EMALAHLENI LOCAL MUNICIPALITY

FINAL AMENDED REVIEWED INTEGRATED DEVELOPMENT PLAN 2019 / 2020

Foreword by the Mayor

The municipality undertook an aggressive Public Participation and Mayoral Outreach Programmes as an effort to empower and capacitate our communities on the plans that the Municipality intends to embark on this last financial year of the current term of Council. In addition to this, public participation and stakeholder engagement are invariably in keeping with compliance with Chapters 4 and 5 of the Local Government: Systems Act 2000 (Act 32 2000) as amended. The aforementioned legislation reinforces the principle of deepening democratic participation by all key stakeholders to be involved in local governance.

We are ecstatic and humbled by the manner in which sector departments and state owned enterprises continue to positively contribute to the development of Emalahleni Municipal area. There is cohesion and better coordination of our programmes amongst three spheres of government (Local, Provincial and National Governments). We have adopted an approach of working smart with our communities and key stakeholders in order to enhance service delivery and accountability through IDP and Budget processes as well as Mayoral Outreach engagements (Back to Basics Mandate). We urge fellow Councilors and officials of Emalahleni Local Municipality to work extremely hard during the entire term of office of leadership and management as if there is no tomorrow.

COUNCILLOR NONTOMBIZANELE KONI
HONOURABLE MAYOR

Executive Summary

In 2016, Local Government Elections were held and Emalahleni Local Municipality is in the process of developing a five year and credible strategic planning tool commonly known as Integrated Development Plan (IDP) with a cash-back budget premised on a medium-term revenue and expenditure framework. The IDP is in terms of Local Government: Municipal Systems Act 2000 (Act 32 2000) as amended. The needs and priorities of communities are derived from Public Participation and Mayoral Outreach Programmes, which were also conducted as per the requirements of the act. It should be noted that IDP and Budget are living documents and their implementation is assessed in terms of service delivery and budget implementation plan which confirms the relevance of programmes and projects of Council.

IDP and Budget are designed in such a way that they fulfil the constitutional mandate of local government that of institutional development and transformation, service delivery, local economic development, job creation, spatial planning as well as financial viability and financial management. In Addition to this, Emalahleni Local Council developing and approving a business process re-engineering to inform its macro institutional organogram as an attempt to give effect to the five key priority areas.

We honestly request that Councillors, Traditional Leadership, Communities, Key Stakeholders and Sector Departments continue to support our endeavours of accelerating service delivery to all communities.

"Emalahleni is indeed moving forward -Siyaqhuba" with the execution of Back to Basics mandate.

MR V.C. Makedama
MUNICIPAL MANAGER

Background

The Integrated Development Plan was adopted in May 2019 followed by the development of an SDBIP in June 2019. The municipality amended its IDP because of the adjustments that were on the approved municipal budget. Changes were made in chapter 4 below.

1. CHAPTER 4 - OBJECTIVES, STRATEGIES AND INDICATORS

1.1 Introduction

The municipality is required to develop and include in the IDP, objectives and strategies that will be employed to realise and improve the situation that currently prevails in the area.
It is also required to realise the objects of local government as set out in Section 152 of the Constitution of the Republic of South Africa, 1996
Chapter 5 and 6 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000 as amended) requires municipalities to consult with its communities in identifying and developing the indicators that will serve as yardsticks for communities to monitor implementation of the plans to help improve the service standards and improve the lives of the people

Below is a list of strategic objectives, strategies and indicators:

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CONSOLIDATED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020									
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2019/2020
KPA 1 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
Community Safety Programmes	To contribute in community safety programmes within the municipal jurisdiction by June 2020	Conduct Community Safety forum meetings	Number of community safety forum meetings convened	8 Community Safety Forum (Justice Forum, Roads and Transport Forum; Community Safety Forum) meetings conducted	Reduction in number of traffic related offenses	R 0	Opex	1_1_1.1_P001	4 Community Safety Forum meetings convened by 30 June 2020
		Improve the visibility of traffic officers on the road	Number of traffic law enforcement operations conducted	40 Law Enforcement operations conducted	Reduction in number of traffic related offenses	R 0	Opex	1_1_1.2_P002	40 traffic law enforcement operations conducted by 30 June 2020
		Monitor functionality of 3 Registration and Licensing Authorities	Number of Registration and Licensing Authorities Functional	3 Registration and Licensing Authorities Functional	Functional Licensing Authorities	R 0	Opex	1_1_1.3_P003	3 Registration and Licensing Authorities Functional (Cacadu, Indwe, and Dordrecht) by 30 June 2020
		Process Learners and Driver's License Applications received	Number of Driving License Testing Centre functional	12 Driving License Testing Centre Reports	Functional Licensing Authorities	R 0	Opex	1_1_1.4_P004	1 Driving License Testing Centre functional by 30 June 2020
		Implement Pound Management Operations	Number of Animal Pounds functional	12- reports on pound management operations	Reduction of stray animal	R 0	Opex	1_1_1.5_P005	1 Animal Pound functional in Dordrecht at Ward 11 by 30 June 2020

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Waste and Environmental Management	To create a safe and clean environment for all people of Emalahleni Local Municipality by June 2020	Promote waste minimization and recycling	Number of recycling initiatives supported	4 recycling initiatives supported	Improved, safe and healthy environment	R 0	Opex	1_2_2.2_P007	8 recycling initiatives supported by 30 June 2020
	To create a safe and clean environment for all people of Emalahleni Local Municipality by June 2020	Collect Refuse in urban and township areas	Number of urban and township areas with access to refuse removal services	3 Urban areas and 10 townships with access to refuse removal service	Improved, safe and healthy environment	R300,000	Opex	1_2_2.3_P008	Refuse removal services conducted in 3 Urban areas and 10 townships by 30 June 2020
		Manage and maintain drop-off centres	Number of drop off centres managed and maintained	25 drop-offs centres managed and maintained	Well managed and maintained drop-off centres	R 0	Opex	1_2_2.6_P011	25 drop off centres managed and maintained by 30 June 2020
		Clear illegal dumping sites	Number of illegal dumping sites cleared	84 illegal dumping sites cleared	Reduced and controlled illegal dumping	R 0	Opex	1_2_2.7_P012	144 illegal dumping sites cleared by 30 June 2020
		Promote awareness on the impact of poor waste management by communities	Number of waste awareness programmes conducted	8 waste awareness campaigns conducted	Improved, safe and healthy environment	R 0	Opex	1_2_2.8_P013	12 Waste awareness campaigns conducted by 30 June 2020
Environmental	To create a safe and clean environment for	Implement Environmental Management	Number of Environmental Management	3 Environmental Management Programmes	Improved, safe and healthy environment	R70,000	Opex	1_2_2.11_P016	3 Environmental Management Framework

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	all people of Emalahleni Local Municipality by June 2020	Framework (EMF)	Framework Programs implemented	implemented in 1 Lady Frere, 1 Dordrecht and 1 Indwe					Programmes implemented in ELM by 30 June 2020
Disaster Management	To ensure a safe and secure environment through mitigating the negative impacts of disasters by June 2020	Implement the approved Disaster Management Plan	Number of Disaster Management Advisory Forum Meetings Convened	4 Disaster Management Advisory Forum Meetings convened	Improved response on disaster management incidents	R 100,000	Opex	1_4_4.1_P019	4 Disaster Management Advisory Forum Meetings convened by 30 June 2020
			Number of disaster awareness and Fire Fighting Campaigns conducted	16 Disaster Management awareness campaigns conducted	Improved response on disaster management incidents	R 0	Opex	1_4_4.2_P020	16 Awareness Campaigns on Disaster Management and Fire Fighting conducted by 30 June 2020
Provision of Electricity	To ensure provision of adequate electricity supply to all Emalahleni communities by June 2020	Perform annual audits on technical and non-technical losses of electricity to ensure minimum electricity losses	Number of actions undertaken to reduce electricity losses	4 actions undertaken to reduce electricity losses (Bulk Meters installed, 8 contract workers appointed, Stakeholder Engagement (NERSA and Eskom), Disconnection of illegal connections at Sinako, Electricity Master Plan developed	Generation of revenue through electricity services	R 0	Opex	1_5_5.1_P021	4 actions undertaken to reduce electricity losses (Electricity Consumption Analysis, Phase Balancing per Transformer Zone, Routine Line Inspection on Medium and Low Voltage, Protection Enhancement at Indwe and Dordrecht) by 30 June 2020

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Building Control	To facilitate provision of human settlements by relevant sector departments in compliance with standards of building controls of ELM by June 2020	Expedite the approval of compliant building plans submitted to the municipality.	Percentage of compliant building plans submitted, processed and approved	100% Complaint building plans received, processed and approved in 2018/2019 FY	Compliant community with National Building Regulations and Building Standards Act	R0	Opex	1_8_8.1_P025	100% Complaint building plans received, processed and approved in ELM by 30 June 2020
Human Settlement	To facilitate provision of human settlements by relevant sector departments in compliance with standards of building controls of ELM by June 2020	Facilitate submission of Title Deeds to the Deeds Office	Percentage of received title deeds applications submitted to the Deeds Office for Approval	Title Deed Register 2018/2019	100% of title deeds issued	R0	Opex	1_9_9.1_P026	100% of received title deeds applications submitted to the Deeds Office for Approval by 30 June 2020
			Percentage of received housing applications captured onto the Housing Subsidy System for processing and approval by the Department of Human Settlements	100% of received housing applications captured onto the Housing Subsidy System for processing and approval by the Department of Human Settlements	Increase number of registered beneficiaries in the national housing register	R0	Opex	1_9_9.1_P027	100% of received housing applications captured onto the Housing Subsidy System for processing and approval by the Department of Human Settlements by 30 June 2020

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Roads and Storm Water	To ensure the provision of a comprehensive roads' infrastructure network by June 2020	Implement, monitor and report on the approved Roads Infrastructure Plan	Number of km of access roads gravelled	2km of Access Road Gravelled in Ward 15 (Maqwathini to Thembelihle	Improved access roads	R1 542 953	MIG	1_10_10.4_PO127	5km of Access Road Gravelled in Ward 15 (Maqwathini to Thembelihle) by 30 June 2020
			Number of km of gravel road maintained	9km gravel road maintained and **1 river crossing constructed in Ward 17**	Improved access roads	R 1 900 000?	Opex	1_10_10.3_P033	9 km of gravel road in Ward 5, 6,7,10 and 13 maintained by 30 June 2020
Infrastructure Development	To ensure the provision of a comprehensive roads' infrastructure network by June 2020	Implement, monitor and report on the approved Roads Infrastructure Plan	Number of meters of streets paved	200m of Cacadu internal streets in ward 4 paved	Improved roads infrastructure	R1 072 000.00	MIG	1_10_10.2_P032	200 m paved in Cacadu by 30 June 2020
				200m of Indwe Internal Streets paved	Improved roads Infrastructure	R2 000 000.00	MIG	1_10_10.2_P031	200 meters paved in Indwe by 30 June 2020
				200m of Dordrecht Internal Streets paved	Improved roads Infrastructure	R1 418 205.00	MIG	1_10_10.2_P030	1,6km of roads paved in Dordrecht by 30 June 2020
				400m of roads paved	Improved roads infrastructure	R6 708 851.00	MIG	1_10_10.2_P030.1	2.031km of roads (internal streets) paved in Zakhele Location(Indwe - A - Zakhele Street: 0.455km, B -

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									Silingela Street: 0.453km, C - N Tyingwa: 0.456km, D - S Shanganyana: 0.186km, E - S Shanganyana: 0.242km, F - N Xezu: 0.238km) by 30 June 2020
						R6 708 851	MIG	1_10_10.2_P031.2	2.341km of roads (internal streets) paved in Sinako Location (Dordrecht - Street 1: 0.644km, Street 2: 0.730km, Street 3: 0.286km, Street 4: 0.342km, Street 5: 0.339km) by 30 June 2020
Building/Facilities/ Amenities and Recreational	To ensure the availability of well-maintained and repaired buildings, amenities and recreational facilities to which	Construct a Park	Cacadu Park Constructed	Cacadu Park	Upgraded Park	R2 600 000.00	MIG	1_3_3.1_P017	Cacadu Park Phase (2) constructed by 30 June 2020
		Develop a Cemetery	Number of Cemeteries developed	Rezoned Site	Availability of cemetery	R2 480 000.00	MIG	1_16_16.1_P042	1 Cemetery in Indwe developed by 30 June 2020

