South Coast Development Agency Financial And Business Interest Disclosure

Related Person	Designation	Related party transactions
HT Shezi	Board Member	• 100% shareholding of Hopson Properties
Dr EM Zungu		• 100% shareholding at Zunco Foods • 100% shareholding at Zunco greenhouse Farming
SC Dlomo	Board Member	• 100% shareholding at Starfair 213 • 100% shareholding at SD Inc • 100% shareholding at SD & To Build
ZP Mthuli	Board Member	• 100% shareholding at Zothokoza
LG Shezi	Board Member	• 100% shareholding at Aluta Group • 100% shareholding at Weziwe • Shares at Telkom • Shares at Centre for Accelerated Development and Transformation
EJ Crutchfield	Board Member	• Chairperson of Ugu South Coast Tourism (Pty)Ltd • Director at South Coast Development Agency (Pty) Ltd • Director and Treasurer at Southbroom Property Owners Association Ltd • Chairperson at Southbroom Golf Club • Board member and Treasurer at Radio Sunny South
SJ Nzimande	Board Member	• No interest on any company
B Zulu	Board Member	• 100% at Zulu Law inc
VK Naidoo	Board Member	• 50% at LED Strategic Solutions (Pty) Ltd • 48% at Woodstreet Property Investment cc

APPENDIX F - REVENUE COLLECTION PERFOMANCE BY VOTE

Revenue Collection Performance by Vote R' 000						
Vote Description	Year -2014/2015	Current: Year 2015/2016			Year 2015/2016 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
EXECUTIVE & COUNCIL	2 630	53 156	53 156	67 273	(14 117)	(14 117)
FINANCE & ADMINISTRATION	144 813	128 415	128 415	162 519	(34 104)	(34 104)
INFRASTRUCTURE & ECONOMIC DEVELOPMENT	269 979	48 562	48 562	61 459	(12 897)	(12 897)
WATER	525 605	531 037	531 037	672 067	(141 030)	(141 030)
WASTE WATER MANAGEMENT	103 169	87 823	87 823	111 146	(23 323)	(23 323)
PUBLIC SAFETY	7 277	5 346	5 346	6 766	(1 420)	(1 420)
ENVIRONMENTAL PROTECTION	10 212	18 172	18 172	22 998	(4 826)	(4 826)
OTHER: MARKET	1 284	1 022	1 022	1 294	(271)	(271)
SPORTS & RECREATION	432	260	260	329	(69)	(69)

Table F

APPENDIX G - REVENUE COLLECTION PERFOMANCE BY SOURCE

Revenue Collection Performance by Source R '000						
Description	2014/2015	2015/2016			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Service Charges - water revenue	274 273	256 329	295 257	240 454	-7%	-23%
Service Charges - sanitation revenue	99 838	98 510	107 476	87 527	-13%	-23%
Rentals of facilities and equipment	2 253	2 253	2 253	2 253	0%	0%
Interest earned - external investments	7 100	4 655	12 268	21 875	79%	44%
Interest earned - outstanding debtors	3 254	3 283	5 623	6 500	49%	13%
Transfers recognised - operational	323 900	381 544	370 510	382 241	0%	3%
Other revenue	6 229	5 878	29 231	31 200	81%	6%
Total Revenue (excluding capital transfers and contributions)	**716 848**	**752 452**	**822 617**	**772 051**	**2.54%**	**-6.55%**

Table G

APPENDIX H - CONDITIONAL GRANTS RECEIVED; EXCLUDING MIG

Conditional Grants: excluding MIG

R' 000

Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
Neighbourhood Development Partnership Grant					
Rural Roads Asset Management	2 446	2 430	2 446	100%	101%
Other Specify:					
National FMG Grant	1 325	1 325	1 325	100%	100%
National DWA Grants	103 745	95 347	108 929	105%	114%
National Local Government Grant	7 307	7 307	7 307	100%	100%
Provincial CoGTA Grant	3 250	5 250	3 650	112%	70%
Provincial DPW Grant			1 826		
Other Specify:	369 153	381 533	361 402		
Total	487 226	493 192	486 884	100%	99%

Table H

CONDITIONAL GRANTS EXCLUDING MIG:

The Municipality receives conditional grants and subsidies from the National Government for various projects. The total grant income for 2015/16 was R121 154 115. All grants received were utilized as per Division of Revenue Act (DORA) condition.

