643 807
Accumulated Depreciation adjusted after recalculation due to 2020 audit finding		
Accumulated Depreciation 30 June 2020	0	108 415 592
Adjustment after Recalculation	0	-801 736
Closing Balance	0	107 613 856
Adjustment to Input VAT subsequent to VAT Audit Carried out by MaxProf		
VAT as at 30 June 2020	0	4 809 269
Adjustment to Input VAT subsequent to VAT Audit	0	5 769 190

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	R	Restated R
Closing Balance	0	<u>10 578 459</u>
Arrear Interest Reversal for interest charged incorrectly on various debtor accounts		
Debtors at 30 June 2020		75 028 437
Reversal of Arrear Interest		-7 314 636
Closing Balance		67 713 802
Accumulated Surplus		
Balance as at 30 June 2020	0	373 243 867
Invoices for Pound Management Received in Current Year		-50 000
Depreciation Adjustment		801 736
Input VAT Adjustment		5 769 190
Reversal of Arrear Interest		-7 314 636
Closing Balance		<u>372 450 157</u>

30 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

- approved and contracted for
 Infrastructure

	17 195 175	2 662 905
	<u>17 195 175</u>	<u>2 662 905</u>

The commitments disclosed is net of Value Added Tax

This expenditure will be financed from
Government Grants

	17 195 175	2 662 905
	<u>17 195 175</u>	<u>2 662 905</u>

31 RETIREMENT BENEFIT INFORMATION

Certain Councillors and Certain employees belong to defined benefit plan of the Natal Joint Superannuation and Retirement funds, and the Municipal Councillors' Pension Fund. Employees of uMshwathi make up less than 1 % of the total members of the funds. uMshwathi's liability in these funds could not be determined owing mainly to the assets not being allocated to each Municipality and one set of financials being prepared for each fund and not per municipality. These funds are subject to a triennial actuarial valuation. The last statutory valuation was performed in March 2018 on the Retirement and Provident Funds and in March 2017 on the Superannuation Fund.

Current Year's Contribution

	12 955 224	11 938 636
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31.1 SUPERANNUATION FUND

The actuarial value of total assets was R11 054.038 million at the actuarial date.

UMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	R	Restated R

valuation date of 31 March 2017

- 26.1.1. surplus of R 0.00 million in respect of pensioners (funding level 100.0%)
- 26.1.2. surplus of R 0.00 million in respect of members (funding level 100 %)
- 26.1.3. the fund was thus 100,0% funded
- 26.1.4. the fund did not hold an investment reserve.
- 26.1.5. the total contribution rate payable, including the surcharge by and on behalf of members, exceeded that required for future service by 1,41% of member's pensionable emoluments
- 26.1.6. An additional contribution by way of a surcharge amounting to 9.5% of salaries is currently in place to fund the deficit. This surcharge will build up the Solvency Reserve.

31.2 RETIREMENT FUND

The actuarial value of total assets was R4 055.121 million at the actuarial valuation date of 31 March 2018

- 26.2.1. surplus of R 0.00 in respect of pensioners (funding level 100,0%)
- 26.2.2. deficit of R 148.694 million in respect of members (funding level 91.1%)
- 26.2.3. the fund was thus 96.1 funded
- 26.2.4. the fund did not hold an investment reserve
- 26.2.5. the total contribution rate payable will include a surcharge of 16.5% payable to reduce the deficit in the fund.

31.3 PROVIDENT FUND

The actuarial value of total assets was R4 105.682 million at the actuarial valuation date of 31 March 2018

- 26.2.1. surplus/deficit of R 0.00 and the funding level is 94.66%
- 26.2.3. the fund was thus 94.66 funded
- 26.2.4. the fund did not hold an investment reserve

32 CONTINGENT LIABILITIES

Pending Litigation Cases

Zabalaza Mshengu/uMshwathi Municipalities and others

This is a declaratory application sought by labour tenants against various municipalities including uMshwathi Municipality. The order sought is that the municipalities install water connections and access to basic sanitation including installing ventilation, improved pit and refuse collection.

	300 000	300 000
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**uMSHWATHI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

	2021	2020
	R	Restated
		R
uMshwathi/N.N. Maistry and other		
This an application brought by uMshwathi Municipality against N.N. Maistry. The municipality sought an order interdicting the Respondent from allowing people to erect and cconstruct structures on the farm without first complying with the Spatial Planning and Land Use MAnagement laws.	300 000	300 000

33 RISK MANAGEMENT

The municipality's activities expose it to a variety of financial risks: market risk (fair value interest rate risk and cash flow interest rate risk) credit risk and liquidity risk. The municipality has developed a comprehensive risk strategy in terms of Treasury Regulation 28.1 in order to monitor and control these risks. Internal Audit function reports quarterly to the Audit Committee, an independent body that monitors risks and policies implemented to mitigate risk exposures. The risk management process relating to each of these risks is discussed under the headings below.

Liquidity risk

The entity manages liquidity risk through proper management of working capital, capital expenditure and actual forecast cash flows and its cash management policy. Adequate reserves and liquid resources are also maintained.

Interest rate risk

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

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade receivables. The entity 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 on-going 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 customers, taking into account its financial position, past experience and other factors.

**uMshwathi Local Municipality
For the Year Ended 30 June 2021**

Note 35 DEVIATIONS

The following is a list of expenditure for which there was a deviation from the normal SCM process

UNIQUE NO.	DATE REQUESTED	APPROVED DATE	DEPARTMENT	REASONS FOR DEVIATING	Motivation	COMPANY AWARDED	AMOUNT R	VOTE NUMBER
1164	24/08/2020	24/08/2020	Corporate Service	Emergency	network for Wartburg, Dalton and Cool Air due to damaged that was done by microwave	Family Business	24 745,50	Q0001/E00796/F0041/X046
1160	24/08/2020	24/08/2020	Corporate Service	Emergency	Disinfection of Reception area and Photocopy office due to COVID 19 confirmed case	Skhalamazoo Contracting Se	12 950,00	Q0016-12/E00683/F0041/X046
1161	24/08/2020	24/08/2020	Corporate Service	Emergency	Disinfection of Municipal Vehicles, Tractors and 6 Guard Houses office due to COVID 19 confirmed case	Skhalamazoo Contracting Se	4 580,00	Q0016-12/E00683/F0041/X046
1162	24/08/2020	24/08/2020	Corporate Service	Emergency	Disinfection of Municipal Vehicles and Municipal Offices due to COVID 19 confirmed case	Mawoli Pest and Cleaning Se	6 000,00	Q0016-12/E00683/F0041/X046
433	01.09.2020	01.09.2020	Technical Services	Exceptional Circumstances	Service Provider appointed to clear and remove waste at Appelsbosch during Community protesting.	Lourance Trading Enterprise	23 782,00	Q2391-13/E00651/F0041/X116
438	04.02.21	04.02.21	Community	Emergency	The truck had still a breakdown and requisition was not done because offices were closed from 24 December 21 until 11 Jan 21 this was also due to COVID 19	Mahlezijo (Pty)(Ltd)	105 000,00	Q1273-9/E00685/F0041/X1320/001/COMM
1166	23.02.2021	23.02.2021	Corporate services	Single provider	Renewal of endpoint and mail servers.	Gagasu IT	78 200,00	Q0001/E00794/F0041/X052/R1321
1165	23.02.2021	23.02.2021	Corporate	Exceptional circumstances	Replacement of a LAN/WAN infrastructure at Cool air damage by lightning	Machisha Consulting	47 350,00	Q0001/E00794/F0041/X052/R1321
1167	22/04/2021	22/04/2021	Corporate Services	Emergency	Disinfection of Offices after positive covid 19 cases	Nduleko Business Enterprise	21 980,90	Q1284-13/E00653/F0041/X106
437	04.02.21	04.02.21	Community	Emergency	The truck had a breakdown and went for repairs. UD trucks promised to bring truck back before the 22 Dec 2020 and the day they indicated that, the truck is still not ready.	uHsomo Group (Pty)(Ltd)	97 500,00	Q1273-9/E00685/F0041/X1320/001/COMM
Total deviations							422 188,40	

MR 45

Note 36 IRREGULAR EXPENDITURE

2021

2020

	R	R
Opening Balance	1 323 591	37 367 964
Cleared during the year	-1 055 464	
Irregular Expenditure Current Year Discovered	0	0
during the audit	124 900	1 323 591
Condoned During the Year:		
Irregular Expenditure Prior 2019		-34 218 400
Irregular Expenditure 2019		-3 149 564
Closing Balance	393 027	1 323 591

The irregular expenditure identified in 2018/19 was condoned by Council on 29 October 2020

Note 37 UNAUTHORISED EXPENDITURE

	R	R
Opening Balance	0	3 006 293
Contribution to Provisions	77 090 800	
Condoned During the Year:		
Unauthorised Expenditure: Prior 2019		-1 221 380
Unauthorised Expenditure: 2019		-1 784 913
	77 090 800	0

Note 38 FRUITLESS AND WASTEFUL EXPENDITURE

	R	R
Opening Balance	0	24 431
Traffic Fine not Recovered	0	
Penalty for late submission of WCA R	0	
Condoned by Council		-24 431
	0	0

The previous year's fruitless and wasteful expenditure was condoned by Council on 29 October 2020

APPENDIX A (Not Audited)
UMSHWATHI LOCAL MUNICIPALITY : ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2021

	Cost/ Revaluation					Accumulated Depreciation				Carrying Value	Budget Additions 2018
	Opening Balance	Additions	Under Construction	Disposal	Closing Balance	Opening Balance	Additions	Adjustment	Closing Balance		
Land and Buildings											
Land	11 657 994				11 657 994	425 953			425 953	11 232 041	300 000
Buildings	131 423 404	1 987 578	1 849 202		135 260 183	27 422 507	4 322 026	-502 619	31 241 915	104 018 268	4 410 000
	143 081 398	1 987 578	1 849 202	0	146 918 178	27 848 460	4 322 026	-502 619	31 667 868	115 250 310	4 710 000
Infrastructure											
Electrification reticulation	0				0	0			0	0	0
Construction works	185 979 642	19 593 241	1 994 017		207 566 900	67 454 749	8 827 070	-321 169	75 960 651	131 606 249	23 018 000
	185 979 642	19 593 241	1 994 017	0	207 566 900	67 454 749	8 827 070	0	75 960 651	131 606 249	23 018 000
Other Assets											
Office and computer equipment	3 970 232				3 970 232	5 510 471			5 510 471	1 459 761	350 000
Furniture and fittings	4 212 531	459 828			4 672 359	3 076 909	952 919	-3 947	4 025 882	648 477	300 000
Tools	71 889				71 889	68 257			68 257	3 632	0
Motor vehicles and major equipment	9 112 991	2 924 886			12 037 877	6 741 232	1 018 746		7 759 981	4 277 896	5 723 500
Machinery	2 931 733	311 350			3 243 083	939 348	186 296	25 996	1 151 642	2 121 440	1 700 000
Air conditioners	176 384				176 384	86 069			86 069	90 314	0
Other	138 018				138 018	137 718			137 718	300	2 050 000
	23 643 777	3 696 064	0	0	27 339 841	16 560 005	2 157 966	22 049	18 740 021	8 599 820	10 123 500
Total	352 704 817	25 276 882	3 843 218	0	361 824 918	111 863 215	15 307 063	-480 569	126 689 708	255 456 379	37 851 500
Intangible Assets											
Computer Software	3 658 418				3 658 418	2 921 941	495 529		3 417 470	240 948	0
Total	356 363 235	25 276 882	3 843 218	0	365 483 336	114 785 156	15 802 591	-480 569	130 107 178	255 697 327	37 851 500

-470 578

APPENDIX B (1) (Not Audited)
UMSHWATHI LOCAL MUNICIPALITY : ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2021