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Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2019/2020
	the public has full access by June 2020	Construct a sports field	Phase 3 of Cacadu Sports field constructed	Cacadu Sports field	Upgraded Sports field	R 532 731.00	MIG	1_12_12.5_P 130	Phase 3 of Cacadu Sports field constructed by 30 June 2020
		Develop designs for sports field	Dordrecht sports field designs developed and approved	Dordrecht Sports field	Upgraded Sports field	R4 596 942.00	MIG	1_12_12.5_P 136	Dordrecht Sports field (Ward 14) Designs developed and approved by 30 June 2020
Building/Facilities/ Amenities and Recreational Facilities	To ensure the availability of well-maintained and repaired buildings, amenities and recreational facilities to which the public has full access by June 2020	Maintain existing municipal facilities (cemeteries, halls, municipal buildings)	Number of municipal facilities maintained	4 municipal facilities maintained	well maintained municipal facilities	R300 000 – Existing Municipal Offices; R130 000 – WM Tsotsi Library	Opex	1_12_12.1_P 035	2 municipal facilities maintained (Existing Municipal Offices, WM Tsotsi Library) by 30 June 2020
		Manage existing municipal facilities	Number of municipal facilities managed	Utilization register	well managed public amenities	R0	Opex	1_12_12.2_P 036	32 Municipal facilities managed by 30 June 2020
Agricultural Infrastructure	To ensure provision of agricultural facilities for Emalahleni Community by June 2020	Construct agricultural facilities for agricultural development in the municipal area	Number of dipping tanks constructed	3 Dipping tanks constructed in the municipal area during 2017/2018	Improved agricultural infrastructure	R240 000	CHDM		1 Dipping tank in Nqiningana (Ward 1) constructed by 30 June 2020
			Number of feedlots constructed	Approved Feedlot designs	Improved agricultural infrastructure	R300 000	CHDM		1 Feedlot in Indwe (ward 15) constructed by 30 June 2020

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Childhood Development	To ensure provision of Child Care facilities for Emalahleni Communities by June 2020	Convene early childhood development forum meetings	Number of Early Childhood Development Forum meetings convened	3 Early Childhood Development Forum meetings convened	healthy and safe environment for children	R30 000 – Creche / Child Care	Opex	1_14_14.1_P 038	3 Early Childhood Development Forum meetings convened by 30 June 2020
Libraries	To ensure provision of library and information services for Emalahleni communities by June 2020	Promote education and awareness on library utilization	Number of new library users registered as members	200 new library users registered	Increased number of users	R 0	Opex	1_15_15.2_P 040	200 New Library Users registered as members by 30 June 2020
			Number of library committee meetings convened	6 Library Committee meetings convened	Improved stakeholder relations	R 10 000.00	Opex	1_15_15.3_P 041	6 Library Committee Meetings convened by 30 June 2020
Spatial Planning	To facilitate the development of land in a sustainable manner by June 2020	Facilitate Formal Registration of Cacadu	Facilitate Formal Registration of Cacadu (Extension 3 and 4) by Deeds Office	Mavuya Township in 2014/2015 (Indwe)	Proper Land Use Planning	R80,000.00	Opex	1_17_17.4_P 133	Facilitate Formal Registration of Cacadu (Extension 3 and 4) by Deeds Office by 30 June 2020
Institutional Social Development	To promote social cohesion during implementation of projects between communities and the municipality by June 2020	Facilitate community engagement sessions during project implementation	Number of community engagement sessions facilitated during project implementation	7 Community engagement sessions facilitated	Improved Community participation	R 100 000.00	Opex	1_19_19.1_P 046	9 Community engagement sessions facilitated during project implementation by 30 June 2020
Land Use Mana	To promote an orderly built	Implement Spatial Planning and Land Use	Percentage of compliant land use applications	Development Register for	Compliance with SPLUMA	R180 000	Opex	1_20_20.1_P 047	100% compliant land use applications received, processed

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	environment by June 2020	Management (SPLUMA)	received, processed and approved by AO or CHDM Tribunal	2018/2019, SPLUMA By-Law.					and approved by AO or CHDM by 30 June 2020
Indigent Support	To ensure provision of free basic services to indigent communities by June 2020	Review and update of the Indigent Register	Number of households receiving free basic service	3900 households receiving free basic service (Electricity)	Improved Service Delivery	R2 900 000.00	Opex	1_21_21.1_P 048	3900 households receiving free basic service (Electricity) by 30 June 2020
KPA 2: LOCAL ECONOMIC DEVELOPMENT									
Small Medium and Micro Enterprise Development	To facilitate formalization and support development of SMMEs within ELM by June 2020	Facilitate SMMEs formalization and advisory information services	Number of information dissemination and advisory sessions conducted	4 SMME information dissemination and advisory sessions facilitated	Sustainable SMME's	R 20 000	Opex	2_22_22.1_P 049	4 SMME information dissemination and advisory sessions facilitated by 30 June 2020
		Support emergent businesses to build more economic capacity	Number of SMME's supported	1 SMME supported (Mphothulo Youth Project)	Sustainable SMME	R 30,000	Opex	2_22_22.2_P 050	1 SMME supported (Mphothulo Youth Project) in Ward 1 by 30 June 2020
		Issue licenses of businesses and hawkers	Number of Business and Hawker licenses issued	20 Businesses and Hawkers licensed (6 Indwe, 8 Cacadu. and 6 Dordrecht	Revenue generation and sustainable SMME's	R 0	Opex	2_22_22.3_P 051	20 Business licenses issued (6 Indwe, 8Cacadu and 6 Dordrecht) by 30 June 2020
Agric ultur al	To promote and support		Number of advisory sessions. Conducted		Sustainable and	R 5 000 - LED Strategy	Opex	2_23_23.1_P 052	3 Advisory sessions (Crop Production,

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	agricultural development by June 2020	Provide advisory support to farmers		3 Advisory sessions and 1 farmer's day conducted	capacitated farmers				Wool Production and Livestock Improvement and Wool) in Cacadu (1), Indwe (1) and Dordrecht (1) conducted in ELM by 30 June 2020
		Brand Livestock	Number of livestock branded	500 livestock branded	Identifiable and traceable livestock	R 30,000	Opex	2_23_23.3_P 054	500 livestock branded in ELM by 30 June 2020
		Market Livestock	Number of Livestock Marketing Sessions facilitated	2 Livestock Marketing Sessions facilitated	Socio-Economic Growth	R 0	Opex	2_23_23.4_P 055	4 Livestock Marketing Sessions facilitated in Indwe (1), Dordrecht (1) and Cacadu (2) by 30 June 2020
		Develop funding proposal for operations of Xonxa and Tshatshu Irrigation Schemes	Number of funding proposals developed for operations of Xonxa and Tshatshu Irrigation Schemes	2 production assembly structures registered as co-orps	Improved livelihood	R 0	Opex	2_24_24.1_P 056	1 funding proposal developed for operations of Xonxa and Tshatshu Irrigation Schemes by 30 June 2020
Forestry Management	To promote sustainable use of Forest Plantation by June 2020	Develop and submit Forestry Management Funding Proposal	Number of Forestry Management Funding Proposals developed and submitted to relevant stakeholders	3 Forestry management committees established in Ward 4, 12 and 2	Improved community involvement	R 0	Opex	2_25_25.1_P 057	Forestry Management Funding Proposal developed and submitted to relevant stakeholders by 30 June 2020

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	To promote economic development within Emalahleni LM by June 2020	Monitor implementation of the signed MOU between Ibuyambo and ELM	Monitor implementation of the signed MOU between Ibuyambo and ELM	RED Hub Facility	Improved Participation	R 0	Opex	2_26_26.2_P 059	Monitor implementation of the signed MOU between Ibuyambo and ELM by 30 June 2020
Tourism Development and Heritage Management	To Implement Tourism and Heritage Management Plan by June 2020	Conduct Tourism Roadshows for Emalahleni Local Municipality.	Number of Tourism Roadshows conducted	4 Tourism Roadshows conducted	Sustainable SMME	R 45,000	Opex	2_27_27.4_P 134	4 Tourism Roadshows conducted in ELM (2 Cacadu, 1 Indwe & 1 Dordrecht) by 30 June 2020
		Conduct Tourism and heritage awareness programs	Number of Heritage events and awareness programmes conducted	Tourism and Heritage Awareness conducted	Improved Tourism and Heritage participation	R 0	Opex	2_27_27.4_P 063	1 heritage event and 3 heritage awareness programs conducted in Cacadu, Dordrecht and Indwe by 30 June 2020
		Facilitate capacity building sessions for Tourism Establishments	Number of capacity building sessions facilitated for Tourism Establishments	4 Tourism capacity building sessions for Tourism Establishments facilitated Cacadu, Dordrecht	Functional LTO's	R 0	Opex	2_27_27.6_P 064	4 Tourism capacity building sessions for Tourism Establishment owners facilitated in Cacadu (2), Dordrecht (1) and Indwe (1) by 30 June 2020
Mining	To streamline mining activities for acceleration of	To provide administrative support	Number of small-scale mining cooperatives	SMME Support Plan	Improved livelihood	R 30,000	Opex	2_29_29.1_P 066	5 small scale mining Cooperatives provided with

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	socio-economic development within ELM by June 2020		provided with administrative support						administrative support in Indwe (Ward 15) by 30 June 2020
Job Creation	To improve economic development within ELM by June 2020	Create jobs to reduce unemployment in ELM jurisdiction	Number of reports on Job Creation Projects submitted to Council Structures for noting	17 Wards with Functional Community Works Programme	Improved livelihood	R 0	CoGTA	2_30_30.1_P 067	4 reports on Job Creation Projects submitted to Council Structures for noting by 30 June 2020
			Number of jobs created through, Expanded Public Works, Project Hlasela and Indigent Registration Programme	163 Jobs created	Improved livelihood	R218 000 – Project Hlasela; EPWP Labour Component depending on IDHS Business Plan	Opex and EPWP	2_30_30.2_P 068	220 Local People employed in Job creation projects and Reported on EPWP MIS System by 30 June 2020
KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
Communication	To ensure fully functional systems of internal and external communication by June 2020	Implement Communication Strategy programmes	Number of Communication Strategy programmes implemented	Approved Communication Strategy	Informed Citizenry	R 300 000	Opex	3_31_31.1_P 069	11 Communication Strategy programmes implemented by 30 June 2020

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Customer Care	To Improve Customer Care Management by June 2020	Implement Customer Care Strategy programmes	Number of Customer Care Strategy Programmes Implemented	Approved Customer Care Strategy	Improved Customer Care Service	R 5,000	Opex	3_32_32.1_P 070	3 Customer Care Strategy Programmes Implemented (Resolution of complaints, 4 Customer Care Committee Meetings facilitated, Development and Implementation of Customer Service Standards) in ELM 0419oby 30 June 2020
		Implement Petitions Management Policy	Number of petitions management meetings convened	Approved Petitions Management Policy	Improved Customer Satisfaction		Opex	3_32_32.1_P 070.1	4 Petitions Management Meetings convened by 30 June 2020
Community Participation	To improve community participation in the affairs of the municipality by June 2020	Implement public participation strategy programmes	Number of Public Participation Strategy Programmes Implemented	Approved Public Participation Strategy	Improved Community Participation	R10 000 – Mayoral Imbizo; R100 000 – Ward Committee Meetings	Opex	3_33_33.1_P 071	7 Public Participation Strategy Programmes Implemented by 30 June 2020
			Number of Ward Committee Capacity Building Programmes implemented	1 Ward Committee Capacity Building Programme implemented	Capacitated Ward Committees	R100 000 .00	Opex	1_33_33.2_P 135	1 Ward Committee Capacity Building Programme implemented by 30 June 2020

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			Number of Initiation Forum Meetings conducted	4 Initiation Forum Meetings conducted	Reduction of deaths at Initiation Schools	R 0	Opex	3_33_33.2_P 072	4 Initiation Forum meetings conducted in ELM by 30 June 2020
		Conduct Ward War Room Sessions	Number of Ward War Room Sessions conducted	38 Ward War Room sessions conducted	Enhanced Community Participation	R 0	Opex	3_33_33.3_P 073	20 Ward War Room Sessions conducted by 30 June 2020
Legal Compliance	To ensure an effective municipal governance in line with applicable legislation by June 2020	Develop and review by-laws, policies, procedures and strategies across all municipal functions based on directorate submissions.	Number of by-laws, policies, strategies, and procedures developed based on Directorate submissions.	5 Policies developed, 5 policies reviewed, and 5 by-laws reviewed based on Directorate submission		R 0	Opex	3_34_34.1_P 074	5 By-Laws, 5 Policies, 5 Strategies developed, 5 policies reviewed based on Directorate submissions by 30 June 2020
		Conduct Roadshows on HR Policies	Number of Roadshows on HR Policies conducted	Not Applicable	Labour Stability	R0	Opex	3_34_34.1_P 074.1	2 Roadshows on HR Policies conducted by 30 June 2020
Internal Audit	To ensure effective Audit and Corporate governance function that will result in improved compliance and clean administration by 2020	Review municipal internal controls through execution of the Internal Audit Plan	Risk based Internal Audit Plan submitted to Audit Committee for approval	2018/2019 Risk based Internal Audit Plan	Functional Internal Audit	R0	Opex	3_35_35.2_P 076	2019/2020 Risk based Internal Audit Plan submitted to Audit Committee by 31 July 2019
			Number of reports on progress against approved IAP submitted to AC for noting	4 reports in 2018/2019	Improved audit Outcome	R 0	Opex	1_35_35.3_P 136	4 progress reports against approved IAP submitted to AC for noting by 30 June 2020