mSCOA : Municipal Standard Chart of accounts

The Municipality, like all other municipalities in South Africa, is obliged to implement the mSCOA Framework by 01 July 2017 as directed by the Municipal Regulations on the Standard Chart of Accounts mSCOA Regulations and promulgated by the Minister of Finance on Government Gazette No: 37577 and accompanying MSCOA Circulars. The Municipal Standard Chart of Accounts (mSCOA) aims to provide information at a transactional level, improve compliance with budget regulations and accounting standards, better inform national policy coordination and reporting, benchmarking and performance measurement.

mSCOA Regulations place the responsibility of implementing the mSCOA Framework on the MM as the accounting officer of the Municipality. While the MM retains the responsibility over the project, he has delegated the implementation to the Chief Financial Officer (CFO) who has executive authority over the project.
The Manager: ICT Projects was assigned the responsibility of mSCOA Project Champion reporting to the CFO as the Project Executive Sponsor as well as the Municipality's Management Committee (MANCO) and the latter plays the role of mSCOA Steering Committee.

mSCOA Project Management Office, the project implementation team, and the mSCOA Project Steering Committee have been established with Terms of Reference for each. mSCOA Governance Structure has been set up and work on the project is continuing and reporting to the governance structure is also taking place as scheduled.

APPENDIX I - CAPITAL EXPENDITURE - NEW & UPGRADE/RENEWAL PROGRAMMES

Capital Expenditure - New Assets Programme*							R '000
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/2017	2017/2018	2018/2019
Capital expenditure by Asset Class							
Infrastructure - Total	**359 503**	**359 998**		**316 548**	–	–	–
Infrastructure: Water - Total	305 507	303 229		271 061	–	–	–
Reticulation	305 507	303 229	325 236	271 061			
Infrastructure: Sanitation - Total	53 996	56 769		45 487	–	–	–
Reticulation Sewerage purification	53 996	56 769	54 338	45 487			
Infrastructure: Other - Total	–	–		–	–	–	–

Table I.1

APPENDIX I (i) - CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							R '000
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/2017	2017/2018	2018/2019
Other assets	**36 046**	**35 975**		**34 108**	–	–	–
General vehicles	12 445	12 600	13 100	7 934			
Computers - hardware/equipment	1 441	4 437	1 474	1 167			
Furniture and other office equipment	3 214	3 438	2 418	2 581			
Other Buildings	18 946	15 500	22 443	22 427			
Total Capital Expenditure on new assets	**395 549**	**395 973**		**350 656**	–	–	–

Table I.2

APPENDIX I (ii) - CAPITAL EXPENDITURE - UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - New Assets Programme* R '000							
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/2017	2017/2018	2018/2019
Capital expenditure by Asset Class							
Infrastructure - Total	**359 503**	**359 998**		**316 548**	**–**	**–**	**–**
Infrastructure: Water - Total	305 507	303 229		271 061	–	–	–
Reticulation	305 507	303 229	325 236	271 061			
Infrastructure: Sanitation - Total	53 996	56 769		45 487	–	–	–
Reticulation Sewerage purification	53 996	56 769	54 338	45 487			
Infrastructure: Other - Total	–	–		–	–	–	–

Capital Expenditure - New Assets Programme* R '000							
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/2017	2017/2018	2018/2019
Other assets	**36 046**	**35 975**		**34 108**	**–**	**–**	**–**
General vehicles	12 445	12 600	13 100	7 934	-	-	-
Computers - hardware/equipment	1 441	4 437	1 474	1 167			
Furniture and other office equipment	3 214	3 438	2 418	2 581			
Other Buildings	18 946	15 500	22 443	22 427			
Total Capital Expenditure on new assets	**395 549**	**395 973**		**350 656**	**–**	**–**	**–**

Table I.3

APPENDIX J - CAPITAL PROGRAMME BY PROJECT 2015/2016

Capital Programme by Project: 2015/2016					
					R' 000
Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Water					
ALL PROJECTS	308 829	330 836	274 054	-21%	-13%
Sanitation/Sewerage					
ALL PROJECTS	56 769	54 338	45 487	-19%	-25%
Economic development					
ALL PROJECTS	1 509	1 509	396	-281%	-281%
Safety and Security					
ALL PROJECTS	3 000	6 500	6 090	-7%	51%
ICT and Other					
ALL PROJECTS	27 375	27 335	25 026	-9%	-9%

Table J

APPENDIX K - DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: 2015/2016				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	**Nature of project**	**Conditions attached to funding**	**Value Year 0 R' 000**	**Total Amount committed over previous and future years**
Ugu South Coast Tourism Entity	LED PROGRAMMES	N/A	11 596	
Ugu Development Agency	LED PROGRAMMES	N/A	5 250	