REVENUE	2021 Actual R	2021 Budget R	2021 Variance R	2021 Variance %	Explanation of significant variances
Property rates	45 648 893	45 000 000	648 893	1%	The increase in net rates is due to the over budget for rebates on Government Properties
Service charges	2 838 784	2 750 000	88 784	3%	There were some additional applications for refuse removal during the year
Rental of facilities and equipment	589 856	600 000	-10 144	-2%	Some premises were not used during the lockdown
Interest earned - external investments	1 883 418	2 000 000	-116 582	-6%	Investments were held for longer periods during the year thus an increase in interest earned
Interest earned - outstanding debtors	1 051 519	4 500 000	-3 448 481	-77%	Relief on interest was given between April and June was given due to the Covid Lockdown
Income for agency services	2 631 077	2 300 000	331 077	14%	Due to the Covid Lockdown the Motor licensing office was closed between April and June
Government grants and subsidies	134 967 218	142 964 000	-	0%	
Traffic Fines	3 835	5 000	-1 165	-23%	Traffic fine reduced by the court
Other income	252 550	219 000	33 550	15%	Income from resources such as hall rentals, taxi ranks and building plans was less due to the lockdown
MIG Funds	27 091 000	27 091 000	-	0%	
Total Revenue	216 958 149	227 429 000	-2 474 069	(1)	
EXPENDITURE	2021 Actual R	2021 Budget R	2021 Variance R	2021 Variance %	
Employee related costs	73 933 202	73 939 500	-6 298	(0)	
Remuneration of Councillors	10 230 888	10 365 000	-134 112	(1)	
Depreciation	15 802 591	15 855 000	-52 409	(0)	
Contracted services	36 224 304	49 747 000	-13 522 696	(27)	Certain expenditure that was budgeted for were not incurred due to the Covid Lockdown
General expenses	25 288 558	32 008 000	-6 719 442	(21)	Certain expenditure that was budgeted for were not incurred due to the Covid Lockdown
Contribution to Reserves	85 090 800	8 000 000	77 090 800	964	
Capital Contribution	-	0			
Total Expenditure	246 570 343	189 914 500	56 655 843	30	
Surplus (Deficit) for the year	(29 612 194)	37 514 500	(59 129 912)		

APPENDIX B (2) (Not Audited)

UMSHWATHI LOCAL MUNICIPALITY : ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2021

	2021 Additions R	2021 Under Construction R	2021 Total Additions R	2021 Budget R	2021 Variance R	2021 Variance %	Explanation of significant variances
Construction works	19 593 241	1 994 017	21 587 258	23 018 000	(1 430 742)	(6)	
	19 593 241	1 994 017	21 587 258	23 018 000	-1 430 742		
Community Assets							
Buildings	1 987 578	1 849 202	3 836 780	4 410 000	(573 220)	(13)	There was a delay in the implementation of some of the projects due to the lockdown
	1 987 578	1 849 202	3 836 780	4 410 000	-573 220		
Other Assets							
Office and accounting machines	0	-	0	350 000	(350 000)	(100)	Furniture and equipment was planned to be purchased in the last quarter but due to the lockdown no purchases were made.
Furniture and fittings	459 828	-	459 828	300 000	159 828		
Machinery	311 350	-	311 350	1 700 000	(1 388 650)	(82)	Brush cutters were needed urgently for the cemetery section
Vehicles	2 924 888	-	2 924 888	5 723 500	(2 798 614)	(49)	
Other	0	-	0	2 050 000	(2 050 000)		
	3 696 064	-	3 696 064	10 123 500	(6 427 436)		
Total	25 276 882	3 843 218	29 120 101	37 551 500	(8 431 399)	(22)	

APPENDIX C to Annual Financial Statements as at 30 June 2021 (Not Audited)

UMSHWATHI LOCAL MUNICIPALITY - DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, ACT 56 OF 2003

Description	Name of organ of State	Unspent balance at 1 July 2020	Received 2020/21	Expenditure 2020/21	Transfer 2020/21	Unspent balance at 30 June 2021	Compliance with grant conditions	Conditions of Grant
		R	R	R	R	R	YES/NO	
MIG	National Government	-	27 091 000	-27 091 000	-	-	YES	Expenditure to be in terms of projects registered
Dept. of Arts & Culture	Dept. of Arts & Culture	-	2 940 000	-2 940 000	-	-	YES	
Department of Energy	Department of Energy	-	7 997 000	-7 997 000	-	-	YES	
Department of Public Works: EPWP	Dept of Public Works: EPWP	-	1 192 000	-1 192 000	-	-	YES	
FMG	National Government	-	1 900 000	-1 900 000	-	-	YES	Expenditure in terms of Implementation Plan submitted
Disaster Relief Grant	National Government	419 218	0	-419 218	-	0	YES	Expenditure in terms of Implementation Plan submitted
		419 218	41 120 000	-41 539 218	0	0		



UMSHWATHI MUNICIPALITY
2020/21 ANNUAL
PERFORMANCE REPORT

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2020/21 Annual Performance Report

1. Forward by the Mayor

The Municipality Performance Measurement System (PMS) has, over the years, helped to galvanise the political leadership and management collaboration towards improved service delivery to communities. The annual performance agreements entered between the Municipal Manager and Managers that reports directly to him, make it possible for the Council to hold the administration to account for the implementation of its resolutions and achievement of agreed-upon targets.

This system further allows for the systematic allocation of time and resources that support effective service delivery, achievement of development priorities and pave the way for local economic growth. A visible movement from a culture of pure compliance towards a performance-driven culture is emerging in the Municipality. This way of operating breaths life to the Integrated Development Plan and helps the Council account to the community for the service delivery mandate assigned to them by the community.

The value of PMS during the testing times of COVID-19 remained unchanged and Council genially notes continued improvement made by the Administration during the year.

2. Forward by the MM

uMshwathi Municipality Performance Measurement System (PMS) is an essential instrument in helping the Municipality Management deal with the vast, dynamic, and complex challenges of today's Organisation operating environment. The Municipality uses this system through its Strategy Development, Implementation Monitoring and Evaluation phases.

Over the years, the PMS has helped the Municipality deliver superior results through the following:

- **Monitor activities against plans:** Deviations from planned activities are easily spotted, and corrective action can be taken on time.
- **Communicate Strategy:** During a given financial year, it acts as a hive of Municipal adopted strategies, and it ensures alignment of activities with the Municipality Integrated Development Plan.
- **Reduce Costs:** This is done through the range of activities, which includes avoiding duplication of activities and supports the consolidation of plans.
- **Review Business Strategy:** Partly support the decision on the Senior Management Compensation Systems.
- **Control Operations:** Clear lines for the start and end of activities and plan measurable output are well defined in the PMS system.
- **Positive Audit Outcomes:** Progressively, the Municipal PMS system has managed to contribute towards the Municipal quest for unqualified audit outcomes without any findings.

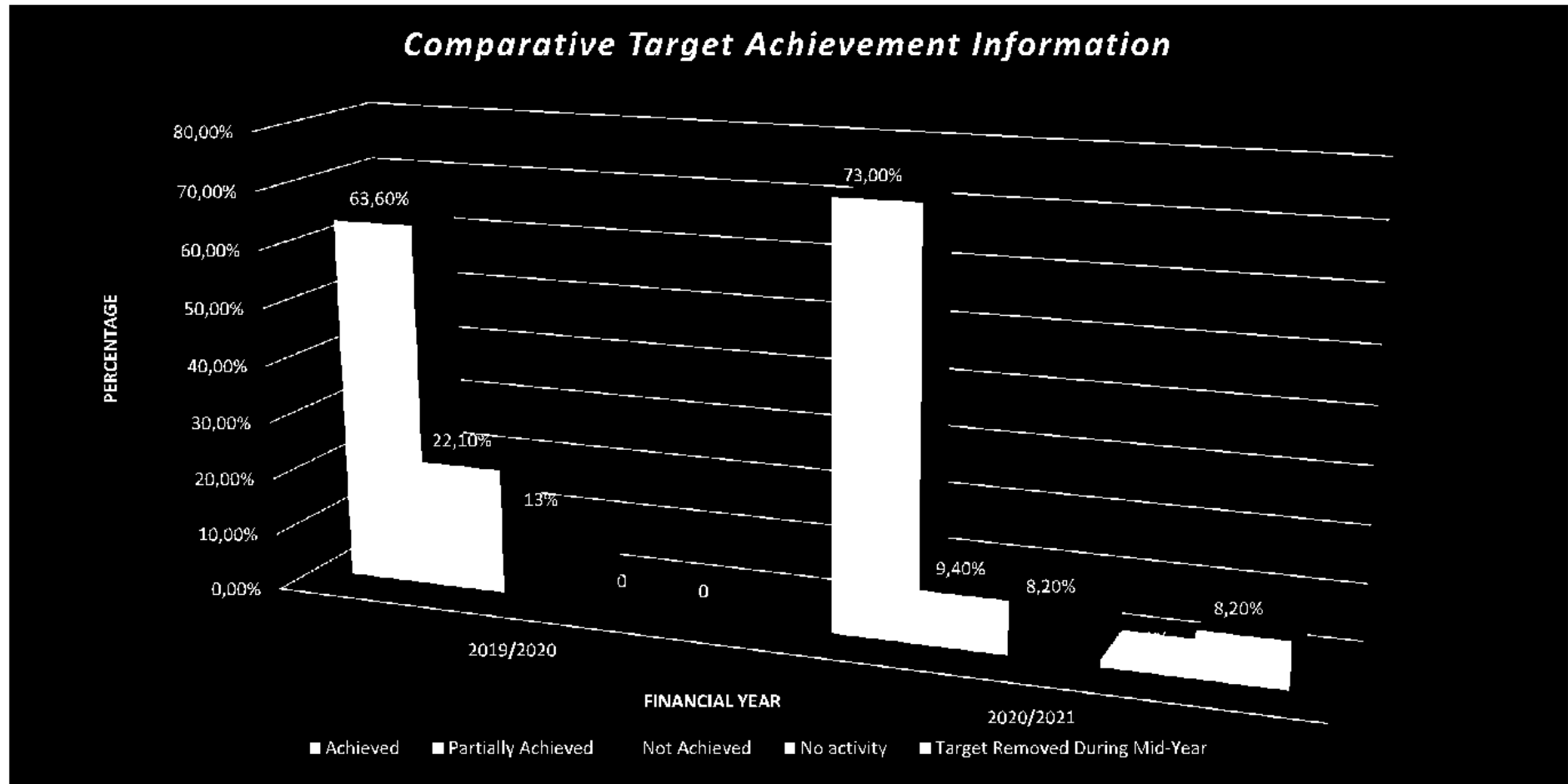
PMS system has made it possible to measure performance. Over the past five years, the Municipality is impressed with the trend that shows improvement in its service delivery activities. Cascading of the PMS system to every Municipal employee through the Individual Performance Management System (IPMS) is expected to have a further positive input to the Municipality service delivery and the general Municipality level of performance.

3. Summary

- This report includes highlights from the Key Performance Measures included in the IDP 2020/2021. These priority measures constitute the Organisational Scorecard/ SDBIP for 2020/2021.
- This report presents the year-end performance results for 2020/2021. The results are assessed using traffic light criteria, according to their performance against improvement targets. A dashboard that summaries performance for the Municipality's scorecard is illustrated in Graphs.
- At the end of quarter 4 (April to June 2020), the municipality achieved 87% of priority performance measures which is 3.1% less than previous financial year. Areas for improvement are shown in Graphs. The Accounting Officer has provided comments on how to improve performance.
- In 2020/2021, performance has less than by 3.4% when compared with 2019/2020. It is worth noting the impact of factors such as budget and staff reductions has led to increased demand for services, putting pressure on achievement of challenging targets. Benefits from transformational challenges taking place are starting to have an impact but have not yet been fully realised. Ultimately, uMshwathi Municipality has achieved R 22.5 million savings for the financial year, maintained good levels of service delivery (as demonstrated through comparative information), and seen increased levels of satisfaction across several services.
- Performance Monitoring underpins the Municipality's IDP in terms of reviewing progress regularly in achieving our priorities and delivering value for money. Early investigation of variances enables remedial action to be taken where appropriate.

Overall Performance Graphs and Dashboard Information

There are 30 strategies contained within all 6 National KPAs and 85 performance indicators in the Organisational Scorecard/ SDBIP.



Graph 1: Comparative Target Achievement Information

2020/2021 Financial Year: Achieved + Partial = 83.6%.

4. Performance Management Processes

The process being outlined hereunder is at the Strategic level of the Municipality whereby it will determine how the General Managers are responsible for the Planning, Implementation, Monitoring and Reporting, Evaluation and Reporting, Performance Auditing in their respective Departments.

- UMshwathi Municipality has a Performance Management Framework in place and meet the minimum legislative requirements; the processes are followed.
- Quarterly Departmental PMS reports and POE's submitted to relevant Portfolio Committees.
- Auditing of performance information.
- Organisational performance reports are presented to Performance Audit Committee, EXCO and Council quarterly.
- Compile Annual Performance Report.
- Challenges:
 - Lack of inter-departmental collaboration hinders other Departments from achieving their targets.
 - Poor quality POE's and late submission of reporting templates.
 - Corrective action should take place for those who failed to submit on time. Lack of consequence management

5. Performance and Supporting Information

This section indicates, in more detail, the performance of the uMshwathi Municipality for the financial year and refers to the supporting documentation, including the Organisational Scorecard. The performance reporting of the Municipality is done in line with the 6 national KPA's and is the focus of the MSA Section 46 requirements and therefore reflects the performance of the Municipality for the financial year.