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CONSOLIDATED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020									
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2019/2020
		Convene regular audit committee meetings	Number of Audit Committee meetings convened	4 AC meetings in 2018/2019	Functional Audit Committee	R330 000	Opex	3_35_35.1_P 075	4 Audit Committee meetings convened by 30 June 2020
			Number of Audit Committee reports on its activities submitted to Council for noting	4 AC reports submitted to council in 2019	Functional Audit Committee			3_35_35.2_P 076	4 Audit Committee reports submitted to council for noting by 30 June 2020
		Monitor the implementation of the audit outcome improvement plan	Number of AOIP follow up reports submitted to the AC.	3 AOIP Follow up reports submitted to AC	Improved Audit Outcomes			1_35_35.4_P 137	3 follow up reports on the implementation of the AOIP by 30 June 2020
MPAC	To achieve clean administration by June 2020	Implement MPAC Practical Guidelines 2011	Number of municipal public accounts committee meeting convened	4 MPAC Meetings convened	Clean administration	R 0	Opex	3_35_35.3_P 077	4 Municipal public accounts committee meetings convened by 30 June 2020
			Number of quarterly municipal public accounts committee reports submitted to Council for noting	4 municipal public accounts committee reports submitted		R 0	Opex	3_35_35.4_P 078	4 Quarterly Municipal Public Accounts Committee Reports submitted to Council for noting by 30 June 2020
Risk Management	To ensure that the municipality operates free of anticipated risk of maladministration,	Implement Risk Management Strategy and Operational Plan	Risk Management Strategy and Operational Plan Implemented	Risk Management Strategy and Risk Management Committee	Acceptable risk levels	R 0	Opex	3_36_36.1_P 079	Risk Management Strategy and Operational Plan implemented by 30 June 2020

EMALAHLENI LOCAL MUNICIPALITY									
CONSOLIDATED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020									
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2019/2020
	fraud and corruption by June 2020		Number of risk Management Committee Meetings convened	Risk Management Strategy and Risk Management Committee	Acceptable risk levels	R 7,500	Opex	3_36_36.2_P 080	4 Risk Management Committee Meetings convened in ELM by 30 June 2020
Fraud Management	To ensure that the municipality operates free of anticipated risk of maladministration, fraud and corruption by June 2020	Implement Fraud and Anti-Corruption prevention plan	Fraud and Anti-Corruption Prevention Plans Implemented	Fraud Prevention Plan		R 0	Opex	3_37_37.1_P 081	Fraud and Anti - Corruption Prevention Plan implemented in ELM by 30 June 2020
Inter-Governmental Relations	To maximize participation of all external and internal stakeholders by June 2020	Implement IGR strategy	Number of IGR Meetings convened	IGR terms of reference	Coordinated IGR	R 0	Opex	3_38_38.1_P 082	3 IGR Meetings convened in ELM by 30 June 2020
Budget and Reporting	To achieve clean administration by June 2020	Develop a comprehensive Audit Action Plan	2018/2019 Audit Action Plan developed and submitted to Council for approval	2017/2018 Audit Action Plan	Clean Administration	R 0	Opex	3_39_39.1_P 083	2018/2019 Audit Action Plan developed and submitted to Council for Approval by 30 June 2020
KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT									

EMALAHLENI LOCAL MUNICIPALITY									
CONSOLIDATED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020									
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2019/2020
Human Resources	To develop the skills of the workforce and unemployed youth to enhance their competencies by June 2020	Implement the HRD Strategy	Number of HRD Strategy Programmes implemented: Training Interventions, Implementation of Recognition of Prior Learning, Monitoring of In-service Training and Internal Bursary	4 HRD strategy programmes implemented	Skilled and capable workforce	R50 000 – Bursaries; R20 000 – Training of Staff; R620 000 – Learnership	Opex	4_40_40.1_P 084	3 HRD Strategy programmes implemented (Workplace Skills Programme, Inservice Training & Learnership) by 30 June 2020
Individual Performanc e	To develop the skills of the workforce by June 2020	Implement PMS Framework Policy and Procedure Manual	Number of Performance and Accountability Agreements signed and implemented	Accountability Agreements for Managers and Practitioners	Improved Culture of Performance	R0Im	Opex	4_41_41.1_P 085	6 Performance and 12 Accountability Agreements signed and implemented by 30 June 2020
Recruitment	To redress the imbalances of the past in the workplace by June 2020	Implement Employment Equity Plan	Number of quarterly reports on the implementation of the Employment Equity Plan submitted to Council Structures for noting	Approved Employment Equity Plan for 2018/2019	Organizational transformation	R 0	Opex	4_42_42.1_P 086	4 Quarterly Reports on implementation of 2019/2020 Employment Equity Plan submitted to Council Structures for noting by 30 June 2020
Human Resources	To provide Human Resources Support to all Directorates in the	Implement the Human Resources Plan	Human Resources Plan implemented	Approved Human Resources Plan	Improved Service Delivery	R 0	Opex	4_43_43.1_P 087	Human Resources Plan Implemented (Implementation of Person to Post Plan) by 30 June 2020

EMALAHLENI LOCAL MUNICIPALITY									
CONSOLIDATED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020									
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2019/2020
	Municipality by June 2020								
Occupational Health and Safety	To ensure a healthy and safe working environment for councillors and officials by June 2020	Implement OHS Strategy Programmes	Number of OHS Strategy Programmes Implemented	05 OHS Strategy Programmes implemented	Healthy and Safe environment	R 450,000	Opex	4_44_44.1_P088	4 OHS Strategy Programmes implemented (Protective Clothing, Medical Examinations, Workman's Compensation for Injuries and diseases, OHS Inspections) by 30 June 2020
Information and Communication Technology	To provide an integrated ICT System that will ensure safety of information by June 2020	Implement ICT projects	Number of ICT Projects Implemented	3 ICT Projects Implemented	Improved Network Connectivity	R 0	Opex	4_45_45.1_P089	2 ICT Projects implemented (Renaming of Work Stations, Installation of Datapoints) by 30 June 2020
		Implement ICT Governance Framework	Number of quarterly reports on implementation of the ICT Governance Framework submitted to Council Structures for noting	Approved ICT Governance Framework	Improved ICT Governance	R 0	Opex	4_45_45.2_P090	4 quarterly reports on the Implementation of the ICT Governance Framework submitted to Council Structures for noting by 30 June 2020
Council	To ensure an effective system	Convene Statutory	Number of Statutory Meetings convened	12 Statutory Meetings convened	Well-Coordinated	R 0		4_46_46.1_P091	12 Statutory Meetings (4 Council

EMALAHLENI LOCAL MUNICIPALITY									
CONSOLIDATED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020									
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2019/2020
Legal Services	of municipal governance in line with applicable legislation by June 2020	Meetings in line with the approved Council Calendar	in line with the approved Council Calendar		Institutional Programmes				Meetings, 4 Standing Committees and 4 Section 79 Meetings) convened in line with the approved Council Calendar by 30 June 2020
		Prepare and submit quarterly reports on implementation of Council Resolutions	Number of quarterly reports on implementation of Council Resolutions prepared and submitted to Council for noting	4 Quarterly Reports submitted	Improved Institutional Performance			4_46_46.3_P093	4 Quarterly Reports on implementation of Council Resolutions prepared and submitted to Council for noting by 30 June 2020
	To ensure an effective system of municipal governance in line with applicable legislation by June 2020	Monitor municipal litigation	Number of quarterly reports on legal claims or contingency register updates submitted to Council Structures for noting	4 quarterly reports on legal claims or contingency register submitted	Improved municipal legal services	R 350,000	Opex	4_47_47.1_P094	4 quarterly reports on legal claims or contingency register updates submitted to Council Structures for noting by 30 June 2020
		Monitor municipal compliance with applicable legislation	Number of quarterly reports on municipal compliance with legislation submitted to Council Structures for noting	4 Quarterly reports on municipal compliance	Improved legislative compliance	R0	Opex	4_49_49.1_P096	4 Quarterly reports on municipal compliance with legislation submitted to Council Structures for noting by 30 June 2020

EMALAHLENI LOCAL MUNICIPALITY									
CONSOLIDATED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020									
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2019/2020
	To an ensure provision of quality legal service by June 2020	Monitor the performance of appointed panel of external attorneys	Number of reports on performance of appointed panel of external attorneys submitted to Council Structures for noting	4 Reports submitted on the performance of the appointed panel of attorneys	Improved municipal legal services	R 0	Opex	4_48_48.1_P 095	4 Quarterly Reports on performance of the appointed panel of external attorneys submitted to Council Structures for noting by 30 June 2020
Archives and Records Management	To ensure an effective system of municipal governance in line with applicable legislation by June 2020	Implement electronic document management system	Number of paper-based file documents converted to EDMS	200 paper-based filing converted to EDMS	EDMS functioning	R 0	Opex	4_50_50.1_P 097	200 paper-based file documents converted to EDMS by 30 June 2020
		Facilitate disposal of boxes of old records in line with applicable legislation	Number of destruction certificates issued by Provincial Archives for disposal of boxes of old records facilitated	1 destruction certificate issued in 2018/2019	Improved Archives management	R 0	Opex	4_50_50.2_P 098	1 destruction certificate issued by Provincial Archives for disposal of 100 boxes of old records facilitated by 30 June 2020
Asset Management	To ensure an efficient and effective fleet management system by June 2020	Implement the Fleet Management Policy	Number of quarterly reports on implementation of fleet management policy submitted to Council Structures for noting	4 quarterly reports submitted to Council Structures	Improved asset management	R 330 000	Opex	4_51_51.1_P 099	4 Quarterly Reports on Implementation of Fleet Management Policy submitted to Council Structures for noting by 30 June 2020
Special Programmes	To streamline special programs by ensuring	Implement the approved Special	Number of SPU strategy programs implemented	Approved SPU Strategy	Social Cohesion	R925 999 (R25 000 Children	Opex	4_52_52.1_P 100	8 SPU strategy programs Implemented (Field

EMALAHLENI LOCAL MUNICIPALITY									
CONSOLIDATED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020									
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2019/2020
	functionality of all special programmes structures by June 2020	Programmes Strategy				Support Programme, R50 000 Disability Project, R590 000 Field band, R250 000 Mayoral Cup, R0 - Nelson Mandela Day, R10 999 Woman's Forum; R0 Youth Council; R0 Youth Development			band Support, Mayor's Cup, Golden Games, Nelson Mandela Day, Golf Day, Women's Day, Disability Day, Youth Day) by 30 June 2020
HIV/AIDS	To streamline programmes for the prevention of new HIV/AIDS Infections by June 2020	Implement the South African National Strategic Plan on HIV, TB, and STIs	Number of LAC Meetings conducted	4 LAC Meetings conducted	Reduction in New HIV/AIDS Infections	R 20,000	Opex	4_51_51.2_P 138	4 LAC Meetings conducted by 30 June 2020
Employee Wellness	To provide appropriate Human Resource to support all directorates by June 2020	Implement Employee Wellness Programs	Number of employee wellness programs implemented	4 Employee Wellness programs implemented	Improved Institutional Performance	R 60,000	Opex	4_52_52.1_P 102	3 Wellness programs implemented (Change Management, Team building programme, Wellness Day) by 30 June 2020

EMALAHLENI LOCAL MUNICIPALITY									
CONSOLIDATED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020									
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2019/2020
Labour Relations	To provide appropriate Human Resource to support all Directorates by June 2020	Coordinate sitting of Local Labour Meetings	Number of Local Labour Forum Meetings Convened	4 Local Labour Forum Meetings convened	Labour Stability	R 0	Opex	4_53_53.1_P 103	4 Local Labour Forum Meetings Convened by 30 June 2020
	To provide appropriate Human Resource to support all Directorates June 2020	Update and Maintain Disciplinary action database	Disciplinary Action database updated and maintained.	2018/2019 disciplinary action database	Improved Compliance with Labour Relations	R 0	Opex	4_53_53.2_P 104	Disciplinary database updated and maintained by 30 June 2020
Integrated Development Planning	To ensure a developmentally oriented planning institution in line with requirements of local government laws and regulations by June 2020	Compliance with the legislated IDP processes and procedures	IDP/PMS and Budget process plan reviewed and implemented	IDP/PMS and Budget Process Plan 2019/2020 developed and approved	Credible IDP	R 0	Opex	4_54_54.1_P 105	IDP/PMS & Budget Process Plan 2020/2021 reviewed and Implemented by 30 June 2020
		Develop and implement a responsive institutional plan	Number of IDP documents developed and submitted to Council structures for approval	2017/2022 IDP developed – 2019/2020 reviewed IDP	Development Planning	R 0	Opex	4_54_54.2_P 106	1 IDP reviewed and submitted to Council structures for approval by 30 June 2020
Institutional Performance Management	To ensure a developmentally oriented planning institution in line with requirements of local government laws	Implement and review the Performance Management Framework, policies and procedures	Number of Annual reports developed, approved by Council and published	Annual Report 2017/2018 developed and approved	Improved service Delivery	R 0	Opex	4_55_55.1_P 107	1 Annual Report for 2018/2019 developed, submitted to Council for approval and published by 30 June 2020