Table K

APPENDIX L - MANAGEMENT CORRECTIVE ACTION PLAN

UGU DISTRICT MUNICIPALITY
MANAGEMENT CORRECTIVE ACTION PLAN
ANNEXURE A: MATTERS AFFECTING THE AUDIT REPORT

No.	Category/ Workstream	Audit Finding	Page. no.	Rating: Matters affecting the auditor's report	Rating: Other important matters	Rating: Administrative matters	Description of Required Management Action	Responsible Person: Responsible HOD (Driver)	Responsible Person: Reviewer	Responsible Person: Preparer	Start date	Targeted Completion Date	STATUS: Resolved (Yes/No/In Progress)	STATUS: Comments from user depart	STATUS: Evidence Required	Evidence submitted or Not submitted
1	Financial Statements	Adjusted material misstatements in the AFS	35	X			Preperation of interim / quarterly AFS and review there to Timeous preperation and review of AFS prio submission for audit	CFO	Manager: Budget	Accountant: Budget	03-Jan-17	Quarterly until 30 June 2017			Interim AFS and Proof of reiev thereto	
2	Procurement and Contracts Management	Suppliers in the service of the State	36	X			Verification of all bidders whether they are in the service of the state or not prior to appointments through assisatnce from the AG since the Municipality doesn't have the system.	CFO	Manager: SCM	Contracts Administrator	03-Jan-17	Everytime prior awarding			Proof of verification prior appointment	

UGU DISTRICT MUNICIPALITY
CLEAN AUDIT ACTION PLAN FOR 2016/17

No.	Workstream/ Category	Issue / Challenge	Corrective Action					
			Description of Required Management	Responsible Person			Start date	Targeted Completion Date
				Accountable Person	Reviewer	Preparor		
1	Availability of staff	Non-availability of all key staff	No approval for leave, attendance of workshops/ conferences will be granted during	HOD's	All Managers and Snr Managers	All key staff	01/07/2017	25/11/2018
2	Submission of information	Late / Non submission of information	Submission of information within the required timeframes	HOD's	HODs	All Managers and Snr Managers	01/03/2017	End of audit
			Management and follow up on requests for information	HOD's	MM	Manager Internal Audit	01/03/2017	End of audit
		Submission of inaccuarate information	Comprehensive review of all information before it is submitted for audit.	HOD's	HOD's	All Managers and Snr Managers	01/03/2017	End of audit
3	Annual Financial Statements	Quality of the Annual Financial Statements submitted for audit.	Daily, weekly and monthly processing and reconcilling of transactions.	GM WS, CFO and GM CS	All Treasury Managers, Snr Manager PMU and Snr Manager HR	All Accountants and HR Officer	01/07/2016	30/06/2017
			Monthly preparation and review of reconciliations as per Treasury schedule of deadlines	CFO	All Treasury Managers	All Accountants	01/07/2016	30/06/2017

UGU DISTRICT MUNICIPALITY
CLEAN AUDIT ACTION PLAN FOR 2016/17

No.	Workstream/ Category	Issue / Challenge	Corrective Action					
			Description of Required Management	Responsible Person			Start date	Targeted Completion Date
				Accountable Person	Reviewer	Preparor		
			Monthly Review of the Treasury Compliance Checklist	CFO	Manager: Budget Office	All Managers	01/07/2016	30/06/2017
			Preparation of Interim AFS 16/17	CFO	Manager: Budget Office	GL Recons Officer	01/02/2017	25/03/2017
			Preparation and adoption of the AFS Preparation Plan 15/16	CFO	Manager: Budget Office	Treasury Managers	01/04/2017	31/05/2017
			Adequate Review of the working paper file and AFS prior to submission	CFO	Manager: Budget Office	GL Recons Officer	01/08/2016	12/08/2016
			Review of the accuracy of annual AFS by Internal Audit and Audit Committee.	CFO	Internal Audit and Audit Committee	Treasury Managers	13/08/2017	30/08/2017
4	SCM	Irregular Expenditure	Maintain a file of all S36 deviations and ensure proper authorisation by the AO	CFO	Manager: SCM	Procurement Co-ordinator	03/01/2017	30/06/2017
			Maintain a register of all variation orders	CFO	Manager: SCM	Contacts Administrator	03/01/2017	30/06/2017
			Ensure compliance with all SCM legislation and regulations	CFO	Manager: SCM	All HODs and SCM Coordinator	03/01/2017	30/06/2017

Ugu District Municipality
(Registration number DC21)
Consolidated Financial Statements for the year ended 30 June 2016

Index

The reports and statements set out below comprise the consolidated financial statements presented to the provincial legislature:

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)