Background to Organisational Scorecard

- The Organisational Scorecard **Appendix 1** approach reflects the 6 national KPA's and local priorities and enables a wider assessment of how the Municipality is performing.
- In the **Scorecard Model, Key Performance Area model** the performance indicators are grouped together based on the type of indicators, in other words all the input indicators will be grouped together into one category and the same with the process, output and outcome indicators.
- These were approved by the Mayor on 22 June 2020 as regulated and were submitted to Council on 27 August 2020. During Mid-year, targets were reviewed as per the approved PMS framework and submitted to Council in February 2021 for approval. These targets were reviewed and updated at Council meeting on 25 February 2021.

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

- **Green** – Performance meets target
- – Performance within 5% of target
- **Red** – performance more than 5% adverse of target
- In relation to the 2019/20-year end performance results, the final position shows:
 - 87% of measures have met the year-end target

- 83.6% of measures have improved performance compared to last year
- Summary performance results for all priority measures included in the municipal scorecard are as follows.

Traffic Light Status	2019/2020 Performance	2020/2021 Performance
Amber – Missed target by up to 5%	22.1%	9.4%
No activity	0%	1.2%
Target Removed During Mid-Year	0%	8.2%

Table 1: Comparative Target Achievement Information (Table Form)

Amendments to the SDBIP effected at Mid-year

- Amendments, adjustments made to the SDBIP performance targets at mid-year budget adjustment, including reasons for the adjustments and Council resolution approving the adjustment.

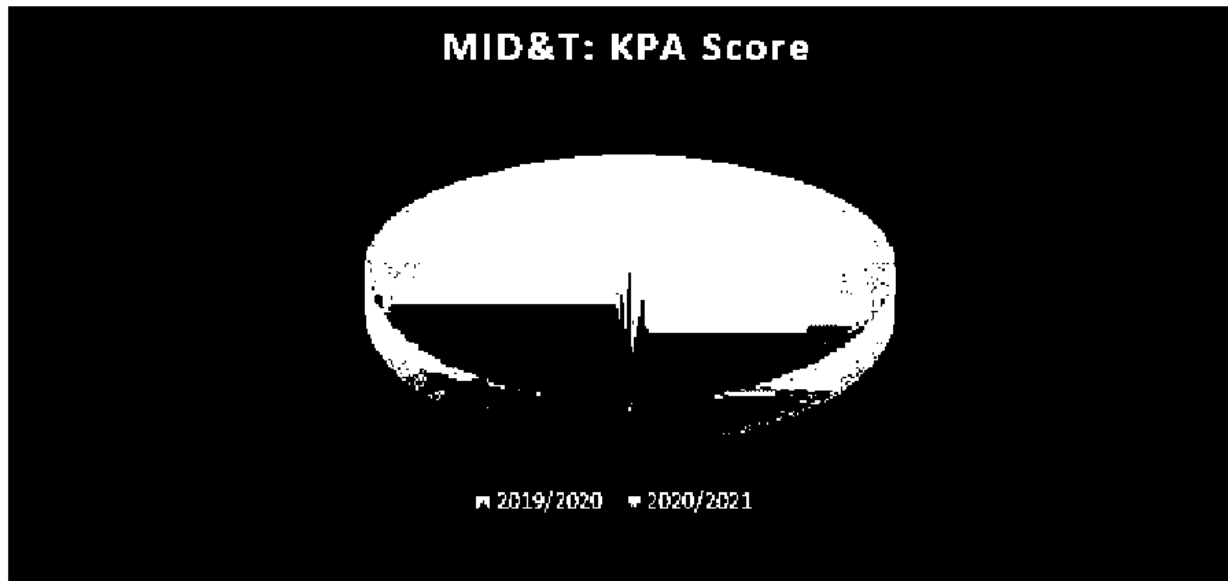
2020/21 ADJUSTMENT OF SDBIP/ SCORECARD

- Resolution number C1511 of 25/02/2021
- The adjustment of 2020/21 SDBIP/ Scorecard be approved
- The training targets be on hold until the Government makes changes to the regulations of the lockdown pertaining to gathering

5.1 Municipal Institutional Development and Transformation

Municipal Institutional Development and Transformation	2019/2020 Performance	2020/2021 Performance
Overall Score for the KPA	80%	80%

- The overall score for the KPA is 80% for 2020/2021, same percentage from 2019/2020.



Graph 2: MID&T Score for 2019/20 and 2020/21

9.1.1 Performance Highlights for 2020/2021

- Submitted 10 fleet reports instead of 4.
- Most targets in the SDBIP were achieved before set target date.
- Installed public internet in 2 additional wards namely 3 and 13.
- Developed 2 additional ICT policies & 2 additional policies were reviewed and approved.
- Provided support to staff members affected by covid-19 through EAP programme.
- Facilitated cascading of IPMS by ensuring that developed Individual Performance Plans are compliant with the SMART Principle.
- Effectively dealt with implementation of Job Evaluation outcome and appeals received.
- Provided labour relations support and implemented disciplinary action where required.

5.1.2 Challenges

- Covid-19 lockdown, staff rotation & office closure resulted in Council putting on hold all contact-based projects and programmes.
- SCM delays.
- Poor attendance in the ICT Steering Committee.

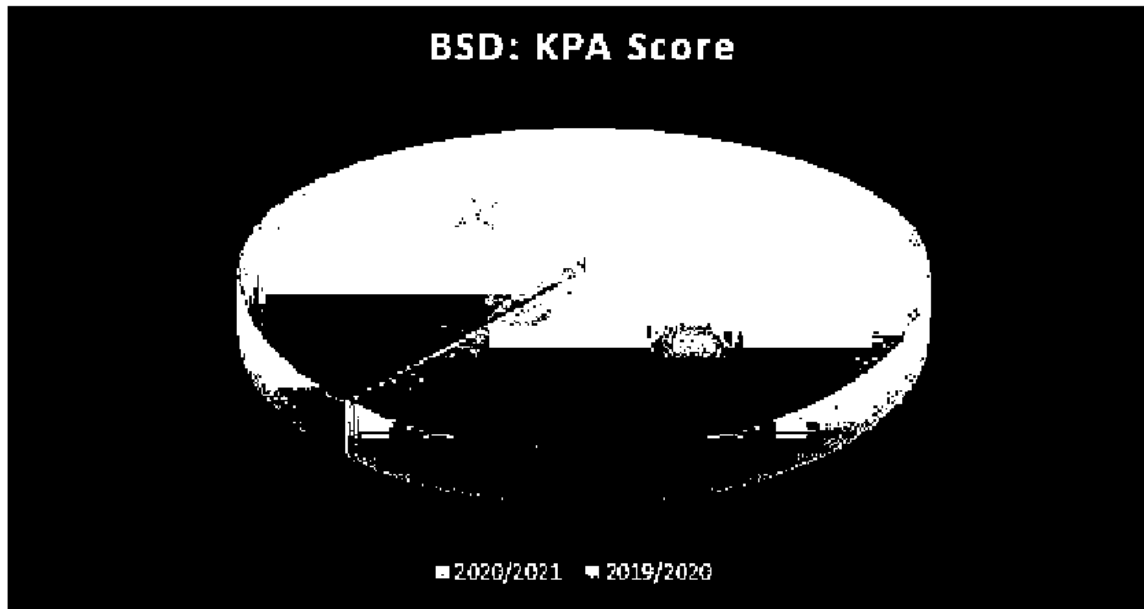
5.1.3 Measures Taken to improve Performance

- Contact based programmes rolled over into the next financial year.
- SCM related challenges were reported to the Municipal Manager.

5.2. Basic Service Delivery

Basic Service Delivery	2019/2020 Performance	20202/2021 Performance
Overall Score for the KPA	42%	69%

- The overall score for the KPA is 69% for 2020/2021, up by 27 % from 2019/2020.



Graph 3: BSD KPA Score for 2019/20 and 2020/21

5.2.1 Performance Highlights for 2020/2021

- The Municipality installed 335 electricity infrastructure instead of 278.
- D 239 road is 60% complete instead of 40% complete.
- 41.715kms of storm water drains maintained instead of 40 km.
- 10.789 kms of pedestrian walkways have been maintained instead of 10 km.
- 26.3 kms of gravel roads maintained instead of 15 kms.

5.2.2 Challenges

- The main delay on the projects have been related to the appointment of the service providers via the SCM process. If this had been done faster, more projects would have been completed.
- The Covid-19 lockdown restrictions.
- Accessing and finding local businesses/industries that could buy the recycled materials, e.g., Greening Solutions (Crammed) who could buy the composted waste from the buy-back facility.
- Traffic vehicles not enough.
- Refresh course is needed for Traffic Department.
- Motorists are not paying traffic fines.

5.2.3 Measures Taken to improve Performance

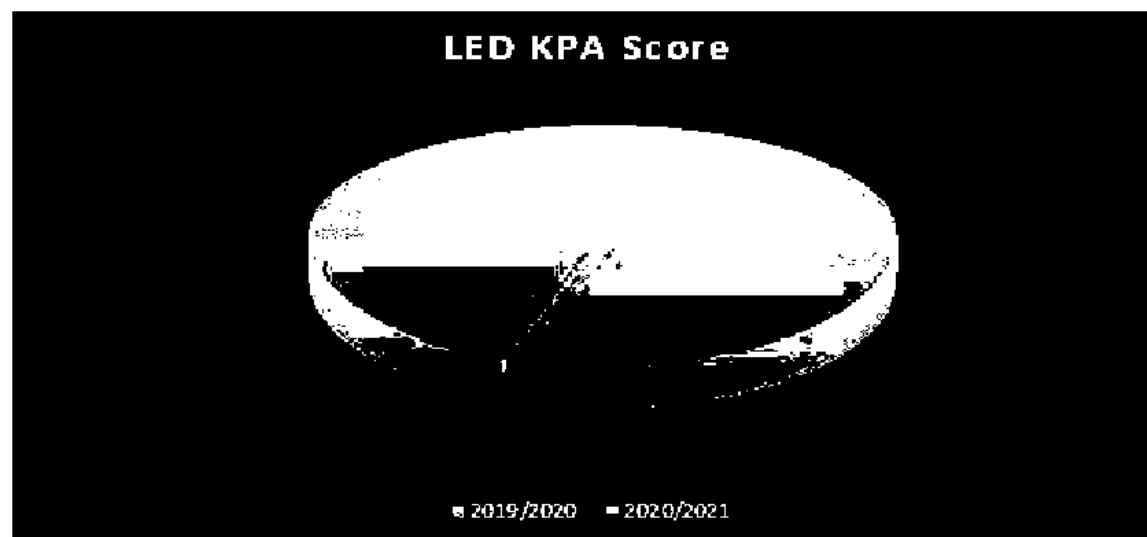
- CFO to do a close monitoring of the sitting of the bid committees.
- More virtual outreach activities are scheduled for Library Section.

- The request has been extended for two interns to assist within the Unit.
- The senior citizens will be receiving support towards their community-based programs instead of Municipal driven initiatives to reduce social contact.

5.3 Local Economic Development

Local Economic Development	2019/2020 Performance	2020/2021 Performance
Overall Score for the KPA	75%	60%

- The overall score for the KPA is 60% for 2020/2021, down by 15% from 2019/2020.



Graph 4: LED KPA Score for 2019/20 and 2020/2021

5.3.1 Performance Highlights for 2020/2021

- Social Empowerment target for this financial year was 97 %.
- 217 job opportunities created. 118 through EPWP and 99 through capital projects.
- Supported 12 poverty alleviation projects with Garlic seeds instead of 10.

5.3.2 Challenges

- The challenges of Covid-19 continued to frustrate Municipal plans

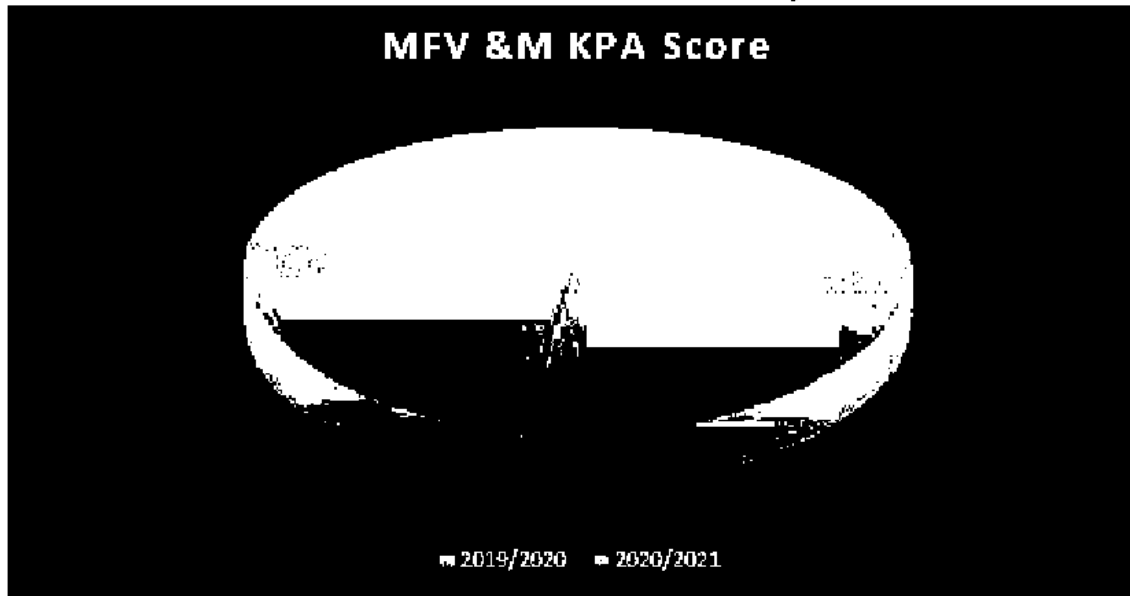
5.3.3 Measures Taken to improve Performance

- Improving record keeping.
- Developing and sticking to the work plans for each week.
- Working closer with local stakeholders.
- Embarking on a drive to improve the economic infrastructure in uMshwathi.
- Holding regular meetings for the unit.
- Working harder to ensure that assistance is provided equitably to people from the different Wards.