EMALAHLENI LOCAL MUNICIPALITY									
CONSOLIDATED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020									
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2019/2020
	and regulations by June 2020		Implementation of Performance Management Framework, Policy and Procedure Manual	Reviewed Performance Management Framework, Policy and Procedure Manual	Improved service Delivery	R 0	Opex	4_55_55.2_P 108	Reviewed Performance Management Framework, Policy and Procedure Manual implemented by 30 June 2020
KPA 5: FINANCIAL VIABILITY AND MANAGEMENT									
Supply Chain Management	To implement proper supply chain protocols in compliance with the MFMA legislation by June 2020	Implement SCM Policy and SOP	SCM Policy and SOP Implemented	Approved Supply Chain Management Policy and SOP	Improved compliance with SCM legislation	R 0	Opex	5_56_56.1_P 109	Supply Chain Management Policy and SOP implemented (Procurement Plan developed and implemented; Supplier Database Updated and 4 SCM Quarterly Reports submitted to Council for noting) by 30 June 2020
		Implement SCM Policy	Percentage of procurement awarded to suppliers within the province	30% of procurement awarded to suppliers within the province	Compliance and alignment with government policy	R 0	Opex	5_56_56.1_P 125	30% of procurement awarded to suppliers within the province by 30 June 2020
Budget and	To improve compliance and	Develop a comprehensive	2018/2019 GRAP Compliant Annual	2017/18 Annual Financial Statements	Improved compliance	R 0	Opex	5_57_57.1_P 112	2018/2019 GRAP compliant Annual

EMALAHLENI LOCAL MUNICIPALITY									
CONSOLIDATED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020									
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2019/2020
	adherence to legislation by June 2020	audit file to support GRAP Compliant Annual Financial Statements	Financial Statements developed and submitted to AG by 31st August 2019		with MFMA legislation				Financial Statements developed and submitted to AG by 31 August 2019
		Respond to all request for information by Auditor-General	Percentage of submission of information requested by AG for 2018/2019 and 2019/2020 audit	2017/2018 RFI Register	Clean Administration	R 0	Opex	5_57_57.2_P 113	100% submission of Information requested by AG for 2018/2019 and 2019/2020 audit by 30 June 2020
		Compile and maintain a GRAP compliant fixed assets register	GRAP compliant fixed asset register for 2019/20 compiled and maintained	2018/19 Fixed Assets Register compiled and maintained	Clean Administration	R 0	Opex	5_57_57.3_P 114	GRAP compliant fixed assets register for 2019/20 developed and maintained by 30 June 2020
		Implement the budget and reporting regulation	adjustment budget for the 2019/20 financial year compiled and submitted to Council for approval	2018/19 Adjusted Budget	Improved compliance with the MFMA and Budget and reporting regulations	R 0	Opex	5_57_57.4_P 115	Approved 2019/20 budget implemented. Adjustment Budget for the 2019/20 financial year compiled and submitted to Council for approval by 28 February 2020
			2020/21 Budget compiled and submitted to Council for approval	2019/20Adjusted Budget		R 0	Opex	5_57_57.1_P 116	2020/21 Budget compiled and submitted to Council

EMALAHLENI LOCAL MUNICIPALITY									
CONSOLIDATED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020									
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2019/2020
									for approval by 30 June 2020
		Prepare MFMA reports as required by the MFMA legislation	Number of MFMA required reports submitted to Treasury for compliance	18/19 MFMA reports		R 0	Opex	5_57_57.6_P 117	8 Monthly, 1 half year and 4 Quarterly MFMA reports developed and submitted Treasury for compliance by 30 June 2020
Expenditure Management	To implement proper expenditure management in compliance with legislation by June 2020	Perform reconciliation of payroll	Number of payroll reconciliations performed.	12 Payroll reconciliations (2018/19)	Clean Administration	R 0	Opex	5_58_58.1_P 118	12 payroll reconciliations prepared and balanced to the general ledger by 30 June 2020
		Pay creditors within 30 days	100% payment of creditors within 30 days	12 Creditors Age Analysis and Unpaid creditors reports for 2018/2019	Improved Compliance with MFMA Legislation and Expenditure	R 0	Opex	5_58_58.2_P 119	100% payment of creditors within 30 days as per legislated framework by 30 June 2020
Revenue Management	To increase the amount of revenue collected annually by June 2020	Compile 2019/20Supplementary Valuation roll.	2019/20 Supplementary Valuation roll compiled and certified by Valuer, and approved by Council	2018/19 Supplementary. Valuation Roll	Improved correctness of debtor's information on the billing system	R 150 000	Opex	5_59_59.1_P 120	2019/20 Supplementary valuation roll compiled and certified by Valuer and approved by Council by 30 June 2020
			%(Percentage) Improvement in the	6% Collection rate	Improve the financial	R 0	Opex	5_59_59.2_P 121	60% revenue collection rate

EMALAHLENI LOCAL MUNICIPALITY									
CONSOLIDATED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020									
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2019/2020
		Implement credit control and debt collection policy	revenue collection rate		viability of the Municipality.				achieved by 30 June 2020
		Develop revenue streams registers	Number of revenue streams registers that are balanced to general ledger developed	2018/2019 Registers	Completeness of Revenue	R 0	Opex	5_59_59.3_P 122	4 revenue streams registers (Prepaid electricity, property rates, eNatis & property rentals) that are balanced to general ledger developed by 30 June 2020
Cash Management	To ensure efficient, effective cash flow management by June 2020	Perform Cost coverage calculation in line with legislation	Cost Coverage ratio exceeding 2	2018/19 cost coverage ratio	A sound working capital ratio	R 0	Opex	5_60_60.1_P 123	Cost -coverage ratio exceeding 2 Cost by 30 June 2020
		Develop Investment register that balances to the general ledger and bank statements	Investment register that balances to the general ledger and bank statements developed and maintained	2018/19 Investment register	Improved internal controls	R 0	Opex	5_60_60.2_P 124	Investment register that balances to general ledger and bank statement developed and maintained by 30 June 2020

CHAPTER 10: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (FINANCIAL PLAN)

10.1 Introduction

In general, a financial plan is a budget, in other words a plan for planned spending and for reserving income for future expenditure. This plan allocates future income to various types of expenditure, such as salaries, general expenditure, repairs and maintenance and also aims to reserve some income for short term and long term savings. A financial plan is also an investment plan, which allocates savings to various assets or projects expected to produce future economic benefits.

One of the key issues identified for the sustainability of Emalahleni Local Municipality is expanding its revenue base to ensure that it remains financially viable and sustainable.

This financial plan includes therefore the assumptions used when compiling the operating and capital budget, financial strategies and policies as well as the accounting policies

Financial viability is a key priority for 2018 to 2022 and our main focus is on:

- Achieving a clean audit outcome
- Complying with all Local Government legislations
- Building capacity in the finance departments
- Improving efficiency in our Supply Chain Management processes
- Implementing internal audit report recommendations
- Implementing sound financial reporting and control mechanisms
- Improve own revenue collection

Overview of financial viability

The municipality's financial management capacity is steadily growing. However, we are still unable to achieve as desired a clean audit outcome. This remains our strong aim as the council. Due to low economic development, we are experiencing linked problems of:

- Poor payment levels
- A large pool of debt comprises the 120 and above debtor day's category and this situation is compounded by historic debt that will not be recovered. Council needs to resolve on bad debt and write-off decision in order to cleanse our billing database
- No sustainable financial reserve to cushion us from bad debt and low payment levels
- Over reliance on national fiscal grants to fund our programs and IDP commitments
- Lack of sound partnerships with private sector for leveraging our service delivery funding

10.2 Key focus areas for the 2019/20 budget process and assumptions

10.2.1 Local government conditional grants and additional allocations

The proposed division of revenue continues to prioritize funding services for poor communities. Allocations to local government subsidize the delivery of free basic services to low-income households, and the infrastructure needed to deliver those services.

The 2019 Medium Term Budget Policy Statement (MTBPS) indicates transfers to local government for the 2020 MTREF are R403 billion, of which 66.4 per cent comprise unconditional allocations while the remainder is conditional grant funding. The allocations for local government over the medium term represent 8.6 per cent of non-interest expenditure and a decrease of 0.3 per cent.

The equitable share and the allocation of the general fuel levy to local government constitute unconditional funding. Conditional grant funding must be utilized for the intended purpose within the timeframes, as specified in the annual Division of Revenue Bill. Monies not spent must be returned to the fiscus and requests for roll-overs will only be considered in extenuating circumstances.

10.2.2 Headline inflation forecast

The outlook for inflation

The GDP growth forecast for 2019 has been revised down from 1.5 per cent in the 2019 Budget to 0.5 per cent, with growth expected to reach 1.7 per cent in 2022. Inflation is expected to remain within the 3 to 6 per cent target band over the medium term. Weakening global growth, associated with rising trade conflicts alongside low levels of competitiveness, moderate growth in the forecast. A gradual recovery

The following macro-economic forecasts was be considered when preparing the 2019/20 MTREF municipal budgets.

Table 1.1 Macroeconomic projections, 2018 – 2022

Calendar year	2018 Actual	2019 Estimate	2020 Forecast	2021 Forecast	2022 Forecast
Percentage change unless otherwise indicated					
Household consumption	1.8	1.3	1.3	1.5	1.7
Gross fixed-capital formation	-1.4	-0.8	0.8	1.3	1.8
Real GDP growth	**0.8**	**0.5**	**1.2**	**1.6**	**1.7**
GDP at current prices (R billion)	**4874.**	**5,131.7**	**5,448.9**	**5,804.4**	**6,187.4**
CPI inflation	4.7.	4.3	4.9	4.8	4.8
Current account balance (% of GDP)	-3.5.	-3.4	-3.5	-3.5	-3.5

Source: Reserve Bank and National Treasury

10.2.3 Eskom bulk tariff increase

The National Energy Regulator of South Africa (NERSA) develops the municipal tariff guideline increase based on Eskom's approved bulk price increase of electricity to municipalities and the increase on the municipalities' cost structures.
Electricity sector output rose 3.2 per cent in the second quarter, suggesting some recovery, but is 0.9 per cent lower than a year ago. The energy availability factor from coal-fired power stations has continued to decline from 70.2 in September 2018 to 67.3 in September 2019. Looking ahead, continued maintenance problems, cost overruns and delays at Eskom pose risks to the outlook for electricity generation. Other sources of generation continue to grow: of the 91 active renewable energy IPP projects, 64 were in operation as at March 2019, adding 3 976 megawatts of power to the national grid. Once completed, the 27 IPP projects that are currently under construction are expected to add nearly 2.4 gigawatts to the grid.

Municipalities are also urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability. Municipalities in arrears with Eskom should ensure that their payment arrangements are effected in their 2019/20 MTREF budget.

10.2.4 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 30 June 2021 dated 15 August 2018 through the South African Local Government Bargaining Council Circular No. 6 of 2018 should be used when budgeting for employee related costs for the 2019 MTREF. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once a year manual salary disbursement, in order to root out ghost employees.
The municipality has made provision of a flat 8% increase on all employee related costs for staff officials, a 7% increase for Councilors' and a 10% for all Senior Managers salaries and 14% for their Performance bonuses in line with their employment contracts.

The table below reflects employee costs as a % of operating budget

EC136 Emalahleni (Ec) - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	4	5	6	7	8	9	10		
R thousands	1	A	A1	B	C	D	E	F	G	H		
Expenditure By Type												
Employee related costs		93,157	–	–	–	–	–	(5,020)	(5,020)	88,138	96,680	105,099
Remuneration of councillors		14,070	–	–	–	–	–	–	–	14,070	14,816	16,001
Debt impairment		6,000	–	–	–	–	–	–	–	6,000	7,800	10,140
Depreciation & asset impairment		24,256	–	–	–	–	–	–	–	24,256	25,469	26,743
Finance charges		271	–	–	–	–	–	–	–	271	271	298
Bulk purchases		16,070	–	–	–	–	–	(1,500)	(1,500)	14,570	15,736	16,994
Other materials		2,767	–	–	–	–	–	(50)	(50)	2,717	1,163	1,170
Contracted services		17,126	–	–	–	–	–	4,250	4,250	21,376	17,976	13,503
Transfers and subsidies		230	–	–	–	–	–	–	–	230	235	240
Other expenditure		20,011	–	–	–	–	–	(2,098)	(2,098)	17,913	18,202	18,211
Total Expenditure		**193,958**	–	–	–	–	–	**(4,418)**	**(4,418)**	**189,540**	**198,347**	**208,398**
Employee Costs as a % of Total Expenditure		48%								47%	49%	50%
Remuneration of Councillors as a % of Total Expenditure		7%								7%	7%	8%
Total		55%								54%	56%	58%

Employee costs amounts to 54% of the operating budget for the 2019/20 and increases to 56% in the 2020/21 financial year. This percentage then increases to 58% in the 2021/22 budget year. This is mainly due to the fact that the Municipality has adopted cost cutting and cost containment on all its expenditure lines items so to enable financial viability of the municipality, however employee costs cannot be cut due to contractual obligations and labour acts, in order to manage this cost the municipality will only fill vacated posts that are crucial to the operations of the municipality and all other posts will be left unfilled until such time that the cost is maintained at an acceptable level.

10.2.5 Remuneration of Councilors

Councilor's remuneration has been increased by 7% for the 2019/20 financial year. Councilor's remunerations amount to 7% of operating budget for the 2019/20 financial year. This % expenditure increases to 8% over the MTREF for the same reason as was provided under employee related costs above.

10.2.6 Non-payment of ESKOM

Section 65(2) e) of the Municipal Finance Management Act, 2003 (MFMA, ACT No. 56 of 2003) states that "The accounting officer of a municipality is responsible for the management of the expenditure of the Municipality" and "that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement. Emalahleni LM continues to be within the legislated 30-day period for creditors and particularly for ESKOM.

The municipality has ensured in the 2018/19 financial year that all creditors are paid within the 30 days legislated time frame.

10.2.7 mSCOA

The implementation of *m*SCOA Regulations from 01 July 2017 revealed some of the challenges with version 6.1 of the chart that must be addressed. As a result of this, the chart was updated to version 6.2. Version 6.2 of the chart will be effective from 2018/19 and must be used to compile the 2018/19 MTREF. In addition, there were classification differences between the original budgets that were adopted by municipal council and the data strings that were submitted to National Treasury. Furthermore, the budget related policies were not updated to align to *m*SCOA (e.g. Virement policy).

The Emalahleni municipality is in the process of implementing its Council approved mSCOA implementation plan and is making satisfactory progress. The mSCOA Steering committee meets monthly to bi-monthly. All planned activities are achieved and implemented. However, there are still challenges with full implementation of this reform and the municipality is working hand in hand with the service provider and Provincial Treasury to ensure these challenges are overcomed.

10.2.8 Other assumptions

- Debt impairment: the overall current collection levels are at 35% and the target collection rate for 2018/19 is 65%.

Payment levels for the following revenue streams have been estimated as follows (subject to finalization of the budget process):

Property rates	61%
Electricity	61%
Refuse	61%

The provision for bad debt, as per the Annual Financial statements for 2018/19 stands at R 77 235 million.

- **Bulk electricity purchases**: Emalahleni Municipality will increased its tariffs with an average of 13.07% as per NERSA guide;
- **Other expenditure:** All other expenditure will either be cut, remain the same or increase at 2-6 % for 2019/20 and the outer years respectively.
- Emalahleni Local Municipality will continue with its current powers and functions;
- The Budget is based on current service levels.

- The new electricity network through INEP Grant has not contributed to our electricity income as it is connected to ESKOM's grid.
- Government grants for the years 2019/2020 to 2021/2022 are as per the Division of Revenue Act, assuming that all allocations will be received.
- Growth in staff related costs has been provided for in the budget at 8% for 2019/20, growth in the remaining expense items have been forecasted based on the actual activities to be undertaken.

- Tariff increases relating to services are as follows:
- Rates 5.4%
- Electricity 13.07%
- All other service charges have been set at rates that are cost reflective and were benchmarked with municipalities of the same size.

10.3 OPERATING AND CAPITAL BUDGETS

The three-year financial plan includes an Operating Budget, Cash flow and Capital Programme for the three outer years till June 2022.

10.3.1 Operating budget/plan

EC136 Emalahleni (Ec) - Table B1 Adjustments Budget Summary -

Description	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
Financial Performance											
Property rates	4,799	–	–	–	–	–	3,534	3,534	8,334	8,917	8,590
Service charges	23,342	–	–	–	–	–	4,002	4,002	27,343	29,715	32,277
Investment revenue	1,147	–	–	–	–	–	–	–	1,147	1,200	1,202
Transfers recognised - operational	138,711	–	–	–	–	–	–	–	138,711	141,127	149,122
Other own revenue	12,568	–	–	–	–	–	5,415	5,415	17,983	18,543	19,976
Total Revenue (excluding capital transfers and contributions)	**180,567**	–	–	–	–	–	**12,951**	**12,951**	**193,519**	**199,503**	**211,168**
Employee costs	93,157	–	–	–	–	–	(5,020)	(5,020)	88,138	96,680	105,099
Remuneration of councillors	14,070	–	–	–	–	–	–	–	14,070	14,816	16,001
Depreciation & asset impairment	24,256	–	–	–	–	–	–	–	24,256	25,469	26,743
Finance charges	271	–	–	–	–	–	–	–	271	271	298
Materials and bulk purchases	18,837	–	–	–	–	–	(1,550)	(1,550)	17,287	16,899	18,164
Transfers and grants	230	–	–	–	–	–	–	–	230	235	240
Other expenditure	43,137	–	–	–	–	–	2,152	2,152	45,289	43,978	41,853
Total Expenditure	**193,958**	–	–	–	–	–	**(4,418)**	**(4,418)**	**189,540**	**198,347**	**208,398**
Surplus/(Deficit)	(13,390)	–	–	–	–	–	17,369	17,369	3,979	1,155	2,770
Transfers recognised - capital	31,848	–	–	–	–	–	–	–	31,848	33,484	35,837
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**18,457**	–	–	–	–	–	**17,369**	**17,369**	**35,826**	**34,639**	**38,607**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**18,457**	–	–	–	–	–	**17,369**	**17,369**	**35,826**	**34,639**	**38,607**
Capital expenditure & funds sources											
Capital expenditure	34,913	–	–	–	–	–	(930)	(930)	33,983	33,784	36,187
Transfers recognised - capital	32,198	–	–	–	–	–	–	–	32,198	33,484	35,837
Public contributions & donations	–	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	2,716	–	–	–	–	–	(930)	(930)	1,786	300	350
Total sources of capital funds	**34,913**	–	–	–	–	–	**(930)**	**(930)**	**33,983**	**33,784**	**36,187**

Cash flow projections for the current year and the three outer budget years

EC136 Emalahleni (Ec) - Supporting Table SB14 Adjustments Budget - monthly revenue and expenditure -

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source																
Property rates		32	32	3,236	559	559	559	559	559	559	559	559	559	8,334	8,917	8,590
Service charges - electricity revenue		1,181	834	1,267	1,779	1,779	1,779	1,779	1,779	1,779	1,779	1,779	1,779	19,293	20,962	22,771
Service charges - water revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse		572	410	415	739	739	739	739	739	739	739	739	739	8,050	8,754	9,506
Service charges - other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		122	122	122	122	122	122	122	122	122	122	122	122	1,468	1,561	1,616
Interest earned - external investments		96	96	96	96	96	96	96	96	96	96	96	96	1,147	1,200	1,202
Interest earned - outstanding debtors		493	493	493	493	493	493	493	493	493	493	493	493	5,917	6,342	6,799
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		10	10	10	10	10	10	10	10	10	10	10	10	115	118	123
Licences and permits		92	69	61	657	657	657	657	657	657	657	657	657	6,134	6,738	7,403
Agency services		6	6	6	240	240	240	240	240	240	240	240	240	2,179	2,402	2,647
Transfers and subsidies		10,963	10,963	10,963	10,963	10,963	10,963	10,963	10,963	10,963	10,963	10,963	18,113	138,711	141,127	149,122
Other revenue		181	181	181	181	181	181	181	181	181	181	181	181	2,170	1,382	1,389
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue		**13,748**	**13,216**	**16,850**	**15,839**	**15,839**	**15,839**	**15,839**	**15,839**	**15,839**	**15,839**	**15,839**	**22,989**	**193,519**	**199,503**	**211,168**
Expenditure By Type																
Employee related costs		7,264	7,163	7,187	7,429	7,429	7,429	7,429	7,429	7,429	7,429	7,429	7,094	88,138	96,680	105,099
Remuneration of councillors		1,173	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172	14,070	14,816	16,001
Debt impairment		500	500	500	500	500	500	500	500	500	500	500	500	6,000	7,800	10,140
Depreciation & asset impairment		2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	24,256	25,469	26,743
Finance charges		23	23	23	23	23	23	23	23	23	23	23	23	271	271	298
Bulk purchases		164	1,582	6,968	651	651	651	651	651	651	651	651	651	14,570	15,736	16,994
Other materials		222	222	222	228	228	228	228	228	228	228	228	228	2,717	1,163	1,170
Contracted services		815	2,143	1,184	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,915	21,376	17,976	13,503
Grants and subsidies		19	19	19	19	19	19	19	19	19	19	19	19	230	235	240
Other expenditure		1,414	1,523	1,629	1,483	1,483	1,483	1,483	1,483	1,483	1,483	1,483	1,483	17,913	18,202	18,211
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**13,616**	**16,369**	**20,927**	**15,441**	**15,448**	**15,448**	**15,448**	**15,448**	**15,448**	**15,448**	**15,448**	**15,105**	**189,549**	**198,347**	**208,398**
Surplus/(Deficit)		**132**	**(3,152)**	**(4,077)**	**399**	**399**	**399**	**399**	**399**	**399**	**399**	**399**	**7,884**	**3,979**	**1,155**	**2,770**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2,654	2,654	2,654	2,654	2,654	2,654	2,654	2,654	2,654	2,654	2,654	2,654	31,848	33,484	35,837
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**2,786**	**(498)**	**(1,423)**	**3,053**	**3,053**	**3,053**	**3,053**	**3,053**	**3,053**	**3,053**	**3,053**	**10,538**	**35,826**	**34,639**	**38,607**

10.3.2 Capital budget/plan

The following changes were efected on the Capital Projects.

	PROJECT DETAILS	2019/2020	
NO.	NAME	Original Budget	Adjustment Budget
1	LF Multi Purpose Centre	3,031,875.00	0.00
2	LF REHABILITATION OF LANDFILL SITE		0.00
3	Surfacing of Lady Frere Internal Roads with Paving Block	1,072,000.00	1,072,000.00
4	Paving of Dordrecht Internal Streets	2,482,170.00	1,418,204.92
5	Paving of Indwe Internal Streets	2,000,000.00	1,292,457.32
6	Construction of Motor Vehichle Testing Station Phase 2 W4	0.00	331,748.28
7	Rehabilitation of Indwe Sports Field Phase 1		548,857.03
8	Construction of Cacadu Sport Field Phase 3	0.00	532,731.06
9	Construction of Maqwathini and Thembelihle Access Road (Ward 15)	1,728,884.00	1,542,953.28
10	Construction of Kwadukathole Shearing Shed W9		13,723.67
11	Paving of Zakhele Location Phase 2 Ward 4	5,603,172.00	6,708,851.14
12	Paving of Sinakho Location	5,603,172.00	6,708,851.14
13	Construction of Cacadu Park Phase 2	2,572,480.00	2,600,000.01
14	Cemetery Development Indwe (Ward 16)	2,262,304.00	2,480,000.00
15	Construction of DDX Sport Field Phase 2	5,491,263.50	4,596,942.65
	Tsolokazi Access Road	0.00	1,000,000.00
	Jiginja Access Road	0.00	1,000,000.00
16	PMU 5%	1,676,200.00	1,676,200.00
		33,523,520.50	33,523,520.50

Capital expenditure & funds sources											
Capital expenditure	34,913	-	-	-	-	-	(930)	(930)	33,983	33,784	36,187
Transfers recognised - capital	32,198	-	-	-	-	-	-	-	32,198	33,484	35,837
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	2,716	-	-	-	-	-	(930)	(930)	1,786	300	350
Total sources of capital funds	34,913	-	-	-	-	-	(930)	(930)	33,983	33,784	36,187

10.3.3 Capital Budget performance and spending

EMALAHLENI MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2018	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	R	%
Transfers Recognised - Capital		32,357,950	1,308,000	33,665,950	-	-	33,665,950	33,665,950	100.00%

The municipality spent 100% of its allocated capital budget in the 2018 financial year and plans to spend 100% in the financial 2019 year as well.

10.3.4 Capital Budget and Asset Management

The Capital and Asset Management Programme is listed in the Tables below.