5.4. Municipal Financial Viability and Management

Municipal Financial Viability & Management	2019/2020 Performance	2020/2021 Performance
Overall Score for the KPA	71.4	64.2

- The overall score for the KPA is 64.2% for 2020/2021, down by 7.2% from 2019/2020.



Graph 5: MFV& M KPA Score for 2019/20 and 2020/2021

5.4.1 Performance Highlights for 2020/2021

- Approved 2020/21 budget within required timeframe.
- Improved Audit Opinion from qualified in 2019 to unqualified in 2020.
- All conditional grants were 100% spent.
- Managed a collection rate of 89.3% under the difficult effects of the Covid-19 pandemic.
- We have a cost coverage of 4.5 months as of 30 June 2021.
- IPP's developed for all employees in the Department.

5.4.2 Challenges

- Delay in filling of the critical post of Asset Management Officer and vacancies in the revenue section due to salary cost to operational expenditure being too high.
- Interest portion of debt still owed by the Department of Water and Sanitation.
- Non-payment of Municipal debt due to the COVID-19 pandemic.
- Delays in the Bid Evaluation Committee in finalising tenders.

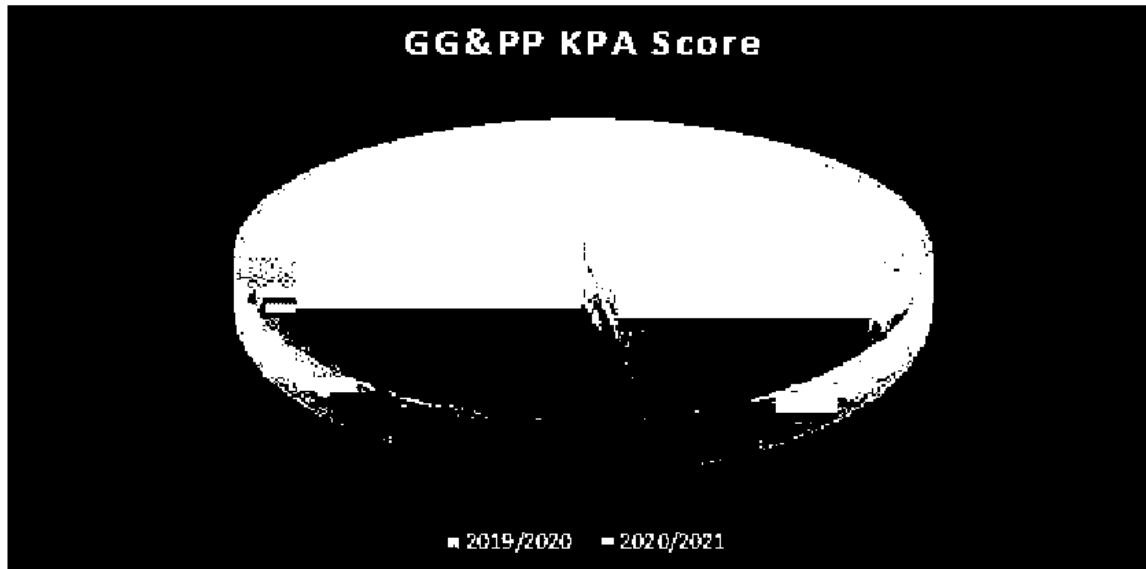
5.4.3 Measures Taken to improve Performance

- Monitor individual manager's SDBIP' monthly and report to the Finance Portfolio Committee monthly.
- Ensure that the Bid Evaluation Committee performs within strict time frames to finalise bids. Take necessary action where timeframes are not adhered to.
- Pursue the filling Asset Management Officer's and vacant posts within the revenue unit.
- Arrange meeting with National Minister of the Department of Water and Sanitation to resolve the debt owing.
- Continue handing over arrear debtors to reduce the debt owed to the Municipality.

5.5. Good Governance and Public Participation

Good Governance and Public Participation	2019/2020 Performance	2020/2021 Performance
Overall Score for the KPA	90%	100%

- The overall score for the KPA is 100% for 2020/2021, up by 10% from 2019/2020.



Graph 6: GG&PP KPA Score for 2019/20 and 2020/2021

5.3.1 Performance Highlights for 2020/2021

- During the financial year 2020/21, Good Governance and Public Participation achieved 100% on all targets.
- There were six Audit Committee meetings: four meetings were supposed to take place.
- There were nine MPAC meetings: six meetings were supposed to take place.
- The Reviewed Risk Policy and Strategy was approved on 29 October 2020 and it was supposed to be reviewed before June 2022

5.3.2 Challenges

- The outbreak of Covid 19 has interrupted the usual seating of War room meetings.
- Poor attendance by government Departments in meetings.
- Online communications were also affected by poor network coverage in most of uMshwathi wards.

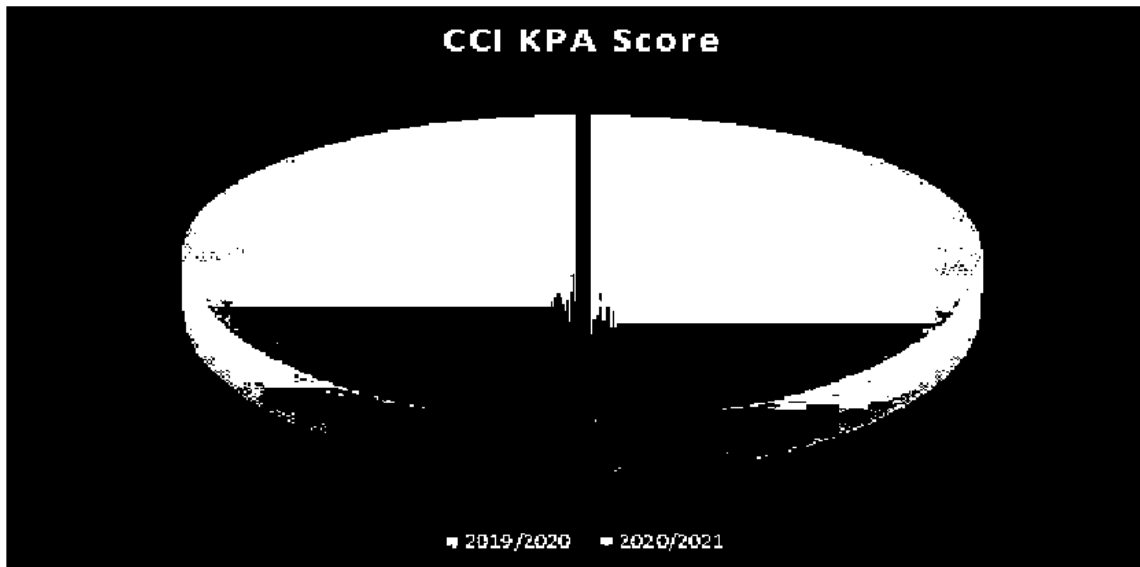
5.3.3 Measures Taken to improve Performance

- Conducted more virtual meetings.

5.6. Cross-Cutting Interventions

Cross- Cutting Interventions	2019/2020 Performance	2020/2021 Performance
Overall Score for the KPA	66%	66%

- The overall score for the KPA is 66% for 2020/2021, same percentage from 2019/2020.



Graph 5: CCI KPA Score for 2019/20 and 2020/202

5.6.1 Performance Highlights for 2020/2021

- The municipalities IDP 2020/2021 was ranked 8th in the province.

5.6.2 Challenges

- The lack of funds to conclude on all the plans and strategies that can assist the Municipality to excel in service delivery.
- Poor attendance by relevant internal management and external stakeholders in the Disaster Management Forum.

5.6.3 Measures Taken to improve Performance

- To request funding from COGTA for Small Town rehabilitation programs and economic development.

6. Key Areas to Note

Improving Performance

- The MFMA regulates that all invoices has to be settled within 30 days of receipt of the invoice. The Municipality settles bulk of the creditors' invoices within the required 30 days. Payment of invoices maybe delayed where all supporting documents are not provided or required close out reports not submitted by the service providers.
- However, processes are in place to settle invoices from emerging SMME's within 7 days of receiving their invoices. Payments have to be submitted to the finance department by 10:00 a.m. on Thursdays for payments to be made on Fridays.
- The average working days per employee lost through sick leave in 2020/21 is 15.10 days. This has increased from 7.14 in 2019/20 financial year.
- Complaints were handled guided by the complaints policy, which covers personal visit to offices, phone call and suggestion boxes.

Deteriorating Performance

- The percentage of complaints responded to within 10 days has met the 2020/2021 target. A significant review of the complaints procedure has taken place and action plans are now in place for each department.
- HOD`s submitted incomplete report, that is reason for variance and corrective action were not updated. They should ensure that they submit a credible report.
- Some employees do not take PMS serious, submitted Poor quality of POE`s and late submission.

7. Lessons Learnt and Way Forward

- The cascading of performance management to all staff so they can account on their performance will approve the performance of the Municipality.
- Adhere to performance standards, objectives and projects set and or agreed upon in the Performance Agreement.
- Submission of reports and POE be not a compliance issue but be of acceptable quality and must be accurate.
- Heads of departments must ensure that, they review their manager's performance before updating their actual performance, and ensure that gaps identified by the PMS office in the Portfolio of E are attended to timeously.
- Reports on POE done by the PMS office get the deserved attention by Heads of Departments to ensure that the finding on availability of supporting documentation is eliminated.
- Accounting Officer should identify gaps where Managers are lacking and develop a work plan for them.

KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY

IDP GOAL: IMPROVE THE QUALITY OF LIFE OF FOUR CITIZENS

BACK TO BASICS: PILLAR 1: BASIC SERVICES

Performance against the Organisational strategic objectives is detailed in the tables below and comparison with the past financial year:

Org No.	Strategy	Programme/ project/ Measurable output	KPI	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
BSD 1.1.1	Facilitate access to basic electricity services.	Construction of infrastructure for electricity.	No. of households with electricity infrastructure constructed	Construct electricity infrastructure for 278 households (Khamanzi 70, Sigqhumeni 208)	Target Achieved, 335 electricity infrastructure installed. Khamanzi 70 and Sigqhumeni 265	None	None	●
BSD 1.2.1	Provide Free Basic Electricity to Indigent Households	Provide free basic electricity to all qualifying beneficiaries	% of households with access to basic level of electricity.	Provide 95% of beneficiaries with free basic electricity	1424 of 1713 (83%) beneficiaries claimed their FBE	Not all registered beneficiaries claim their FBE	Eskom has been asked to review the beneficiary list and remove those that are dormant	☹

Org No.	Strategy	Programme/ project/ Measurable output	KPI	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
BSD 1.2.2			% of households earning less than R1100 per month with access to free basic services; Electricity	Provide 95% of beneficiaries with free basic electricity	1424 of 1713 (83%) beneficiaries claimed their FBE	Not all registered beneficiaries claim their FBE	Eskom has been asked to review the beneficiary list and remove those that are dormant	☹️
BSD 1.2.3		Provide relief on consolidated municipal account to community due effects of Covid Pandemic	% of applications approved	Provide relief to at least 60% of applications for relief due to Covid Pandemic	REMOVED DURING MID-YEAR			
BSD 1.2.4		Review and update Indigent Register	Date of review of Indigent Register.	Review and update Indigent Register by 30 June 2021	Not finalised yet.	Cogta in conjunction with the District have been trying to have District wide Indigent Register	Continue the process of trying to have a common indigent register with the assistance of Cogta	●