EC136 Emalahleni (Ec) - Table A9 Asset Management

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CAPITAL EXPENDITURE										
Total New Assets	1	48,896	36,106	37,519	37,753	23,248	23,248	11,866	11,166	6,178
Roads Infrastructure		18,812	19,369	16,691	3,307	4,571	4,571	1,729	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	2,218	3,840	225	425	425	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		5,559	417	8,094	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*24,371*	*22,004*	*28,625*	*3,532*	*4,996*	*4,996*	*1,729*	–	–
Community Facilities		11,087	5,064	3,500	17,971	13,132	13,132	7,867	8,866	3,828
Sport and Recreation Facilities		1,752	–	448	–	–	–	–	–	–
Community Assets		*12,839*	*5,064*	*3,948*	*17,971*	*13,132*	*13,132*	*7,867*	*8,866*	*3,828*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		1,770	4,836	4,306	15,000	3,000	3,000	2,000	2,000	2,000
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*1,770*	*4,836*	*4,306*	*15,000*	*3,000*	*3,000*	*2,000*	*2,000*	*2,000*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		793	2,114	425	–	870	870	270	300	350
Machinery and Equipment		8,416	529	–	50	50	50	–	–	–
Transport Assets		707	1,560	214	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	1,200	1,200	1,200	–	–	–

Total Renewal of Existing Assets	2	–	–	–	9,279	4,567	4,567	–	5,000	26,837
Roads Infrastructure		–	–	–	–	–	–	–	–	26,837
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	5,000	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	1,300	500	500	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	*1,300*	*500*	*500*	–	*5,000*	26,837
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	7,979	4,067	4,067	–	–	–
Community Assets		–	–	–	*7,979*	*4,067*	*4,067*	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–

Total Upgrading of Existing Assets	6	–	–	–	13,522	19,287	19,287	22,252	19,617	5,172
Roads Infrastructure		–	–	–	2,522	8,287	8,287	11,158	11,079	5,172
Storm water Infrastructure		–	–	–	–	–	–	5,603	5,810	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	*2,522*	*8,287*	*8,287*	*16,761*	*16,889*	*5,172*
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	11,000	11,000	11,000	5,491	2,728	–
Community Assets		–	–	–	*11,000*	*11,000*	*11,000*	*5,491*	*2,728*	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	48,896	36,106	37,519	60,554	47,102	47,102	34,118	35,784	38,187
Roads Infrastructure		18,812	19,369	16,691	5,829	12,858	12,858	12,887	11,079	32,009
Storm water Infrastructure		–	–	–	–	–	–	5,603	5,810	–
Electrical Infrastructure		–	2,218	3,840	225	425	425	–	5,000	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		5,559	417	8,094	1,300	500	500	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*24,371*	*22,004*	*28,625*	*7,354*	*13,783*	*13,783*	*18,490*	*21,889*	*32,009*
Community Facilities		11,087	5,064	3,500	17,971	13,132	13,132	7,867	8,866	3,828
Sport and Recreation Facilities		1,752	–	448	18,979	15,067	15,067	5,491	2,728	–
Community Assets		*12,839*	*5,064*	*3,948*	*36,950*	*28,199*	*28,199*	*13,358*	*11,595*	*3,828*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		1,770	4,836	4,306	15,000	3,000	3,000	2,000	2,000	2,000
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*1,770*	*4,836*	*4,306*	*15,000*	*3,000*	*3,000*	*2,000*	*2,000*	*2,000*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		793	2,114	425	–	870	870	270	300	350
Machinery and Equipment		8,416	529	–	50	50	50	–	–	–
Transport Assets		707	1,560	214	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	1,200	1,200	1,200	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		48,896	36,106	37,519	60,554	47,102	47,102	34,118	35,784	38,187

ASSET REGISTER SUMMARY - PPE (WDV)	5	–	–	–	84,275	70,823	70,823	55,302	59,248	62,919
Roads Infrastructure		–	–	–	25,695	32,723	32,723	32,215	32,500	54,501
Storm water Infrastructure		–	–	–	549	549	549	6,152	6,386	605
Electrical Infrastructure		–	–	–	872	1,072	1,072	647	5,679	713
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	1,300	500	500	–	0	0
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	*28,416*	*34,844*	*34,844*	*39,014*	*44,565*	*55,819*
Community Assets		–	–	–	30,431	21,680	21,680	14,339	12,625	4,910
Heritage Assets		–	–	–	–	–	–	–	0	0
Investment properties		–	–	–	391	391	391	391	410	431
Other Assets		–	–	–	22,566	10,566	10,566	66	69	72
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	100	100	100	100	100	100
Computer Equipment		–	–	–	32	302	302	182	184	236
Furniture and Office Equipment		–	–	–	294	894	894	414	459	474
Machinery and Equipment		–	–	–	55	55	55	5	6	6
Transport Assets		–	–	–	790	790	790	790	830	871
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	1,200	1,200	1,200	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	–	–	–	84,275	70,823	70,823	55,302	59,248	62,919
EXPENDITURE OTHER ITEMS		30,022	31,241	265,024	29,330	31,984	31,984	29,079	30,426	31,844
Depreciation	7	23,003	25,319	260,923	23,721	23,721	23,721	24,256	25,469	26,743
Repairs and Maintenance by Asset Class	3	7,020	5,923	4,102	5,609	8,263	8,263	4,823	4,957	5,102
Roads Infrastructure		1,437	1,591	1,128	900	1,011	1,011	600	600	600
Storm water Infrastructure		–	–	–	1,403	1,403	1,403	1,517	1,641	1,776
Electrical Infrastructure		2,118	937	325	460	570	570	460	460	460
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*3,554*	*2,528*	*1,452*	*2,763*	*2,983*	*2,983*	*2,577*	*2,701*	*2,836*
Community Facilities		602	402	561	720	3,120	3,120	530	540	550
Sport and Recreation Facilities		222	1	20	60	60	60	60	60	60
Community Assets		*824*	*403*	*580*	*780*	*3,180*	*3,180*	*590*	*600*	*610*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		1,064	1,361	779	450	480	480	300	300	300
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*1,064*	*1,361*	*779*	*450*	*480*	*480*	*300*	*300*	*300*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	130	130	130	130	130	130
Intangible Assets		–	–	–	*130*	*130*	*130*	*130*	*130*	*130*
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		174	8	–	–	–	–	–	–	–
Machinery and Equipment		123	654	533	256	246	246	246	246	246
Transport Assets		1,280	969	757	1,230	1,244	1,244	980	980	980
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		30,022	31,241	265,024	29,330	31,984	31,984	29,079	30,426	31,844
Renewal and upgrading of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*37.7%*	*50.6%*	*50.6%*	*65.2%*	*68.8%*	*83.8%*
Renewal and upgrading of Existing Assets as % of deprecn		*0.0%*	*0.0%*	*0.0%*	*96.1%*	*100.6%*	*100.6%*	*91.7%*	*96.7%*	*119.7%*
R&M as a % of PPE		*1.8%*	*1.4%*	*1.0%*	*6.7%*	*11.7%*	*11.7%*	*7.1%*	*7.1%*	*7.1%*
Renewal and upgrading and R&M as a % of PPE		*0.0%*	*0.0%*	*0.0%*	*34.0%*	*45.0%*	*45.0%*	*49.0%*	*50.0%*	*59.0%*

10.3.5. Repairs and maintenance

The municipality continued to make huge strides during the 2017/18 and 2018/19 financial years to extend its service delivery capacity. Efforts were made to enhance the capabilities of the municipality to respond to its maintenance programme on existing, renewal and completely new assets. Below is the maintenance budget for the previous audited and outer years.

EC136 Emalahleni (Ec) - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		3,554	2,528	1,452	2,763	2,983	2,983	2,577	2,701	2,836
Roads Infrastructure		1,437	1,591	1,128	900	1,011	1,011	600	600	600
Roads		–	–	–	900	1,011	1,011	600	600	600
Road Structures		1,437	1,591	1,128	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	1,403	1,403	1,403	1,517	1,641	1,776
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	1,403	1,403	1,403	1,517	1,641	1,776
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		2,118	937	325	460	570	570	460	460	460
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	93	107	107	93	93	93
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	175	271	271	175	175	175
LV Networks		–	538	110	193	193	193	193	193	193
Capital Spares		2,118	399	214	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Community Assets		824	403	580	780	3,180	3,180	590	600	610
Community Facilities		602	402	561	720	3,120	3,120	530	540	550
Halls		581		271	130	2,430	2,430	130	130	130
Public Open Space		14	205	190	300	300	300	80	80	80
Capital Spares		7	197	100	–	–	–	–	–	–
Sport and Recreation Facilities		222	1	20	60	60	60	60	60	60
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		122	1	20	60	60	60	60	60	60
Capital Spares		99	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Other assets		1,064	1,361	779	450	480	480	300	300	300
Operational Buildings		1,064	1,361	779	450	480	480	300	300	300
Municipal Offices		223	1,361	779	450	480	480	300	300	300
Capital Spares		842	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	130	130	130	130	130	130
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	130	130	130	130	130	130
Computer Software and Applications		–	–	–	130	130	130	130	130	130
Furniture and Office Equipment		174	8	–	–	–	–	–	–	–
Furniture and Office Equipment		174	8	–	–	–	–	–	–	–
Machinery and Equipment		123	654	533	256	246	246	246	246	246
Machinery and Equipment		123	654	533	256	246	246	246	246	246
Transport Assets		1,280	969	757	1,230	1,244	1,244	980	980	980
Transport Assets		1,280	969	757	1,230	1,244	1,244	980	980	980
Total Repairs and Maintenance Expenditure	1	7,020	5,923	4,102	5,609	8,263	8,263	4,823	4,957	5,102
R&M as a % of PPE		*1.8%*	*1.4%*	*1.0%*	*6.7%*	*11.7%*	*11.7%*	*0.0%*	*1.1%*	*1.1%*
R&M as % Operating Expenditure		*3.5%*	*3.2%*	*2.2%*	*2.8%*	*4.2%*	*4.2%*	*0.0%*	*2.5%*	*2.6%*

The Repairs and maintenance budget amounted to 2.5% of Total budget in the 2019/20 financial year. this budget has remained the same in the 2020/21 financial year. This percentage increases to 2.6 in 2021/22.

10.3.6 Grants Receipts and Expenditure

The Table below reflects the grants received and to be received in the 2018/19 budget year

EC136 Emalahleni (Ec) - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		–	–	–	121,856	121,856	121,856	130,556	139,172	147,304
Local Government Equitable Share					115,774	115,774	115,774	123,739	130,898	138,730
Finance Management					2,415	2,415	2,415	2,880	3,312	3,312
EPWP Incentive					2,022	2,022	2,022	2,261		
Municipal Infrastructure Grant					1,645	1,645	1,645	1,676	1,762	1,886
Integrated National Electrification Programme									3,200	3,376
Other transfers/grants [insert description]										
Provincial Government:		–	–	–	3,350	3,350	3,350	1,005	1,005	1,005
Libraries, Archives and Museums - Library S					900	900	900	1,005	1,005	1,005
Department of Economic Development, Tourism					2,450	2,450	2,450			
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	1,130	–	–	–
Chris Hani							1,130			
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	–	–	–	125,206	125,206	126,336	131,561	140,177	148,309
Capital Transfers and Grants										
National Government:		–	–	–	42,257	42,257	42,257	31,848	33,484	35,837
Municipal Infrastructure Grant					42,257	42,257	42,257	31,848	33,484	35,837
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	550	550	550	–	–	–
Department of Economic Development, Tourism and Agriculture					550	550	550			
District Municipality:		–	–	–	–	–	–	–	–	–
Chris Hani										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	–	–	–	42,807	42,807	42,807	31,848	33,484	35,837
TOTAL RECEIPTS OF TRANSFERS & GRANTS		–	–	–	168,013	168,013	169,143	163,409	173,661	184,146

The below table shows the expenditure on grants received

EC136 Emalahleni (Ec) - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		–	–	–	121,856	121,856	121,856	130,556	139,172	147,304
Local Government Equitable Share					115,774	115,774	115,774	123,739	130,898	138,730
Finance Management					2,415	2,415	2,415	2,880	3,312	3,312
EPWP Incentive					2,022	2,022	2,022	2,261		
Municipal Infrastructure Grant					1,645	1,645	1,645	1,676	1,762	1,886
Integrated National Electrification Programme									3,200	3,376
Other transfers/grants [insert description]										
Provincial Government:		–	–	–	3,350	3,350	3,350	1,005	1,005	1,005
Libraries, Archives and Museums - Library Service					900	900	900	1,005	1,005	1,005
Department of Economic Development, Tourism and Agriculture					2,450	2,450	2,450			
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	1,130	–	–	–
Chris Hani							1,130			
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total operating expenditure of Transfers and Grants		–	–	–	125,206	125,206	126,336	131,561	140,177	148,309
Capital expenditure of Transfers and Grants										
National Government:		–	–	–	42,257	42,257	42,257	31,848	33,484	35,837
Municipal Infrastructure Grant					42,257	42,257	42,257	31,848	33,484	35,837
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	550	550	550	–	–	–
Department of Economic Development, Tourism and Agriculture					550	550	550			
District Municipality:		–	–	–	–	–	–	–	–	–
Chris Hani										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total capital expenditure of Transfers and Grants		–	–	–	42,807	42,807	42,807	31,848	33,484	35,837
TOTAL EXPENDITURE OF TRANSFERS AND GRANT		–	–	–	168,013	168,013	169,143	163,409	173,661	184,146

The Below table shows the % spent of the conditional grants received

APPENDIX D
EMALAHLENI MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2018	Correction of Error	Restated Balance 30 June 2018	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2019
National Government Grants									
Equitable Share	-	-	-	115,774,000	-	-	(115,774,000)	-	-
Finance Management Grant	-	-	-	2,415,000	-	-	(2,415,000)	-	-
Municipal Infrastructure Grant	-	-	-	43,902,000	-	-	(1,345,187)	(42,556,813)	-
Extended Public Works Programme	-	-	-	2,022,000	-	-	-	(2,022,000)	-
Total National Government Grants	-	-	-	164,113,000	-	-	(119,534,187)	(44,578,813)	-
Provincial Government Grants									
DEDEAT: Waste management grant	-	-	-	3,000,000	-	-	(2,286,641)	(246,599)	466,761
Library	-	-	-	900,000	-	-	(900,000)	-	-
Total Provincial Government Grants	-	-	-	3,900,000	-	-	(3,186,641)	(246,599)	466,761
District Municipality									
Paving and beautification	-	-	-	500,000	-	-	(487,826)	-	12,174
Ward based plans	-	-	-	500,000	-	-	(75,875)	-	424,126
Dryland cropping programme	-	-	-	300,000	-	-	-	-	300,000
Alient plant project	-	-	-	30,000	-	-	-	-	30,000
Construction of feedlot	-	-	-	300,000	-	-	-	-	300,000
Total District Municipality Grants	-	-	-	1,630,000	-	-	(563,701)	-	1,066,300
Total Grants	-	-	-	169,643,000	-	-	(123,284,528)	(44,825,412)	1,533,060

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The Municipality has endeavoured and have succeeded in spending 100% on conditional grants over the past years. These conditional grants are received into a Primary bank account from which transfers are done to operating bank account to effect payments. Grants are spent in line with grant conditions as set out in DORA and as per approved business plans. Monthly reports are prepared and submitted to Treasury and relevant government departments regarding monthly expenditure.