Org No.	Strategy	Programme/ project/ Measurable output	KPI	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
BSD 1.3.1	Provide access to community facilities.	Construction of Community facilities. (Community halls)	No. of community facilities constructed	Advertisement for the appointment contractor for the construction 1 Skills centre in ward 11 by 30 June 2021	Target achieved, 1 disability centre constructed in ward 11	None	None	●
BSD 1.3.2			Completion date of phase 2	40% completion of Sicolile community hall by 30 June (Councillor's office, Kitchen for the Hall and Boardroom)	Target Achieved, 40% completed.	None	None	●

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	
BSD 1.5.1	Provide access to roads and storm water.	Construction/ upgrade of gravel roads	No. of kms of gravel road upgraded	Advertisement for the appointment of contractor for the construction of Doboti Gravel Road.	Target not achieved, the consultants was appointed on the and are currently busy with the designs	There was a delay on the finalisation of penal of consultants that resulted in the delay to appoint the consultants.	Advertise for the appointment of the contractor by 30 July 2021.	●
BSD 1.5.2		Construction of Tar Roads	No. of kms of road tarred	Tarring of 1 km Ndlaveleni Road ward 6 & 13 by 30 June 2021	Target achieved; Ndlaveleni Road 100% complete	None	None	●
BSD 1.5.3			No. of kms of road tarred	40% completion of Shiyabazali Road ward 2 by 30 June 2021	Target not achieved; the contractor was appointed on the 30 June 2021.	Delay on BEC	The BEC has concluded the evaluation the contractor has been appointed.	●

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	
BDS 1.5.4	Provide access to roads and storm water.	Construction of Tar Roads	No. of kms of road tarred.	Tarring of 1km D1013 phase 2 by 30 June 2021	Target Achieved, tarring of 1km D1013 phase 2 is 100% complete.	None	None	●
BDS 1.5.5			% Completion of D239 road	40% completion of D239 Ward 1 by June 2021	Target Achieved, the project is 60% complete	None	None	●
BDS 1.5.6			Advertisement date of for appointment of contractor	Advertisement for the appointment of contractor for construction L714 Ward 9&10 by June 2021	Target achieved, the project was advertised on the 18 may 2021.	None	None	●

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	
BSD 1.5.7	Provide access to roads and storm water.	Storm water drains and channels maintenance	No. of kms of storm water drains and channels maintained	Maintain 40 kms of storm water drains and channels	Target Achieved, 41.715kms of storm water drains maintained.	None	None	●
BSD 1.5.8		Pedestrian walkways maintenance	No. of kms of Pedestrian walkways maintained	Maintain 10 km of Pedestrian walkways (New Hanover, Dalton, Wartburg, Cool Air)	Target Achieved, 10.789 kms of pedestrian walkways has been maintained.	None	None	●
BSD 1.5.9		Gravel Road maintenance	No. of kilometres of gravel road maintained	Maintain 15kms of gravel Road (gravelled/Bladed) 14 Municipal Wards	Target Achieved, 26.3 kms of gravel roads maintained.	None	None	●

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	
BSD 1.6.1	Plan, implement and monitor infrastructure projects.	Reporting on the planning, implementation & monitoring of projects.	No. of reports submitted to EXCO & Council on capital projects	Submit 4 reports on infrastructure projects (capital) to EXCO & Council	Target Achieved, 5 reports submitted to portfolio,5 submitted EXCO and 5 Council.	None	None	●
BSD 1.8.1	Facilitate the access to basic housing	Facilitation of Low-income houses development	No. of progress report on low-income housing development submitted to EXCO & Council	Submit 4 progress reports on low-income housing development to EXCO & Council	Target Achieved, 4 reports submitted to portfolio,4 submitted EXCO and 4 Council.	None	None	●

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	
BSD 1.9.1	Provide Indigent burial support and maintain cemeteries	Facilitate Phase 2 of Cemeteries (Conducting Geotech & EIA identified land)	Finalisation date of Phase 2 of cemeteries plan	Facilitate Phase 3 of the Cemetery plan by 30 June 2021.	Partial achieved	Unable to get service provider to conduct feasibility study on crematoria.	Target will be done in 2021/2022 financial year.	
BSD 1.9.2	Provide Indigent burial support and maintain cemeteries	Implementation of Indigent Burial policy	% of approved indigent burial application	Approve 90% of indigent burial application received	90% Approved of burial application received were supported	None	None	
BSD 2.1.1	Improve emancipation of youth development through economic participation, sport dev. & promotion of cultural activities	Promote Sport Development	No. of sport development programmes implemented	Support 3 sports developments programmes	2 sport development programmes supported	Target not met because of Covid - 19 regulation.	Target will be met in the next financial year	

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	
BSD 2.1.2	Improve emancipation of youth development through economic participation, sport dev. & promotion of cultural activities.	Coordinate projects for the Youth	No. of youth development projects coordinated.	Coordinate 8 youth development projects	8 youth development projects coordinated	None	None	●
BSD 2.1.3		Promote Cultural development & Heritage	No. of cultural development & heritage projects coordinated.	Support 2 cultural development projects.	Target not Achieved	Target not met because of Covid - 19 regulation.	Target will be meet in the next financial year	●
BSD 2.2.1	Empowerment of women, children HIV positive , youth & elderly through skills development & addressing social and drivers to HIV/AIDS	Addressing Social Ills against Vulnerable Groups	No. of projects addressing social ills implemented.	Support 2 Cooperatives in addressing social ills against vulnerable groups.	2 cooperatives supported	None	None	●

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	
BSD 2.2.2	Empowerment of women, children HIV positive , youth & elderly through skills development & addressing social and drivers to HIV/AIDS	Empowerment of people with disabilities, women and senior citizens	No. of empowerment projects implemented	Coordinate/ Support 2 empowerment projects for senior citizens and people with disabilities.	2 empowerment projects supporting senior citizens and people with disabilities were implemented	None	None	●
BSD 2.2.3		Improve healthy lifestyle for Elderly	No. of projects coordinated for senior citizens	Support 3 senior citizens Luncheon clubs.	3 Luncheon Clubs for senior citizens were implemented	None	None	●
BSD 2.2.4		Promote recreational activities for children	No. of projects coordinated for children	Coordinate 3 projects for Children	3 Projects targeting children were coordinated	None	None	●

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	
BSD 2.3.1	Coordination of ward based structures, in addressing poverty related issues	Addressing social & structural drivers to HAST	No. of HIV /AIDS /STI/ TB awareness conducted	Coordinate 2 HIV/AIDS & Covid-19 Awareness's for the community	2 HIV/AIDS & Covid-19 Awareness's were conducted	None	None	●
BSD 2.3.2		Coordination of Structural meetings (LAC)	No. of LAC meetings coordinated	Coordinate 2 LAC meetings	2 LAC/ LTT /LDAC meetings coordinated.	None	None	●
BSD 3.1.1	Development and Implementation of plan of action to reduce road accident and ensure the safety of all road users	Conduct Joint law enforcement	No. of law enforcement initiatives coordinated	Conduct 4 joint law enforcement initiatives with SAPS and Submit 4 report on law enforcement initiatives	4 joint law enforcement initiatives with SAPS and Submit 4 report on law enforcement initiatives	None	None	●


Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
BSD 4.1.1	Provide waste and refuse removal services to the residents of uMshwathi	Refuse removal	The % of households with access to basic level of solid waste removal ;	Provide 100% refuse removal service to 1320 households	1317 Households serviced out of 1320 possible total	Some properties were bought by neighbours, & reflected statistically as less households, due to consolidation	In 2021/22 financial year household target will be reduced to 100% of 1312 households serviced	☹️
			No. of Skips provided ongoing.	Provide 20 skips plus one cage ongoing, in Dalton, Cool Air, Wartburg and New Hanover, Appelsbosch Hospital, Swaymane (W8), Thokozani, Green gate	Provided 21 skips plus one cage ongoing, in Dalton, Cool Air, Wartburg and New Hanover, Appelsbosch Hospital, Swayimane (W8), Thokozani, Green gate	Due to Covid-19 massive unavoidable delays prevented the speedy arrival of additional 5 skips ordered. Skips arrived end of June, beginning of July	☹️	

KEY PERFORMANCE AREA: MUNICIPAL INSTITUTIONAL DEVELOPMENT & TRANSFORMATION

IDP GOAL: IMPROVE ADMINISTRATIVE SUPPORT:

BACK TO BASICS: PILLAR 5: BUILDING CAPABLE INSTITUTIONS AND ADMINISTRATIONS

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
MID&T 1.1.1	Recruit, develop and retain competent service delivery driven workforce.	Review and workshop HR/SG/IT Policies	No. of policies reviewed	Review 4 policies (2 HR Health and safety policy & HR Strategy and 2 IT ICT Security and Cell phone Policies)	Reviewed 6 policies (ICT Cellphone approved on the 25 March C1545. 2 HR policies C1476 & 3 ICT policies approved on the 08 Dec. 2020. C1483, C1484 & C1485	None	None	●
MID&T 1.1.2		Development of new policies/ HR/IT & SG	No. of policies developed.	Develop 2 policies(ICT Remote Working & ICT Monitoring Policies by 30 June 2021	2 policies adopted by Council on the December 2020. (ICT remote working & ICT monitoring	None	None	●

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
MIT&T 1.1.3	Recruit, develop, train and retain competent service delivery workforce	Improve organisational culture, cultivate and strengthen co-worker relations	No. of organisational development workshops conducted	Conduct 5 organisational development workshops sessions for all staff	REMOVED DURING MID-YEAR			
MID&T 1.1.4		Filling of vacant posts	% of posts filled	Fill 90% of requests received.	Fill 100% of requests received. We received the request for ICT Support Officer, position was filled in March 2021	None	None	



Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
MID&T 1.1.5	Recruit, develop and retain competent service delivery driven workforce.	Implementation of 2019/20 WSP	The % of the Municipality's budget actually spent on implementing its workplace skills plan	Spend 90% on WSP implementation	REMOVED DURING MID-YEAR			
			No. of training programmes to be implemented for staff	Implement 8 training programmes for staff by 30 June 2021. (1) Emotional Intelligence, (2) Office Cleaning , (3) National Cemeteries and Crematoria (4) Roads Maintenance, (5) Records & (6) Registry Management, (7) VIP				

			system (UIF and Tax regulations), (8) Customer Care				
MID&T 1.1.6	Maintenance of bursaries both internal & external	% Of existing internal & external bursaries maintained	Maintain 70% of existing internal and 50% of external bursaries	Maintained 75% internal and 80% external bursaries.	None	None	●
MID&T 1.1.7	Awarding of new internal & external bursaries	No. of new bursaries awarded internally & externally	Award 4 new bursaries.	Awarded 1 Internally & 6 Externally. Awarded 7 new bursaries.	None	None	●
MID&T 1.1.8	Provide support to community students with registrations fees	% Of registration support application approved.	Approve 80% of registration support received	Approved 100% of registration support received	None	None	●

		Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
MID&T 1.1.9		Review & Adoption of the Organisational Structure	Adoption date of the reviewed organogram for 2020/21	Review & adopt the organisational structure for 2021/22 by 30 June 2021	Organisational structure submitted to Full Council and adopted on 29 October 2020 (Tabled item)	None	None	●
MID&T 1.2.1	Provide sufficient secretariat, records, security, fleet and facilities management	Development & approval of calendar of meetings for 2020/21	Approval date of calendar of meetings	Calendar of meetings for Jan - June 2021 approved by 30 Dec. 2020: Calendar of meetings for July - Dec 2021 approved by 30 June 2021.	Jan -June 2021 Calendar of meetings approved by Council on 08 December 2020. July - Dec 2021 on the 29 June agenda	None	None	●

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
MID&T 1.3.1	Provide legal and compliance to legislation and collective agreement	Provision of legal support	% Of litigations received and attended to	Attend to 100% of all litigations received.	All litigation (legal matters) received attended to	None	None	No activity
MID&T 1.4.1	Implement an effective Performance Management System	Review PMS Framework in line with Chapter 6 of MSA	Approval Date of reviewed PMS Framework	Adoption of the reviewed PMS Framework by 30 June 2021	Reviewed PMS Framework adopted by Council on the 29th of June 2021	None	None	●
MID&T 1.4.2		Ensure performance agreements for S57 are signed by target date	No. of PA concluded and signed for 2019/20 by all General Managers and	Submit 5 signed Performance agreements submitted to the MEC by 31 July 2020	The 5 Performance Agreements were signed and submitted to	None	None	●