10.3.7 Financial Strategy

Emalahleni Local Municipality is a developing municipality located in the rural areas of the Province of the Eastern Cape. Only 29% of its population is economically active which poses specific challenges regarding financial sustainability. Council operations must be conducted in a manner that will ensure that services will remain affordable and yet tariffs must be able to cover costs.

10.3.8 General Valuation

The municipality implemented its new valuation roll conducted in the 2017/18 financial year on 1 July 2018. This general valuation roll will be valid for the next 5 years including the 2019/20 financial year. Supplementary valuations will be conducted annually to supplement the General valuation roll with annual property changes that occurs within the municipality. A supplementary valuation is conducted in the current 2018/19 financial year for implementation on 1 July 2019. The municipal general valuation roll is published on the municipal website and the supplementary valuation rolls are also made public for inspection and comments by the community and is published on the municipal website.

The resolution for levying of rates for the 201819 financial year was gazetted in compliance with section 14 of the MPRA on 28 May 2018 in the provincial gazette, gazette no. 4052. The property rates by-law was gazetted in compliance with Section 6 of MPRA in the EC Provincial Gazette No. 3593 dated 15 February 2016.

a) Revenue Raising Strategy

Drastic steps must be taken to improve the municipality's revenue collection to maintain the going concern principle as it will eventually lead to cash flow problems if not improved. The collection rate target for the 2019/20 financial year has been set at 61 %, The municipality provides refuse collection and electricity distribution services to its residents which it bills on a monthly basis. Charges for these services are based on the approved tariffs applicable. Debtors are billed monthly and a consolidated debtor statement is issued monthly to all debtors. The municipality continues its endeavours to clean consumer's data within the billing system to ensure data integrity that will ensure that billing statements reach the correct persons and that the billing charges are also accurate.

The % collection on revenue for the last two years are shown below

EC136 Emalahleni (Ec) - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rates	2	3,744	4,146	5,212	4,615	4,550	4,550	–	4,799	5,039	5,346
Service charges - electricity revenue	2	8,679	11,023	10,101	10,570	15,946	15,946	–	16,355	17,958	19,712
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	(47)	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	3,404	3,777	3,495	4,629	6,024	6,024	–	6,987	7,436	7,908
Rental of facilities and equipment		771	727	813	885	612	612	–	1,468	1,561	142
Interest earned - external investments		3,846	2,313	1,183	2,045	1,045	1,045	–	1,147	1,200	1,202
Interest earned - outstanding debtors		4,633	4,709	4,854	5,206	5,595	5,595	–	6,127	6,557	7,014
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		81	116	9	110	49	49	–	115	118	123
Licences and permits		444	1,073	1,638	1,309	1,442	1,442	–	1,514	1,597	1,690
Agency services		59	67	75	1,313	1,313	1,313	–	1,384	1,492	1,609
Transfers and subsidies		145,190	132,075	121,754	126,351	126,886	126,886	–	136,966	141,182	149,138
Other revenue	2	2,407	787	1,439	834	3,922	3,922	–	1,160	1,167	1,174
Gains on disposal of PPE		165	1,769	33	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**173,376**	**162,580**	**150,606**	**157,867**	**167,386**	**167,386**	–	**178,022**	**185,308**	**195,059**

The collection rate in the 2017/18 financial year was around 36.36% but decreased to about 13% in 2018/19. The revenue section is in the process of putting programs in place to increase the debtor collection rate. The following are some of the more significant programmes that have been identified that could enhance the municipality's revenue:

- **The review and implementation of the Credit Control & Debt Collection Policy**. This policy and the relevant procedures detail all areas of credit control, collection of amounts billed to customers, procedures to be followed for non-payment etc. This policy has been put in place as a vehicle through which the debtor turnover rate can be increased to ideally get amounts due by debtors within 7 to 14 days. The debtor's turnover rate for the last two years has been far below the desired debtor's turnover rate:

- **The review and implementation of the Indigent Policy**. This policy defines the qualification criteria of an indigent, the level of free basic services enjoyed by indigent households, penalties for abuse of the policy etc.

- **The review and implementation of the Tariff Policy**. This policy will ensure that fair tariffs are charged in a uniform manner throughout the Emalahleni Local Municipality area. Tariffs must remain affordable but also insure sustainable services.

- **The implementation of the Property Rates and Valuation Policy**. This ensures that a fair rates policy and an updated valuation roll is applied to the entire Emalahleni Local Municipality area and will aim to ensure that all properties are included in the municipality's records. Furthermore the policy ensures that valuations are systematically carried out on a regular basis for all properties. The municipality has compiled a new valuation roll during 2017/18 financial year which has been implemented in the 2018/19 and 2019/20 financial year

- **The review and implementation of the Customer Incentive Scheme**. This scheme will detail the incentives and prizes that will be made available to encourage customers to pay their accounts promptly.

- **The review and implementation of the Improved Payment Strategy**. This strategy aims at implementing innovative cost effective processes to encourage consumers to pay their accounts in full on time each month, including increasing the methods of payment and implementing on-line pre-payment systems.

- **The review and implementation of the Revenue Enhancement Strategy.** This strategy aims at increasing revenue collected by investigating other sources of revenue and also to investigate savings on expenditure. This strategy is reviewed annually to ensure relevance and improved effectiveness. The Provincial Treasury has offered its assistance in the 2016/17 financial year to assist the municipality in the reviewal and revamp of the revenue enhancement strategy.

- **The development and implementation of the bad debt write off policy.** This policy aims at directing council and management on the process of identifying bad debt and the method to be followed to write it off.

- **Reduction of electricity Distribution losses.** The municipality is bleeding through electricity losses that have reached 28% in the 2017/18 financial year, the municipality has achieved to slightly bring the percentage loss down to 26% in the 2018/19, the loss is rather still high, efforts will however continue to try and reduce the percentage. The municipality has as part of the revenue enhancement strategy put measures in place to reduce and eradicate these distribution losses in the short to medium term. These include the monthly extraction of a low sales report that will give guidance as to which households could be tempering. Further a door to door electricity meter inspections will be conducted and all faulty meters will be replaced with smart meters. Further, the municipality will install bulk meters to firstly, meter the bulk electricity coming in from Eskom and also meter the electricity usage per area. This should further give the municipality an indication were most electricity losses occur and the municipality will be able to respond to such more quicker.

- The municipal resources are well managed and there was no need to develop a financial recovery plan. However, there is huge pressure on available resources versus needs of communities.

b) Asset Management Strategy

- **GRAP compliant Asset Register**

The Municipality is a low capacity municipality and had to comply fully with GRAP 17 by 30 June 2012. The municipality managed to compile a GRAP compliant fixed asset register in compliance with Treasury requirements. The FAR passed the audit with no major findings by Auditor General during the 2016/17 and 2017/18 annual audits. The asset register is maintained monthly and annual asset counts are performed.

The following are some of the more significant programmes that have been identified regarding the management of assets:

- **The implementation of an integrated asset management system.** This programme will involve the investigation, identification and implementation of a suitable integrated asset management system. It will also include the capturing of all assets onto this system, the maintenance of this system and the production of a complete asset register in terms of GRAP requirements.

- **The implementation of the fixed asset infrastructure roadmap i.e. action plan.** This plan will involve a status quo assessment of current infrastructure assets, the implementation of individual action plans within the roadmap and the development of individual infrastructure asset registers. This project is contingent on various departments maintaining their respective infrastructure asset registers and supplying all the necessary information to the Asset Management Section to enable the necessary infrastructure asset information to be included in the asset register in terms of GRAP requirements.

- **The review and update of asset and risk insurance procedures and the renewal of the insurance portfolio.** This programme will involve the identification of risks in conjunction with insurers and all Departments and the review and update of the asset and risk insurance procedure manual. It will also include the review of the existing insurance portfolio and the renewal of the insurance policy as per the renewal terms.

c) Capital Financing Strategy

The following are some of the more significant programmes that have been identified:

- **The development and implementation of a loan capacity policy**. This policy will ensure that any borrowings taken by the Emalahleni Local Municipality will be done in a responsible manner and that the repayment and servicing of such debt will be affordable.

- **The review and implementation of the policy for access finance (including donor finance).** This policy will ensure that all available funding sources are vigorously pursued.

d) Information and Communication Technology Strategy

Due to the growth in the organogram of the municipality, the demand for computer hardware and software also increased. The current IT section cannot cope with the demand for support from all the users. A five year plan needs to be developed for the purchase, maintenance of computer hardware and software and support to users. The municipality has move to CLOUDWARE for its financial system. The municipality has also started its mSCOA project and has started implementing the Council approved

MSCOA implementation plan. The mSCOA requirement will put further pressure on the municipal ICT capacity and will require additional capacity to ensure that the municipality is mSCOA compliant at 1 July 2017.

10.3.8 Financial Management Policies

a) General Financial Philosophy

The financial policy of the Emalahleni Local Municipality is to provide sound, secure and fraud free management of financial services.

The Budget and Finance Office has the following objectives:

- Implementation of LG MFMA
- Implementation of the LG Municipal Property Rates Act
- Management of the Budget Process
- Performance of the Treasury Function
- Collection and Management of Municipal Revenue
- Establishment of a Supply Chain Management Unit
- Establishment of a FBS/Indigent Support Unit
- Maintenance of Internal Financial Control
- Production of Financial Performance Reports
- To Retain and improve the Financial Viability of the Municipality
- To have an Unqualified Audit Report

b) List of policies

The following policies are reviewed annually with the IDP and Budget process and are adopted with the final IDP and BUDGET and will be implemented on 1 July 2019. These policies are also made available on the municipal website to facilitate access to all stakeholders.

- Debt collection and credit control policy
- Bad debt write off policy
- Budget policy
- Indigent policy
- Cash and investment management policy
- Rates policy
- Tariff policy
- Information Technology policy
- Supply chain management policy
- Interest reversal policy
- Loans policy
- Unforeseen and unavoidable expenditure policy
- Administration of immoveable Property Policy
- MFMA Delegation Policy
- Anti-corruption and Fraud prevention Policy
- Asset management policy

c) Budget-related policies and by-laws

These policies are promulgated into by-laws and gazetted to ensure legal implementation. The current by-laws were promulgated in an EC Provincial Gazette Extraordinary, Gazette No. 1687 date 16 March 2007. The municipality has in the 2015/16 financial year promulgated and gazetted the Property rates by-law in the EC Provincial Gazette No. 3593 dated 15 February 2016.

1) Budget Policy

The aim of the policy is to set out the budgeting principles which the municipality will follow in preparing each annual budget, as well as the responsibilities of the chief financial officer in compiling such budget.

2) Tariff Policy

A tariff policy must be compiled, adopted and implemented in terms of Section 74 of the Local Government: Municipal Systems Act 2000, such policy to cover, among other things, the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.

3) Rates Policy

In developing and adopting this rates policy, the council has sought to give effect to the sentiments expressed in the preamble of the LG Municipal Property Rates Act, namely that:

- the Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities;
- there is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfil its developmental responsibilities;
- revenues derived from property rates represent a critical source of income for municipalities to achieve their constitutional objectives, especially in areas neglected in the past because of racially discriminatory legislation and practices; and
- it is essential that municipalities exercise their power to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the nation, and which takes account of historical imbalances and the burden of rates on the poor.

In applying its rates policy, the council shall adhere to all the requirements of the Property Rates Act No. 6 of 2004 including any regulations promulgated in terms of that Act.

4) Indigent Support Policy

The objective of Indigent Support Policy is to ensure the following:

- The provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Council; and
- To provide procedure and guidelines for subsidization of basic provisions received from Central Government, according to prescribed Policy guidelines.

The Council also recognizes that there may be residents simply not able to afford the cost of full provision and for this reason the Council will endeavour to ensure affordability through:

- Settings tariffs in terms of the Council Tariff Policy; which will balance the economic viability of continued service delivery; and
- Determining appropriate service levels.

5) Credit Control & Debt Collection Policy

The purpose is to ensure that credit control forms an integral part of the financial system of the local authority, and to ensure that the same procedure be followed for each individual case.

6) **Supply Chain Management Policy**

The objective of this policy is to provide a policy framework within which the municipal manager and Chief Financial Officer can institute and maintain a supply chain management system which is transparent, efficient, equitable, competitive, which ensures best value for money for the municipality, applies the highest possible ethical standards, and promotes local economic development.