			Municipal Manager.		Cogta on the of July 2020			
Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
MID&T 1.4.3	Implement an effective Performance Management System	Submit Annual Performance report to AG for auditing.	Submission date of 2018/19 Annual Performance Report to AG.	Submit 2019/ 20 Annual Performance Report by 31 August 2020 to AG for auditing	The 2019/20 APR submitted on the 30 of Oct. 2020 via the CFO. Submission postponed to 31 Octo. due covid	None	None	●
MID&T 1.4.4		Conduct quarterly review and submit reports to EXCO and Council.	No. of performance reviews conducted & reports submitted to EXCO and Council	Conduct 4 quarterly reviews and submit 4 reports to EXCO & Council	4 Quarterly performance reviews were conducted and submit 4 reports to EXCO & Council	None	None	●
MID&T 1.4.5		Annual Performance	No. of Performance	Conduct Annual Performance	2019/20 Annual Performance	None	None	●


		Evaluation of MM, & General Managers	Evaluations conducted	Evaluation for 2019/20 Financial year by 30 March 2021	Evaluation were conducted on 05 March 2021			
Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
MID&T 1.4.6	Implement an effective Performance Management System	Drafting and adoption of Annual Report	Approval date of 2018/19 Annual Report	2019/20 Annual Report approved by 31 March 2021- MFMA 121(1)	2019/20 Annual Report & Oversight approved by Council on 29 May 2021 - MFMA 121(1)	None	None	
MID&T 1.4.7	Ensure cascading of IPMS to all staff	Date of cascading IPMS to all staff	Ensure that all staff members in the Municipality have IPP's and are assessed by 30 June 2021	Partially achieved, Community Services Department has outstanding IPP's, Finance Department has	Some Departments did not submit all IPP's.	Corrective action should take place for those who failed to submit on time		

					1 outstanding IPP, Technical Services Department has outstanding IPP`s.			
Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
MID&T 1.4.8		Monitoring of ICT controls & asset management	No. of reports on ICT controls and asset register submitted.	Submit 2 reports on ICT controls & asset management to EXCO & Council	Submitted 2 reports for noting: 25 March, 16 March, 17 June & 29 June	None	None	●


KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT

IDP GOAL: SELF-SUSTAINABLE COMMUNITIES

BACK TO BASICS: PILLAR 1: BASIC SERVICES

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
LED 1.3.1 /General Indicator	Promote & Support the Local Economy	Job opportunity creation	The no. of jobs created through Municipality's local economic development initiatives including capital projects (including EPWP)	Create 150 job opportunities through capital projects and EPWP(70 through EPWP and 80 through Capital projects = 150)	Target achieved, 176 job opportunities created. 118 through EPWP and 99 through capital projects.	None	None	



Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
LED 1.3.2	Promote & Support the Local Economy	Support poverty alleviation projects enable households to recover from Covid - 19 impact	No. of poverty alleviation projects supported	Support 10 poverty alleviation projects to enable households to recover from Covid - 19 impact with inputs by 30 June 2021	Supported 12 poverty alleviation projects with Garlic seeds	None	None	●
LED.1.4.1	Promotion SMMEs and Cooperatives' development	Small contractor development	No. of contractor development projects coordinated	Development of 28 Small contractor in Level 1	Target not achieved	Delay on the implementation of the programme	Ensure that the programme is implemented at the beginning of the financial year	●

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
LED. 1.5.1	Increased investment and retention of businesses in uMshwathi	Review of LED Strategy	Review & adoption date of reviewed LED Strategy	REMOVED DURING MID- YEAR				
LED 1.5.2		Facilitate Social empowerment project	% Spent of social empowerment project	Spend 80% of the social empowerment project.	Spend 97% of Social Empowerment budget	None	None	

KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

IDP GOAL: SOUND FINANCIAL MANAGEMENT

BACK TO BASICS: PILLAR 4 SOUND FINANCIAL MANAGEMENT

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
MFV&M 1.1.1	Maintain a positive cash flow of 3 months cost coverage	Capacitate staff on financial management & systems	No. of staff members trained.	Train 4 finance staff members on financial management & system.	REMOVED DURING MID-YEAR			
MFV&M 1.1.2		Review the Municipality's Revenue Enhancement Strategy annually	Review & update date of the Revenue Enhancement Strategy	Adoption of the reviewed Revenue Enhancement Strategy by 31 March 2021	The Revenue Enhancement Strategy was reviewed and approved by Council on 29 June 2021	None	None	
MFV&M 1.1.3		Maintain Revenue Collection Rate including debt	% Maintenance of Revenue Collection rate	Achieve a Collection Rate of 90% including arrear debt	Achieved Collection Rate Including Arrear debt	Payments towards accounts impacted by the negative financial effect of pandemic on ratepayers	Monitor payment patterns & handover accounts to the attorneys	

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
MFV&M 1.2.1/ General indicator	Control and account for expenditure of Municipal funds.	Financial viability expressed A=B- C.D "A" represents debt coverage "B" represents total operating revenue received -"C" represents operating grants "D" represents debt service payments(i.e. .interest +redemption) due within the financial year.	Financial viability in terms of debt coverage	5:01	REMOVED DURING MID-YEAR			
			Financial viability in terms of outstanding service debtors to revenue	1:01	0.61: 0.1	Ratio is high due to debtors being too high	Hand over more accounts for collection. Finalise meeting with Minister regarding Water Affairs Debt	●
			Financial viability in terms of operating grants	70%	59%	None	None	●
			Financial viability in terms of cost coverage	3:01	4.9:1	None	None	●

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
MFV&M 1.2.2	Control and account for expenditure of Municipal funds	Submit 100% of S71 Monthly Reports to Treasury & Quarterly Reports to Council	No. of S71 reports submitted to Council	Submit 4 finance reports to Council & post on the website	Submitted 5 reports to Council: 27 Aug, 29 Oct (2 reports), 21 Jan; 29 Jun. Monthly C-Schedules posted on the website	None	None	●
MFV&M 1.3.1	Prepare a realistic budget and report on Municipal finances.	Development and approval of Budget Process Plan	Development & approval date of Budget process plan	Approve Budget Process Plan by 31 of August 2020	Budget Process Plan was approved on 27 August 2020	None	None	●
MFV&M 1.3.2		Review Budget Related Policies	Review date of budget related policies	Adoption of the reviewed Budget Policies (Budget, credit control, cash management, investment & virement	Budget policies were reviewed in May and approved on 29 June 2021	None	None	●

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
General Indicator	Have a realistic budget in place and report regularly on progress	Efficient and economical spending on MIG Grant funding	% Of the Municipality's capital budget actually spent on capital projects identified for a financial year in terms of IDP	Spend 100% of capital budget	Target Achieved, 100% MIG Spent	None	None	●
MFV&M 1.4.1	Ensure compliance with SCM Policy	Review SCM Policy	Review date of the SCM policy	Adoption of the reviewed SCM Policy by 30 June 2021	The SCM Policy was reviewed with no amendments	The review of the SCM policy was omitted from the policy report submitted to Council	The reviewed policy will be submitted at the next Council meeting	●
MFV&M 1.4.2		Submit SCM reports to Council (Deviations)	No. of SCM reports submitted to council	Submit 4 SCM Reports (deviations) to Council	4 SCM Reports submitted: 27 Aug; 29 Oct 2020; 25 Feb 2021 & 29 Jun 2021	None	None	

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
MFV&M 1.4.3	Ensure compliance with SCM Policy	Develop & submit 2020/21 Annual Procurement Plan	Approval date of annual procurement plan	Develop & submit 2021/22 Annual Procurement Plan to Provincial Treasury by 30 June 2021	Submitted Annual Procurement Plan on 30 June 2021	None	None	●

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

IDP GOAL: STRENGTHENED DEMOCRACY

BACK TO BASICS; PILLAR 2& 3 – GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
GG & PP 1.1.1	Promote Inter-governmental Relations (IGR) and public participation.	Attend IGR and Public Participation meetings	No. of IGR public participation meetings attended	MM to attend 4 District Technical Co-coordinating (MM's) Forum meetings	Due to Covid MMs were part of the District Command Council and he attended 4 virtual meeting.	None	None	●
GG & PP 1.1.2		Coordination of OPERATION SUKUMA SAKHE	No. of LTT Meetings coordinated & reports submitted	Coordinate 2 LTT Meetings and submit reports to EXCO & council.	2 LTT meetings set, and report were submitted to structures of the Council	None	None	●
			No. of Operation MBO organized.	Coordinate 1 Operation MBO	1 Operation MBO was coordinated and took place on 4 June 2021	None	None	●

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
GG & PP 1.1.3	Promote Inter-governmental Relations (IGR) and PP	MANAGEMENT OF COMMUNITY SERVICE CENTRE (THUSONG)	No. of reports submitted to Centre Managers Forum, EXCO & Council	Compile and submit 2 statistics to Centre Managers Forum, EXCO & Council.	4 Statistical reports submitted to EXCO & Council.	None	None	●
GG & PP 1.1.4		Coordinate Budget/IDP Mayoral Imbizo	Date of coordinating IDP/Budget Imbizo .	Coordinate Mayoral Budget/IDP Imbizo by 30 April 2021	1 Budget Mayoral izimbizo coordinated in 3 areas. On the 18 May 2021. 19 May 2021 and 20 May 2021	None	None	●
GG & PP 1.2.1	Ensure institutional integrity	Ensure the effective functioning of internal audit and risk management unit	Approval date of Internal Audit Plan	Approval of Audit Plan by Audit Committee by 30 September 2020	Audit Plan approved in June 2021	None	None	●

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
GG & PP 1.2.2	Ensure institutional integrity	Ensure the effective functioning of internal audit and risk management unit	Date of review of Risk profile/ Register	Review Risk profile/ Register by 30 June 2021	Risk profile reviewed and approved on 21 June 2021 by the Audit Committee	None	None	●
GG & PP 1.2.3			No. of Risk Management & Fraud Prevention Committee meetings coordinated.	Coordinate 4 Risk Management & Fraud Prevention committee meetings.	4 Risk Management & Fraud Prevention Committee meetings coordinated.	None	None	●
GG & PP 1.2.4			No. of audit conducted	Coordinate 4 Audit Committee meetings.	6 Audit Committee meetings coordinated.	None	None	●
GG & PP 1.2.5		Improve on Audit Opinion	Type of opinion	Improve Audit opinion from Qualified to Unqualified Opinion	Obtained Unqualified Audit Opinion	None	None	●

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
GG & PP 1.4.1	Ensure a functional Ward committee structure	Coordinate Combined Ward Committee meetings	No. of Combined Ward Committee meetings coordinated	Coordinate 2 combined Ward Committee meetings by 30 June 2021	2 combined Ward Committee meetings coordinated.	None	None	●

KEY PERFORMANCE AREA 6: CROSS CUTTING ISSUES

IDP GOAL: CREDIBLE IDP

BACK TO BASICS: PILLAR 1 BASIC SERVICES

Org No.	Strategy	Programme/ project/ Measurable output	Key performance indicator	Annual target 2020/21	Actual achievement	Reasons for variance	Corrective action	Status
CCI 3.1.1	Develop and implement a credible IDP	Development, review & adoption of Credible IDP	Adoption date of IDP by council	Adoption of the reviewed 2021/22 IDP by 30 June 2021	2021/22 IDP developed and adopted on the 29 June 2021	None	None	
CCI 3.3.1	Ensure effective Land use management system and land administration	Conducting phase 1 of 3 Land Audit for uMshwathi Municipality	Completion date of land audit.	Conduct & complete phase 1 of Land Audit for the Municipality	Phase 1 and 2 of the land audits completed on 30 June 2021	None	None	
CCI 3.3.2	to give effect to development and enhance revenue	Develop, adoption & submission to Cogta of ward-based plans for 14 wards	Adoption date of the WBP and Submission to COGTA IDP UNIT	REMOVED DURING MID-YEAR				

2021/22 ORGANISATIONAL SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN (SDBIP)

KPA	IDP GOAL	STRATEGIC OBJECTIVE	STRATEGIES	IDP REF. /CODE	PROGRAMME/ PROJECT/ MEASURABLE OUTPUT	INDICATOR	2021/22 ANNUAL TARGET
BASIC SERVICE DELIVERY	IMPROVED THE QUALITY OF LIFE OF OUR CITIZENS	To respond to the service delivery backlogs by, planning, designing, developing and maintain Municipal infrastructure	Facilitate access to basic electricity services.	BSD 1.1.1	Construction of electricity infrastructure.	No. of households with electricity infrastructure constructed	Construct electricity infrastructure for 500 households (uMshwathi Ridge)
			Provide Free Basic Electricity to Indigent Households	BSD 1.2.1	Provide free basic electricity to all qualifying beneficiaries	% of beneficiaries getting free basic electricity	Provide 95% of beneficiaries with free basic electricity
				BSD 1.2.2		% of households earning less than R1100 per month with access to free basic services; electricity	Provide 95% of beneficiaries with free basic electricity

KPA	IDP GOAL	STRATEGIC OBJECTIVE	STRATEGIES	IDP REF. /CODE	PROGRAMME/ PROJECT/ MEASURABLE OUTPUT	INDICATOR	2021/22 ANNUAL TARGET
BASIC SERVICE DELIVERY	IMPROVED THE QUALITY OF LIFE OF OUR CITIZENS	To respond to the service delivery backlogs by, planning, designing, developing and maintain Municipal infrastructure	Provide Free Basic Electricity to Indigent Households	BSD 1.2.3	Provide relief on consolidated municipal account to community due effects of Covid Pandemic	% of applications approved	Provide relief to at least 60% of applications for relief due to Covid Pandemic
				BSD 1.2.4	Review and update Indigent Register	Review date of Indigent Register.	Review and update Indigent Register by 30 June 2022
			Provide access to community facilities.	BSD 1.3.1	Construction/Upgrade of Community halls	No. of community facilities constructed	Construct 1 Community Facility skills centre in ward 7
				BSD 1.3.2			

KPA	IDP GOAL	STRATEGIC OBJECTIVE	STRATEGIES	IDP REF. /CODE	PROGRAMME/ PROJECT/ MEASURABLE OUTPUT	INDICATOR	2021/22 ANNUAL TARGET
BASIC SERVICE DELIVERY	IMPROVED THE QUALITY OF LIFE OF OUR CITIZENS	To respond to the service delivery backlogs by, planning, designing, developing and maintain Municipal infrastructure	Provide access to community facilities.	BSD 1.3.3	Construction/Upgrade of Community halls & Community Facilities	Completion date of phase 2 of Sicolile hall	Complete construction of phase 2 of Sicolile by 30 June 2022 (Councillor's office, Kitchen for the Hall and Boardroom)
			Provide access to roads and storm water	BSD 1.5.1	Construction/ upgrade of gravel roads	No. of kms of gravel road constructed	Construction of 1 km of Doboti Tarring Road in ward 4 by 30 June 2022.
				BSD 1.5.2		% Completion of Shiyabazali road	Complete the tarring of 1km on Shiyabazali Road phase 2 in ward 2 by 30 June 2022

KPA	IDP GOAL	STRATEGIC OBJECTIVE	STRATEGIES	IDP REF. /CODE	PROGRAMME/ PROJECT/ MEASURABLE OUTPUT	INDICATOR	2021/22 ANNUAL TARGET
BASIC SERVICE DELIVERY	IMPROVED THE QUALITY OF LIFE OF OUR CITIZENS	To respond to the service delivery backlogs by, planning, designing, developing and maintain Municipal infrastructure	Provide access to roads and storm water	BSD 1.5.3	Construction/ upgrade of gravel roads	% Completion of D239 road	Complete the tarring of 2kms D239 Ward 1 by 30 June 2022
				BSD 1.5.4		% Completion of L714 road	Complete the tarring of 2km L714 Ward 9&10 by 30 June 2022
				BSD 1.5.5	Storm water drains and channels maintenance	No. of kms of storm water drains and channels maintained	Maintain 40 kms of storm water drains and channels
				BSD 1.5.6	Pedestrian walkways maintenance	No. of kms of Pedestrian walkways maintained	Maintain 20 kms of Pedestrian walkways (New Hanover, Dalton, Wartburg, Cool Air)

KPA	IDP GOAL	STRATEGIC OBJECTIVE	STRATEGIES	IDP REF. /CODE	PROGRAMME/ PROJECT/ MEASURABLE OUTPUT	INDICATOR	2021/22 ANNUAL TARGET
BASIC SERVICE DELIVERY	IMPROVED THE QUALITY OF LIFE OF OUR CITIZENS	To respond to the service delivery backlogs by, planning, designing, developing and maintain Municipal infrastructure	Provide access to roads and storm water	BSD 1.5.7	Gravel Road maintenance	No. of kilometres of gravel road maintained	Maintain 14kms of gravel Road (regravelled/Bladed) 14 Municipal Wards
			Plan, implement and monitor infrastructure projects and facilitate the access to basic housing	BSD 1.6.1	Reporting on the planning, implementation and monitoring of Infrastructure Development Maintenance & Human Settlement	No. of reports submitted to EXCO & Council on Infrastructure Development Maintenance & Human Settlement	Submit 4 reports on Infrastructure Development Maintenance & Human Settlement to EXCO & Council
			Provide indigent burial support and maintain cemeteries	BSD 1.6.2	Implementation of Indigent Burial policy	% of approved indigent burial applications	Approve 90% of indigent burial application received

KPA	IDP GOAL	STRATEGIC OBJECTIVE	STRATEGIES	IDP REF. /CODE	PROGRAMME/ PROJECT/ MEASURABLE OUTPUT	INDICATOR	2021/22 ANNUAL TARGET
BASIC SERVICE DELIVERY	IMPROVED THE QUALITY OF LIFE OF OUR CITIZENS	To respond to the service delivery backlogs by, planning, designing, developing and maintain Municipal infrastructure	Improve emancipation of youth development through economic participation, sport development and promotion of cultural activities	BSD 2.2.1	Review of Youth Development Strategy	Approval date of reviewed of Youth Strategy	Reviewal & adoption of Youth strategy by 30 March 2022
				BSD 2.2.2	Provide tertiary registration fee support to qualifying youth. Three per ward, 42 in total	% of youth supported with registration fee.	Provide 90% registration support from 42 requests received by 30 March 2022.
				BSD 2.2.3	Coordinate 1 Business plan writing workshop for youth.	No. workshop coordinated	Coordinate 1 Business plan writing workshop
				BSD 2.2.4	Coordinate 1 Youth dialog	No. of Youth dialog	Coordinate 1 Youth dialog
				BSD 2.2.5	Coordinate 1 career expo for youth.	No. of Career expo coordinated	Coordinate 1 career expo for youth.
				BSD 2.2.5	Promote Cultural development & Heritage	No. of cultural projects coordinated.	Coordinate/Support 3 cultural projects.

KPA	IDP GOAL	STRATEGIC OBJECTIVE	STRATEGIES	IDP REF. /CODE	PROGRAMME/ PROJECT/ MEASURABLE OUTPUT	INDICATOR	2021/22 ANNUAL TARGET
BASIC SERVICE DELIVERY	IMPROVED THE QUALITY OF LIFE OF OUR CITIZENS	To respond to the service delivery backlogs by, planning, designing, developing and maintain Municipal infrastructure	Empowerment of women, children HIV positive , youth and elderly through skills development programmes and addressing social and structural drivers to HIV/AIDS	BSD 2.2.1	Addressing Social Ills against Vulnerable Groups	No. of projects implemented addressing social ill.	Support 2 co-operatives from vulnerable groups to address social ill.
				BSD 2.2.2	Empowerment of people with disabilities , women and senior citizens	No. of programmes coordinated for people living with disabilities	Coordinate 2 programmes for people with disabilities.
				BSD 2.2.3	Improve healthy lifestyle for Elderly	No. of support activities provided to senior citizens	Provide 3 support activities to senior citizens
				BSD 2.2.4	Promote recreational activities for children	No. of projects coordinated for children	Coordinate 3 recreational activities for Children

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BASIC SERVICE DELIVERY	IMPROVED THE QUALITY OF LIFE OF OUR CITIZENS	To respond to the service delivery backlogs by, planning, designing, developing and maintain Municipal infrastructure	Coordination of ward based structures , in addressing poverty related issues	BSD 2.3.1	Addressing social & structural drivers to HAST	No. of covid-19 awareness conducted	Coordinate 2 HIV/AIDS/ Covid-19 Awareness campaigns to community.
				BSD 2.3.2	Coordination of Structural meetings (LAC	No. of LAC meetings coordinated	Coordinate 4 LAC meetings
			Development and Implementation of plan of action to reduce road accident and ensure the safety of all road users	BSD 3.1.1	Conduct Joint law enforcement	No. of law enforcement initiatives coordinated	Conduct 4 joint law enforcement initiatives with SAPS and submit reports to EXCO & Council

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BASIC SERVICE DELIVERY	IMPROVED THE QUALITY OF LIFE OF OUR CITIZENS	To respond to the service delivery backlogs by, planning, designing, developing and maintain Municipal infrastructure	Provide waste and refuse removal services to the residents of uMshwathi	BSD 4.1.1	Refuse removal	The % of households with access to basic level of	Service 100% of 1312 households.
						No. of Skips provided ongoing.	Provide 20 skips plus one cage in 9 areas within umshwathi
						Verification date and % of farm dwellers provided with refuse removal service	Identify & verify farm dwellers qualifying for refuse removal service by 30 Sept. 2021, Purchase , allocate skips by 30 June 2022

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MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	IMPROVED ADMINISTRATIVE, LEGAL AND ADVISORY SUPPORT	To provide quality support services to the Municipality enabling other departments to operate efficiently in order for them to achieve their targets	Recruit, develop, train and retain competent service delivery workforce	MID&T 1.1.1	Conduct analysis and Review and HR/SG/IT Policies	% of policies reviewed based on the analysis	Review 100% of HR, ICT Policies as per analysis conducted.
				MID&T 1.1.2	Strengthen the Human Resources Administrative processes (capacity building)	Date of conducting workshop	Conduct a workshop for all staff on the organisational culture by 30 June 2022
				MID&T 1.1.3		Date of conducting workshop	Conduct a workshop for all staff on the reviewed and adopted IPMS policy by 30 September 2021.

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MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	IMPROVED ADMINISTRATIVE, LEGAL AND ADVISORY SUPPORT	To provide quality support services to the Municipality enabling other departments to operate efficiently in order for them to achieve their targets	Recruit, develop, train and retain competent service delivery workforce	MID&T 1.1.4	Filling of vacant posts	% of posts filled	Process 90% of requests to fill posts received.
				MID&T 1.1.5	Development and Implementation of WSP	The % of the Municipality's budget actually spent on implementing its workplace skills plan	Spend 90% on WSP implementation
						No. of training programmes to be implemented for staff	Implement 8 training programmes for staff by 30 June 2022.

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MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	IMPROVED ADMINISTRATIVE, LEGAL AND ADVISORY SUPPORT	To provide quality support services to the Municipality enabling other departments to operate efficiently in order for them to achieve their targets	Recruit, develop, train and retain competent service delivery workforce	MID&T 1.1.6	Development, approval and submission 2022/2023 WSP	Submission date of approved 2022/23 WSP to LGSETA	Approve and submit the 2022/23 WSP by 30 April 2022 to LGSETA.
				MID&T 1.1.7	Maintenance of bursaries both internal & external	% of existing of both bursaries maintained	Maintain 70% of existing internal and 50% of external bursaries
				MID&T 1.1.8	Awarding of new internal & external bursaries	No. of both new bursaries awarded.	Award 4 new bursaries.
				MID&T 1.1.9	Coordinate work study to ensure the best use of human and material resources	Date of coordinating working study	Coordinate work study to ensure the best use of human and material resources by 30 June 2022

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MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	IMPROVED ADMINISTRATIVE, LEGAL AND ADVISORY SUPPORT	To provide quality support services to the Municipality enabling other departments to operate efficiently in order for them to achieve their targets	Recruit, develop, train and retain competent service delivery workforce	MID&T 1.1.10	Review & Adoption of the Organisational Structure	Adoption date of reviewed organisational structure for 2022/23	Review & Adopt the organisational structure for 2022/23 by 30 June 2022
			Provide sufficient secretariat, records, security, fleet and facilities management	MID&T 1.2.1	Development & approval of calendar of meetings for 2021/22	Approval date of calendar of meetings Approval date of calendar of meetings	Calendar of meetings for Jan - Jun. 2022 approved by 30 Dec. 2021: For July -Dec 2022 approved by 30 June 2022. Calendar of meetings for Jan - June 2022 approved by 30 Dec. 2021: Calendar of meetings for July - Dec 2022 approved by 30 June 2022.