By adopting this policy the council further pledges itself and the municipal administration, to the full support of the Proudly SA campaign and to the observance of all applicable national legislation, including specifically the:

- Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations;
- Broad Based Black Economic Empowerment Act No. 53 of 2003 and any applicable code of practice promulgated in terms of that Act; and
- LG Municipal Finance Management Act No. 56 of 2003, including the regulations relating to the prescribed framework for supply chain management

Where applicable, the council also pledges itself to observe the requirements of the Construction Industry Development Board Act No. 38 of 2000 and its regulations.

All policies were reviewed during the 2018/19 financial year and coded into formal by-laws. Most of the current by-laws were promulgated in the EC Provincial Gazette.

10.3.9 FUNCTIONALITY OF SUPPLY CHAIN UNIT

AND IMPLEMENTATION OF LEGISLATION

The biggest threat to the municipality is the old contracts that were qualified in prior year and that are still operational. The following table will illustrate that the supply chain unit at Emalahleni is very functional:

NO.	ACTIVITY UNDERTAKEN	IMPLEMENTED	PROGRESS/DATE IMPLEMENTED
1.	SCM Policy	ELM developed a Supply Chain Management Policy taking into account the Municipal SCM Regulations. The Policy was work shopped with all ELM Councillors' and officials.	The SCM Policy was reviewed in March 2018 and has been adopted by Council.
2.	Committee System	The Accounting Officer established a committee system that is consistent with the Municipal SCM Regulations and any other applicable legislation for competitive bids consisting of: (i) a bid specification committee; (ii) a bid evaluation committee; and (iii) a bid adjudication committee; Rules and procedures governing the functioning of the above mentioned Bid Committees were drafted. Training of the Bid Committees have been conducted for all committee members.	The Bid Specification, Bid Evaluation and Bid Adjudication Committees function very well and they were appointed in writing.
3.	Code Of Conduct, Oath Of Secrecy, Declaration Of	The Code of Conduct, Oath of Secrecy and Declaration of all business interests have been drafted, and were signed by all officials involved in SCM process.	The Code of Conduct, Oath of Secrecy and Declaration of all Business Interests is signed by all officials involved in SCM process on an annual basis.

NO.	ACTIVITY UNDERTAKEN	IMPLEMENTED	PROGRESS/DATE IMPLEMENTED
	All Business Interests		
		Notice boards placed in a public area that is accessible	Bid notice boards are placed in areas that are accessible
		Bid Box placed in a public area that is accessible during office hours.	The bid box is situated at reception area in the municipal main building
		Bid Specifications Committee commenced with effect from the date Members were appointed and membership is renewed annually.	The Bid Specifications Committee commenced with effect from the date members were appointed and membership is renewed annually.
		For goods or services between the values of R1.00 and R30 000 we are using requisition books and requesting quotations by phone.	The ELM requisition books that allow Section Head and Head of Department signatures for request and recommendation of procurement of proposed goods and services are still being utilized.
		Placing notices on the Bid Notice Boards and website and advertising for goods or services between the values of R30 000 and R200 000 with effect from the date our policy was adopted. Turnaround time for procurement below R30 000 is that within 5 days an order will be issued after the request has been submitted. For procurement above R30 000 the turnaround time is 2 weeks and an order will be issued after the request has been submitted	All bid notices for the advertising for goods and or services above R30 000 and R200 000 is placed on the Bid Notice Boards and ELM Website.
		Demand Management Plan which entail capital projects and procurement of major commodities was signed by the Accounting Officer on the 28 July 2016	SCM office monitors and ensures that we procure according to this plan. Monthly reports on the implementation of the plan are expected to be prepared by SCM office to the Municipal Manager.
5.	System of Acquisition Management	Bid Evaluation Committee Members to be re-trained.	The training is ongoing.
		Bid Adjudication Committee Members to be re-trained.	The training is ongoing
		Threshold levels embedded in our SCM Policy are observed and applied.	As per our SCM policy and pursuant to the revised Preferential Procurement Regulations, 2011.
		General preconditions for consideration of written quotations or bids developed.	General Conditions of Contract included in all bids as well as special conditions where applicable.
		The Central Supplier Database is a national database for all spheres of government. The municipality lists of accredited prospective providers developed on the Sebata System after the supplier has submitted the summary report from the Central Supplier Database to the municipality. These databases are updated on a daily bases to include any additional prospective providers and any new commodities or types of services.	A list of accredited prospective providers is in place. The Database is updated daily. The Municipality is in the process of migrating the data from normal excel spread sheet to the new SEBATA FMS(System).This system is envisaged to revolutionise the SCM paper based system, and on the other hand it will help minimize the risks involved with the current system such as in circulation of

NO.	ACTIVITY UNDERTAKEN	IMPLEMENTED	PROGRESS/DATE IMPLEMENTED
			business amongst the service providers favouritism and/or collusion with suppliers.
		A procedure manual for procuring goods or services through written or verbal quotations and formal written price quotations is in place and is in the process of being signed by the Accounting Officer.	A Procedure Manual for procuring goods or services through written or verbal quotations and formal written price quotations is being developed and is in a process of being signed by the Accounting Officer.
		Delegation by the Accounting Officer to all HODs approving the procurement of goods and services between the values of R30 001 and R200 000 implemented. For bids above R200 000, the Bid Adjudication Committee recommends the Accounting Officer to make an award.	Delegations in terms of Municipality' Delegation Policy is implemented.
		Process developed for competitive bidding.	Competitive bids are implemented according to our SCM policy, NT regulations and CIDB regulations where necessary and other relevant pieces of legislation.
		Procedures developed for the procurement of goods and services from other Organs of State.	The procurement of goods and services from other Organs of the State as per MFMA and SCM regulations.
		Procedures developed for emergency and urgent procurement of goods and services.	The SCM Policy is followed and strictly complied with The Deviation register was developed and Municipal Manager approves all transactions
		Bid Evaluation Committee commenced with effect from the approval of the SCM policy	The committee is still in place and its meetings are set to convene every Wednesday or when necessary.
		Bid Adjudication Committee commenced with effect from 1 October 2005. The turnaround time for a project to be adjudicated and awarded is 90 days from the date of the request being submitted	The committee is still in place and its meetings are set to convene every Friday or when necessary.
6.	System of Logistics Management	Contract documentation for all contracts entered into through the procurement of goods and services is kept safely in the SCM Storeroom.	After each award, a Service Level Agreement (SLA)and Form of Offer and Acceptance for construction related contracts are signed after each award as the case may be. All contract documents are archived.
7.	System of Disposal Management	Asset Management Policy has been developed.	The Asset Management Policy is in place. The Asset Management Policy is reviewed whenever there is a need to do so
		Code of Conduct Signed by officials involved in SCM.	The Code of Conduct is signed by all officials involved in SCM on an annual basis.

NO.	ACTIVITY UNDERTAKEN	IMPLEMENTED	PROGRESS/DATE IMPLEMENTED
		Oath of Secrecy signed by officials involved in SCM.	The Oath of Secrecy is signed by all officials involved in SCM on an annual basis.
		Declaration of all Business Interests signed by officials involved in SCM.	The Declaration of all Business Interests is signed by all officials involved in SCM on an annual basis.
	Contract Management	Contracts are effectively managed by the contracts management officer within the SCM unit.	Contracts are concluded for each project through the SCM unit and a contracts register is maintained
9.	System of Performance Management	Monitoring and performance mechanisms put in place.	Monitoring and performance mechanisms have been developed and implemented.
		Reporting monthly to National and Provincial Treasury on all adjudicated bids.	Monthly reports are submitted to NT and PT.
		Reporting monthly to the Accounting Officer on the procurement of all goods and services.	Monthly reports are submitted to the Accounting Officer.
		Reporting quarterly to the Mayor on the procurement of all goods and services.	Quarterly reports are submitted to the Mayor.
		Reporting quarterly to Council on the procurement of all goods and services, i.e. Quarterly SCM Report.	Quarterly reports are submitted to Council.
10.	Gifts Register	Reporting as and when this occurs to the Accounting Officer in terms of declarations of rewards, gifts, favours, hospitality or other benefit promised.	Each and every department has in the office of its HOD the Gifts register where officials are expected to disclose in terms of declarations of rewards, gifts, favours, hospitality or other benefit promised.
11.	Establishment of the SCM Unit	The SCM Unit has been established as per the SCM Regulation no. 7. The Unit is not fully fledged as yet but there is an approved organogram that is populated gradually. The positions that are populated do ensure that there is segregation of duties	The major positions in the organogram have been filled to allow segregation of duties

10.3.10 Indigent support and management

The Emalahleni Local municipality has a functional Free Basic Services unit managed by the FBS practitioner. Temporal staff funded through the EPWP programme are contracted from time to time to assists this unit especially during the annual indigent registrations.

An indigent policy has been developed in line with the Local Government guidelines and has been adopted by the municipal Council. This policy is reviewed annually as part of the budget related policies that gives effect to the indigent subsidies to be budgeted for. This subsidy encompasses subsidisation of full refuse charge, 50 kWh of electricity and an amount on assessment rates. The budgeted amount and actual amounts spend for free basic services (refuse charges and free electricity) funded from the equitable share amounted to R 3.834 million and R 3.831 million for the 201617 financial year and R 2.024 million and R 2.207 million for the 2017/18 financial year respectively. A budget of R 2.900 million has been set aside for the 2018/19 financial year. Water and sanitation is provided by the District municipality.

Indigent registrations are done annually between February and April. An indigent register is compiled annually subsequent to each registration that under goes intense review by the respective ward committees, ward councillor and the Chief Financial Officer. The municipality had established the Indigent steering committee before but had experienced that it is inefficient as the committee

members tend not to be available and that the respective ward committee members and ward Councillor of the particular ward would anyway be the ones knowledgeable about the indigency status of debtors in their respective wards. The municipality decided to rather go the root of having the ward committee and ward Councillor of the affected ward review the applications and by so doing speed up the process and ensure credibility of the register.

The Chris Hani district municipality integrates its annual indigent registration with that of the municipality to ensure coherence and reconciliation between the debtors that receive subsidies from the Local municipality and the District Municipality. The district municipality would also co-fund the indigent registration process to ensure that adequate resources are available to ensure effectiveness of the process.

10.3.11 Improvement in audit outcome

The municipality has an AFS process plan that is implemented throughout the year in preparation of the AFS audit file. This practice has translated in the improved audit opinion from many years of disclaimer opinion to an unqualified audit opinion in the 2014/15 and has maintained that audit opinion through to 2017/18 financial year.

The municipality has developed an audit action plan for the 2017/18 financial year to address all findings by the Auditor General and to further ensure that proper internal controls are put in place to prevent these findings from reoccurring in the new financial year. The audit action plan is monitored monthly and progress reported monthly to management and Council. Good progress has been made on the implementation of the 2017/18 action plan. All issues relating to the 2017/18 findings were addressed by 31 August 2019.

The municipality has managed to resolve most of its recurring audit queries of the past. The municipality strives to maintain processes and internal controls that are in place and that are effective whilst addressing its short comings by putting internal controls in place. Standard operating procedures has been developed and approved for supply chain management section and expenditure management section. The National Treasury has also developed standard operating procedures (SOP's) for all municipalities. The municipality will tailor make it for its situation. The policies, SOP's, Internal Audit reports recommendation and risk register are and will be used to improve the internal control environment of the municipality.

The municipality's filing system that has been put in place has also attributed to the improved audit opinion as scope limitation as an audit finding have been eliminated by been able to provide all supporting documents within the required time frames. The municipality is in the process of migrating its filing system to an electronic management system that will allow the filing and archiving of documents electronically.

Compliance to reporting frameworks within the prescribed timeframes was an issue that the municipality has also adequately addressed in the current year. All MFMA legislated compliance reports has been prepared and submitted in line with the requirements. The municipality prepared the required monthly Section 71, quarterly section 52(d) and the half yearly section 72

reports and submitted such reports to the Council via the Mayor's office and to National treasury and other government institutions within the prescribed timeframes.

The municipality has also started with its annual financial statements preparation (PAF) plan which will ensure that the 2017/18 annual financial statement is compiled and submitted within the prescribed legislative framework. The PAF is used to coordinate and gather all relevant processes and information for the 2018/19 annual financial statements.

Audit Opinion/Outcome	
Financial Year	**Audit Opinion/Outcome**
2014/15	Unqualified
2015/16	Unqualified
2016/17	Unqualified
2017/18	Unqualified
2018/19	Audit in Progress

The Emalahleni municipality has developed an institutional risk register that is further cascaded down to directorates. This register is reviewed annually and aligned to the SDBIP. The register is aligned to the SDBIP with the objective of identifying possible events that could occur that could compromise the achievement of institutional objectives and putting controls in place to eliminate or minimize the possible events. Monthly reports on the effectiveness of the internal controls put in place.

APPROVAL OF THE AMENDED REVIEWED IDP: 2019/2020

The amended reviewed IDP 2019/2020 tabled in Council for approval on 08 November 2019.

Council Resolution of Adoption: **SCM 767/11/2019**

Signatures:

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MR. V.C Makedama
MUNICIPAL MANAGER

20-11-2019
.....
DATE

N.F Koni
.....

CLLR N. Koni
HONORABLE MAYOR

20-11-2019
.....
DATE