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MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	IMPROVED ADMINISTRATIVE, LEGAL AND ADVISORY SUPPORT	To provide quality support services to the Municipality enabling other departments to operate efficiently in order for them to achieve their targets	Provide legal support and compliance to legislation and collective agreement.	MID&T 1.3.1	Provision of legal support	% of litigations received and attended to	Attend to 100% of all litigations received.
			Implement an effective Performance Management System.	MID&T 1.4.1	Review PMS Framework in line with Chapter 6 of MSA Review PMS Framework in line with Chapter 6 of MSA	Approval date of reviewed PMS Framework	Adoption of the reviewed PMS Framework by 30 June 2022
				MID&T 1.4.2	Ensure performance agreements for S57 are signed by target date.	No. of performance agreements concluded and signed for 2021/22 by all G M & MM.	Submit 5 signed Performance agreements submitted to the MEC by 31 July 2021

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MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	IMPROVED ADMINISTRATIVE, LEGAL AND ADVISORY SUPPORT	To provide quality support services to the Municipality enabling other departments to operate efficiently in order for them to achieve their targets	Implement an effective Performance Management System.	MID&T 1.4.3	Submit Annual Performance report to AG for auditing.	Submission date of 2020/21 Annual Performance Report to AG.	Submit 2020/ 21 Annual Performance Report by 31 August 2021 to AG for auditing
				MID&T 1.4.4	Conduct quarterly review and consolidate reviewed reports for submission to EXCO and Council.	No. of performance reviews conducted and reports submitted to EXCO and Council	Conduct 4 quarterly reviews and submit 4 reports to EXCO & Council
				MID&T 1.4.5	Annual Performance Evaluation of MM and Managers directly accountable to the MM	Date of conducting Annual Performance Evaluations.	Conduct Annual Performance Evaluation for 2020/21 Financial year by 30 March 2022

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MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	IMPROVED ADMINISTRATIVE, LEGAL AND ADVISORY SUPPORT	To provide quality support services to the Municipality enabling other departments to operate efficiently in order for them to achieve their targets	Implement an effective Performance Management System.	MID&T 1.4.6	Drafting and adoption of Annual Report	Approval date of 2020/21 Annual Report	2020/21 Annual Report approved by 31 March 2022- MFMA 121(1)
				MID&T 1.4.7	Submit reports on progress made in the implementation of IPMS	No. of reports on the implementation of IPMS to EXCO &	Submit 4 reports on progress made in the implementation of IPMS to EXCO & Council
			Ensure the availability, stability, security and integrity of ICT services	MID&T 1.5.1	Monitoring of ICT controls & asset management	No. of reports on ICT controls & asset submitted to EXCO & Council	Submit 2 reports on ICT controls & asset management to EXCO & Council
			Implement the Employment Equity Plan of the Municipality	MID&T 1.6.1	Implementation & Monitoring of Employment Equity Plan	Submission date of the EEA2/4 report to DOL	Submit the EEA2&4 report to the DOL by the end of 30 March 2022

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MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	SOUND FINANCIAL MANAGEMENT	SOUND FINANCIAL MANAGEMENT	Maintain a positive cash flow of 3 months cost coverage	MFV&M 1.1.1	Review the Municipality's Revenue Enhancement Strategy	Adoption date of the reviewed strategy	Review the Municipality's Revenue Enhancement Strategy by 31 March 2022 and develop an implementation plan
				MFV&M 1.1.2	Achieve 90% Collection Rate	% Collection Rate	Maintain collection rate of 90%
				MFV&M 1.1.3	Achieve 5% Collection Arrear debt	% Collection rate of Arrear debt	Achieve 5% collection rate of Arrear debt.

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MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	SOUND FINANCIAL MANAGEMENT	SOUND FINANCIAL MANAGEMENT	Avoid incurring Irregular, Unauthorized, Fruitless and wasteful expenditure	MFV&M 1.2.1 General Manager	Financial viability of the Municipality expressed as follows: A=B-C.D "A" represents debt coverage "B" represents total operating revenue received -"C" represents operating grants "D" represents debt service payments(i.e. interest +redemption) due within the financial year	Financial viability in terms of outstanding service debtors to revenue	1:01
						Financial viability in terms of operating grants (Grant dependency	60%
						Financial viability in terms of cost coverage	3:01

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MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	SOUND FINANCIAL MANAGEMENT	SOUND FINANCIAL MANAGEMENT	Avoid incurring Irregular, Unauthorized, Fruitless and wasteful expenditure	MFV&M 1.2.2	Submit 100% of S71 Monthly Reports to be Treasury. Submit Quarterly Reports to Council & post on website	No. of finance reports submitted to Council & post on the website	Submit 4 finance reports to Council & post on the website
				MFV&M 1.2.3	Submit Section 72 reports to EXCO and Council	No. of Section 72 reports submitted to EXCO & Council	Submit 4 Section 72 reports to EXCO and Council
			MFV&M 1.3.1	Development, approval of Budget Process Plan: Development & adoption of final budget	Approval date of developed Budget Process Plan & adoption of final budget	Approve Budget Process Plan by 31 of August 2021 and adoption of next financial year budget by 31 May 2022.	

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MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	SOUND FINANCIAL MANAGEMENT	SOUND FINANCIAL MANAGEMENT	Have a realistic budget in place and report regularly on progress	MFV&M 1.3.2	Review Budget Related Policies	Adoption date of reviewed Budget related policies.	Adoption of the reviewed Budget Policies (Budget, credit control, cash management, investment & virement) by 31 May 2022
				MFV&M 1.3.3	Efficient and economical spending on MIG Grant funding	The % of the Municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of IDP	Spend 100% of capital budget

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MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	SOUND FINANCIAL MANAGEMENT	SOUND FINANCIAL MANAGEMENT	Implement all the requirements the SCM policy	MFV&M 1.4.1	Review SCM Policy	Adoption date of reviewed SCM policy	Adoption of the reviewed SCM Policy by 30 June 2022
				MFV&M 1.4.2	Submit SCM reports to Council (Deviations)	No. of SCM reports submitted to council	Submit 4 SCM Reports (deviations) to Council
				MFV&M 1.4.3	Develop & submit Annual Procurement Plan	Development & submission date of Procurement plan	Develop & submit 2022/23 Annual Procurement Plan to Provincial Treasury by 30 June 2022
				MFV& M 1.4.4	Review assets to be disposed off, list assets acquired and submit report to EXCO & Council	No. of reports on acquired assets & those identified for disposal.	Submit 4 reports on assets acquired and those identified for disposal to EXCO and Council

KPA	IDP GOAL	STRATEGIC OBJECTIVE	STRATEGIES	IDP REF. /CODE	PROGRAMME/ PROJECT/ MEASURABLE OUTPUT	INDICATOR	2021/22 ANNUAL TARGET
LOCAL ECONOMIC DEVELOPMENT	IMPROVED THE QUALITY OF LIFE OF OUR CITIZENS	Promote & Support the Local Economy	Poverty alleviation	LED 1.3.1/ General indicato	Job opportunity creation	The no. of jobs created through Municipality's local economic development initiatives including capital projects (including EPWP)	Create 150 job opportunities through capital projects and EPWP (100 through EPWP and 50 through Capital projects = 150)
				LED 1.3.2	Support household with input/equipment to alleviate poverty & recover from Covid - 19 impact	No. of households supported to alleviate poverty & recover from covid 19.	Support 42 households with inputs /Equipment to alleviate poverty & recover from Covid -19 impact by 30 June 2022

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LOCAL ECONOMIC DEVELOPMENT	IMPROVED THE QUALITY OF LIFE OF OUR CITIZENS	Promote & Support the Local Economy	Promotion SMMEs and Cooperatives' development	LED 1.4.1	Small contractor development in Level 1	No. of small contractors developed	Development of 28 Small contractors in Level 1 Development of 28 Small contractors in Level 1
			Increased investment and retention of businesses in uMshwathi	LED 1.5.1	Review LED Strategy	Adoption date of reviewed LED Strategy	Reviewal and adoption of the LED Strategy by 30 June 2022.

KPA	IDP GOAL	STRATEGIC OBJECTIVE	STRATEGIES	IDP REF. /CODE	PROGRAMME/ PROJECT/ MEASURABLE OUTPUT	INDICATOR	2021/22 ANNUAL TARGET
GOOD GOVERNANCE & PUBLIC PARTICIPATION	STRENGTHENED DEMOCRACY	To instil the principles of good governance in all municipal operations and promote effective public participation.	Promote Inter-governmental Relations (IGR) and public participation	GG & PP 1.1.1	Attend IGR and Public Participation meetings	No. of IGR Structures (MM/meetings attended.	MM to attend (MM's) 4 IGR Structures meetings.
				GG & PP 1.1.2	Coordination of OPERATION SUKUMA SAKHE	No. of LTT Meetings coordinated & reports submitted	Coordinate 4 LTT Meetings and submit reports to EXCO & council.
				GG & PP 1.1.3	MANAGEMENT OF COMMUNITY SERVICE CENTRE (THUSONG)	No. of Operation MBO organized with Service Providers No. of reports submitted to EXCO & Council	Coordinate 1 Operation MBO Compile and submit 4 reports on the functionality of Thusong to EXCO and Council

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GOOD GOVERNANCE & PUBLIC PARTICIPATION	STRENGTHENED DEMOCRACY	To instil the principles of good governance in all municipal operations and promote effective public participation.	Promote Inter-governmental Relations (IGR) and public participation	GG & PP 1.1.4	Coordinate Budget/IDP Mayoral Imbizo	Coordinating date IDP/Budget Imbizo .	Coordinate Mayoral Budget/IDP Imbizo by 30 April 2022
			Ensure institutional integrity	GG & PP 1.2.1	Ensure the effective functioning of internal audit and risk management unit	Approval date of Internal Audit Plan	Approval of Audit Plan by Audit Committee by 30 September 2021.
				GG & PP 1.2.2		Review date of Risk profile/ Register	Review Risk profile/ Register by 30 June 2022
				GG & PP 1.2.3		No. of Risk Management & Fraud Prevention Committee meetings coordinated.	Coordinate 4 Risk Management & Fraud Prevention committee meetings.

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GOOD GOVERNANCE & PUBLIC PARTICIPATION	STRENGTHENED DEMOCRACY	To instil the principles of good governance in all municipal operations and promote effective public participation.	Ensure institutional integrity	GG & PP 1.2.4		No. of Audit Committee meetings coordinated	Coordinate 4 Audit Committee meetings.
				GG & PP 1.2.5	Improve on Audit Opinion	Type of opinion	Strive to Improve Audit opinion from Unqualified with matters to Unqualified without matters.
				GG & PP 1.2.6	Embark on a process to review and revamp municipal logo and municipal colour scheme	Approval date of reviewed logo	New municipal Corporate identity Approved by Council by 30 June 2022 (logo and Colour Scheme).

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CROSS CUTTING ISSUES	CREDIBLE IDP	To develop a credible IDP in line with provincial guidelines.	Develop and implement a credible IDP	CCI 3.1.1	Develop and implement a credible IDP	Adoption date of developed IDP	Coordinate the development and adoption of 2021-26 IDP by 30 June 2022.
			Ensure effective Land use management system and land administration to give effect to development and enhance revenue	CCI 3.2.1	Coordinate the development of Dalton & New Hanover Local Area Plan in line with the Spatial Development Framework Plan	Adoption date of LAP	Coordinate development & adoption of Dalton, New Hanover LAP by 30 June 2022.
				CCI 3.2.1	Completion of phase 3 and maintenance of GIS and cadastral set for Land Audit for the Municipality	Completion date of phase 3 land audit	Completion of phase 3 of Land Audit by 30 June 2022.

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CROSS CUTTING ISSUES	CREDIBLE IDP	To develop a credible IDP in line with provincial guidelines.	Ensure effective Land use management system and land administration to give effect to development and enhance revenue	CCI 3.2.3	Report on planning applications processed.	No. of report submitted to EXCO & Council	Submit 4 reports on Planning Applications received and processed to EXCO & Council

8. Assessment of the performance of External Service Provider

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

Assessment Key	
	The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract
Satisfactory (S)	The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract
	The service has been provided below acceptable standards

UMSHWATHI LOCAL MUNICIPALITY

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance	
					Target	Actual	Target	Actual		S
T2019/20/02	SANTO CIVIL TRANS & MAINT	21.02.2020	Y	6098773.73	P	P	S	S		X
T2019/20/03	SHM4 PROJECT	09.01.2020	Y	2618060.89	G	G	G	G	X	
T2019/20/04	BOBOSHE TRADING ENTER	09.01.020	Y	3356669.41	P	P	S	S		X
T2019/20/09	THULUMKAHLE TRADING ENT	30.10.2020	Y	1170003.56	G	G	G	G	X	
T2019/20/10	HLONOFATSO ELECTRICAL CC	09.04.2021	Y	648461.77	S	S	G	G	X	
T2019/20/11	TCN INVESTMENT GROUP	29.10.2020	Y	1723675.09	S	S	G	G	X	
T2019/20/12	IGODA PROJECT	29.10.2020	Y	6858399.90	S	S	G	G	X	
T2020/21/03	THAMI NGCOBO & ASSOCIATES	15.11.2020	Y	7752365.91	G	G	S	S		X
T2020/21/04	THUBELIKWANELE JV MICROZONE	30.06.2021	Y	8307101.30	S	S	S	S		X
T2020/21/05	THUBELIKWANELE JV MICROZONE	20.11.2020	Y	12974658.71	S	S	S	S		X
T2020/21/11	QUIT STORM TRADING	30.06.2021	Y	1799797.73	S	S	G	G	X	
T2019/20/01	MHLONGO TRANSCOIN	12.10.2020	Y	9912266.20	G	G	G	G	X	
T2020/21/02	W BLACKMINE	12.10.2020	Y		P	P	S	S		x